

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

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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

Tuesday, September 9, 2003

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

TABLING OF REPORTS

Hon. Gord Mackintosh (Minister of Justice and Attorney General): Mr. Speaker, I am pleased to table the Supplementary Information for Legislative Review, the 2003-2004 Departmental Expenditure Estimates.

I am also pleased to table several reports, copies of which have been already distributed: the Manitoba Judicial Council annual reports; the Manitoba Human Rights Commission Annual Report; Discriminatory Business Practices Act, March 31, 2003; MPI '02 Annual Report; Law Reform Commission, '02-03; MPI Quarterly, three months ended May 31, 2003.

I am also pleased to table under The Regulations Act a copy of each regulation registered with the Registrar of Regulations, after the regulations were tabled in this House, December 2002, and more than 14 days before the commencement of this session. I also have a box of these, Mr. Speaker, that the Assembly office will provide.

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, I would like to table the following Supplementary Information for Legislative Review 2003-2004 Departmental Expenditure Estimates for Finance, Civil Service Commission, Manitoba Employee Pensions and Other Costs and Manitoba Enabling Appropriations and Other Appropriations.

Hon. Scott Smith (Minister of Transportation and Government Services): Mr. Speaker, I am pleased to table the Supplementary Information for Legislative Review 2003-2004 Departmental

Expenditure Estimates for Manitoba Transportation and Government Service.

* (13:35)

Hon. Ron Lemieux (Minister of Education and Youth): Mr. Speaker, I am pleased to table the Supplementary Information for Legislative Review of Manitoba Education and Youth 2003-2004 Departmental Expenditure Estimates.

Hon. Eric Robison (Minister of Culture, Heritage and Tourism): Mr. Speaker, I am pleased to table the 2003-2004 Departmental Expenditure Estimates of Culture, Heritage and Tourism.

ORAL QUESTION PERIOD

**Bovine Spongiform Encephalopathy
Cash Advance for Producers**

Mr. Stuart Murray (Leader of the Official Opposition): Yesterday the Premier talked about money he has used from the rainy day fund, but he has used it for programs that are not working. If the Premier cared at all about these families and about the future of the industry, he would use that fund today to provide cash advances. That is what is needed. It may mean that this Premier might have to make some tough decisions to ensure that his Budget is balanced, but he is the Premier of this province and that is his responsibility.

Will the Premier and his Government show that they have a heart, show they care and will they flow a cash advance immediately from the rainy day fund?

Hon. Gary Doer (Premier): Mr. Speaker, obviously the continued closure of the border for the majority of producers here in Manitoba continues to represent a real economic challenge for many farm families, many communities, many businesses that are a part of our agricultural

economy. That is why we announced a \$100-million low-interest loan program. That is why we have announced an amendment to our program to provide for a feeder program and that is why also we agreed with some changes to the APF, including the ability of producers to pay in a more sensitive way. That is why we agreed to join in on the federal-provincial program because we knew the crisis was real and we knew that no matter what our objections were to the federal-provincial support agreements, we had no choice with the crisis that was before us but to have a program in place for federal-provincial funding.

I would point out to members opposite that our \$43 million is in place for the provincial share of that program. We want the federal government to sign that agreement now that we have agreed to it with the changes we obtained over the summer. That was the advice we received from the municipalities; just recently the farm organizations, all the farm organizations, to sign that agreement with our \$43 million plus the federal program. We want the cash to flow to people involved in the cattle crisis immediately. We do not accept the alternative of members opposite to run a deficit, and I am a little surprised that they would suggest that.

Mr. Murray: Mr. Speaker, I would like to table a letter that was sent to the Premier for the House, please.

Mr. Speaker, the Premier just said that this crisis is real. If he honestly believes that, why does he not open up his heart and show that he cares about families in crisis? Today we find it is 113 days since this border has been closed. Instead of offering leadership, the Premier continues to blame others. As one Manitoban, and this is in a letter that I just tabled, Laura Chartier put it in a recent letter that she sent to the Premier and I quote: If you are waiting for the federal government to be the leader in this situation, you will be saying that agriculture and the beef industry in Manitoba is a lost deal. The federal government will not take a stand in this situation, as has been shown time and time again.

Will the Premier provide the leadership, the hope, the opportunity to those families in crisis

and flow money to them today from the rainy day fund?

* (13:40)

Mr. Doer: Mr. Speaker, there is money flowing today from the rainy day fund to deal with the program that we amended without the federal government's support to deal with the feeder program. There is also money flowing today to try to increase slaughter capacity from a very small amount here in Manitoba to a larger amount, particularly targeting for the cattle that we are most worried about, the older animals here in Manitoba.

We have indicated verbally to the federal government and to various municipalities that we also will be putting money on the table for a drought transportation program. We also believe that program should be federally and provincially supported. We also believe, Mr. Speaker, that the major amounts of cash necessary to deal with this crisis should flow with the agreement of Manitoba to have our \$43 million in this Budget available to people in crisis and to join in with the federal government with the APF agreement to flow cash immediately.

So, on the feed program, on the slaughter program, on our share of the slaughter subsidy, on a drought program and on the agricultural support programs, Manitoba money is on the table. It is on the table. It is on the table and it is flowing, and we need a federal partner to continue to deal with this crisis.

Mr. Murray: Mr. Speaker, whatever table it is on it is certainly not on the producers' table. They are suffering. Manitobans like Laura Chartier want real programs that work for them in this crisis. As she said in the letter, the e-mail that she sent to this Premier, and I quote: You just keep waiting and we just keep waiting for you to make some concrete solutions, and some form of cash, not in the form of another loan, funding that would assist producers through this serious time. Winter is fast approaching and time is running out. Please rise up and show us you care.

Will the Premier do the right thing and show us that he cares about people like Laura? Flow

money from the rainy day fund, Mr. Premier, to those producers today. It is a crisis, sir.

Mr. Doer: Mr. Speaker, I note that the Leader of the Opposition has not differentiated himself from his critic who, in the *Brandon Sun* and the *Winnipeg Free Press* today, is calling on the Government to run a deficit. When we met with a number of—[interjection]

Mr. Speaker: Order.

Mr. Doer: Well, of course, we know what programs were going to be cut to deal with the education tax reduction from the member opposite.

Three years ago the members opposite asked us to take \$300 million out of the rainy day fund to deal with the grain and oilseeds. They asked us to take another significant amount out two years ago. Both years we put \$50 million in to be joined by the federal government for cash support. Again last year they asked us to take another \$200 or \$300 million out of the fund. We believe that money from Manitoba must flow from the provincial taxpayers to the cattle producers that are in crisis. That is why we agreed with the changes to the federal-provincial program to put our \$43 million on the table. Our \$43 million is on the table, and we want the national government to immediately deal with their portion of this agreement to have this money flow immediately to the producers here in Manitoba.

* (13:45)

Secondly, Mr. Speaker, there is money from the rainy day fund for the feeder program, for the slaughterhouse enhancement program, potentially for a federal-provincial drought transportation program, for forest fires. We believe this is an important program for people. All these programs are important. Obviously, opening the border is important.

I would point out every farm organization we have met with in the last week has told us to sign the APF agreement. You have no choice but to get that money into people's hands. You have no choice but to sign the agreement. They thanked us for getting improvements to that

agreement by holding off for a couple of weeks. Members opposite are telling us not to sign. All the major farm organizations are telling us to sign and have a true federal-provincial response to this crisis.

Bovine Spongiform Encephalopathy Impact on Families

Mrs. Leanne Rowat (Minnedosa): Mr. Speaker, Manitobans were disappointed to learn the Family Services Minister has not been working throughout the summer to develop a plan to help with families who, through no fault of their own, are struggling to make ends meet. As a new member of the Manitoba Legislative Assembly, I was disappointed the minister did not have a straightforward answer to my straightforward questions.

Mr. Speaker, my question is to the Minister of Family Services. I want to ask him again what plan has he put in place to help the families through this crisis.

Hon. Drew Caldwell (Minister of Family Services and Housing): I would like to again thank the member for her question. Of course, as a western Manitoba MLA joined by my colleague in Brandon West, we are very, very concerned, particularly how the BSE crisis is affecting our own region of the province. I, along with my colleagues in government, have been meeting extensively with producers, with municipal officials. Last night we were in the building until after ten o'clock meeting with elected officials as well as producers. We are responsive to all Manitobans in times of need, Mr. Speaker, and will continue to be so.

Mrs. Rowat: Mr. Speaker, the Family Services Minister has not reached out to the families in crisis. He has not developed a plan to help them. He is abandoning the very people he is supposed to be helping.

Can the Minister of Family Services explain to moms and dads who, through no fault of their own, are struggling to get through the crisis why his Premier (Mr. Doer) refuses to provide them with cash advances they so desperately need to pay the bills, to feed, clothe and educate their children?

Mr. Caldwell: I respect the fact the member is a new member to this House and I will presume she does not know that her party cancelled the rural stress line and took away a resource from western Manitobans and rural Manitobans, Mr. Speaker. That was reinstated by our Government after the cut. I will assume the member as a new member of this Chamber did not know that, but certainly as a Westman MLA she should know it.

Mrs. Rowat: Mr. Speaker, this is a non-caring minister, this is a heartless Premier and this is a cold and callous government. Children will not have the proper clothes to keep them warm or be able to participate in the usual activities because the money is just not there.

Will the Minister of Family Services stand up for the children and the families whose welfare is supposed to be protected? Will he press his Premier to provide Manitobans with the assistance they so desperately need?

Mr. Caldwell: Again, Mr. Speaker, I recognize the member is a newcomer to this Chamber. I really wish she would not read off a prepared text that is full of political rhetoric, because it does not do anything to bring Manitobans together.

Those of us on this side of the House, as I said in earlier responses, have been very, very busy this summer. In fact, we have been very busy since 1999 bringing forth initiatives that improve the quality of life for all Manitobans. We will continue along that tack, Mr. Speaker, and political rhetoric off a sheet of paper read into the record does not help that situation.

* (13:50)

Bovine Spongiform Encephalopathy Loan Program

Mr. Mervin Tweed (Turtle Mountain): Mr. Speaker, Manitoba's livestock producers have very serious concerns about the Government's BSE loan program. Producers have been told there would be or could be a processing fee of up to a thousand dollars. They have been told they could require the services of a lawyer and an accountant and they have been told that all

bills payable must go through MACC for approval before the loan is given out. The producers fear they are signing their lives away to the Government in order to come out of this BSE crisis.

My question, Mr. Speaker, is: Can the Minister of Agriculture tell this House, and I want to be perfectly clear, I want to know how many producers have formally requested loan applications and how many have been approved to date?

Hon. Rosann Wowchuk (Minister of Agriculture and Food): It is very interesting, Mr. Speaker, that the member has such concern about the application form that is in place for the BSE recovery program because the previous administration put a program in place in 1997 called the Producer Recovery loan. The difference between the two applications is theirs was at a prevailing interest rate, ours is at a 3.2% interest rate and 2.25% interest rate for young farmers.

Mr. Speaker, the application forms are exactly the same, exactly the same. So, if the member is concerned about how this program is being administered, I can tell him it is exactly the way it was being administered when they put in the Producer Recovery loan. We have made some modifications to improve the process, but I can tell you that the member raises issues that bills have to come in. That is not true.

Mr. Tweed: It seems to be harder to get an answer out of the Minister of Agriculture. It is almost about as hard as it is to get a copy of the application that we requested from her office and several offices around Manitoba who do not even know they have it or claim they do not have it. I will ask the minister again, and I will ask her very clearly. We know she has sent out several applications to producers, sent them out voluntarily. I want to ask the minister to clear the record and tell this House and tell Manitobans: How many applications have been requested by producers and how many have been processed?

Ms. Wowchuk: Mr. Speaker, the member seems to imply that we are sending out application forms to people. The application forms are

available at the Agricultural Credit Corporation office, and we have put additional staff into parts of the province where there are the most serious impacts by the BSE.

Mr. Speaker, I can tell the member that there are close to a thousand applications that are being processed right now and over a hundred have been approved, so there is interest in the program and staff are working diligently to deal with people on their individual cases to ensure that the money we have made available does flow to the producers. The member seemed to think that a cash advance is better than a loan. They forget to recognize that when you take a cash advance, you also have to have security and you also have to fill out an application form.

Mr. Tweed: When the minister was out doing her tour of rural Manitoba and supposedly listening to the producers, she was also told that the producers could not afford another loan, did not want another loan. In fact, one guy expressed the sentiment that by taking out another loan on debts he cannot pay now would be like eating his seed corn in the spring. It just does not work, Mr. Speaker.

Mr. Speaker, I want to ask the minister now: Will she acknowledge that her loan program is failing Manitoba producers at their biggest time of need in the crisis under the BSE problem, and will she move to a cash advance program to ensure the stability of our producers in rural Manitoba?

Ms. Wowchuk: I am not sure where the member was when I was in Hartney. I cannot remember whether he was at the same meeting, but when I met with producers there, producers there said we need a cash flow, we need lower interest rates for our younger producers. We recognize that. When we were at the meeting in Hartney, the Manitoba Cattle Producers when they made their presentation said they would like to see something similar to the producer recovery loan, Mr. Speaker, and I guess the member does not talk to his leader who just sent out a letter earlier on saying that a low-interest rate program would be good.

* (13:55)

Mr. Speaker, the program is working, cash is flowing to the producers. I would encourage

more of these people to encourage people to take this cash flow until such time as the feds come on board. We need the feds on board. We need the Opposition to stand with us to put pressure on the federal government. Our money is on the table. Why do they not stand together and stand up for Manitobans and put pressure on the federal government?

Bovine Spongiform Encephalopathy Compensation for Producers

Mr. Kelvin Goertzen (Steinbach): Jake Harms is a 65-year-old cattle rancher in the Kleefeld area. Mr. Harms has lost \$200,000 as a result of feeding his herd throughout the summer, money he knows that he will never recover in his lifetime. He is now unable to access the minister's loan program which she says is working because he does not have sufficient collateral to meet the minister's needs. The Minister of Agriculture has failed Mr. Harms. What is her plan to make sure producers like him are able to live and survive?

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Members across talk about cash advance versus a low-interest loan. I can tell you, Mr. Speaker, and I can tell others, whether it is a cash advance or a loan, even if it is a federal loan that the people who sell wheat get, they still have to sign a security. They still have to sign a security—[interjection]

Mr. Speaker: Order.

Ms. Wowchuk: Mr. Speaker, the situation with BSE is very serious and causing pressure from many families. I would ask the member if he knows of individuals who are having difficulty getting their loans, that he send their names to my office and we perhaps can work with those people, rather than rankling at me on the floor of the Legislature.

Mr. Goertzen: Mr. Speaker, at a cattle producers' meeting in Grunthal, Manitoba, on August 19, ranchers asked the Minister of Agriculture what they should do if the border did not open by the end of September. Should they go bankrupt feeding their cattle over the winter? Would there be a cull program? Someone suggested that they just directly deliver their cattle right to the minister.

Mr. Speaker, two weeks later they are still waiting for an answer. What does this minister expect ranchers to do if the border does not open by the end of this month?

Ms. Wowchuk: I would remind the member that this is not the Manitoba border that is closed. It is the Canadian border that is closed and it is an issue that cattle producers across the country are facing, Mr. Speaker, and one we have to work very diligently on. The priority is to open the border.

I have talked to many producers who are making decisions, producers who are rolling up straw, producers who are finding different places to house their cattle. Producers are making their decisions and I have been calling on the federal minister to put together a team of people to put together a national strategy on a cull program, Mr. Speaker. We are going to be having that meeting very shortly.

Mr. Goertzen: Mr. Speaker, agricultural reporter, Harry Siemens, stated in the last edition of *Farm Watch* that the Manitoba government had failed to provide leadership on the BSE crisis. He said that producers in desperation were left to turn to friends, church, social services, farm organizations, family doctors or anyone else that was prepared to listen. Why is the Minister of Agriculture not listening? Will she tell ranchers what they are expected to do if the border remains closed? Give them a plan.

*(14:00)

Ms. Wowchuk: Mr. Speaker, I have been out listening to producers and I have been talking to people in church groups that have been very supportive. I think we all have a responsibility to be supportive of our neighbours through this crisis. It is something that I have talked about to farm organizations: to be there, to support their neighbours.

The member talks about if the border does not open. The goal is to open the border. There was a partial opening to cut meats, Mr. Speaker. That is one step. A few products are going over the border. There are close to 200 permits that are in the process of being approved, and I think many of those will be approved very shortly.

That is what we have to work toward, getting that border open and putting in place plans on how we will deal with cull cows.

We have taken the step to increase our slaughter capacity, something that the previous administration neglected in all their years of office. It is a shame that they allowed that to slip down to 16 000 animals—

Mr. Speaker: Order.

Livestock Producers Meeting with Premier

Mr. Ron Schuler (Springfield): My question is to the Minister of Agriculture. For 72 days the Premier (Mr. Doer) of Manitoba refused to meet with any farm group, refused to meet with a cattle producer or even a farmer, yet he had all kinds of time to munch shrimp cocktail with the rich and famous in Hollywood.

Mr. Speaker: Order. I ask the co-operation of all honourable members, please. I have to be able to hear the questions and hear the answers in case there is use of unparliamentary language or a breach of the rules. So I ask the co-operation of all honourable members, please.

Mr. Schuler: My question is to the Minister of Agriculture. For 72 days the Premier of Manitoba refused to meet with any farm group, refused to meet with a cattle producer or even a farmer, yet he had all kinds of time to munch shrimp cocktail with the rich and famous in Hollywood.

Why did it take 72 days for this minister to convince her boss, the Premier, to meet with the cattle producers in Manitoba?

Hon. Rosann Wowchuk (Minister of Agriculture and Food): I have to tell the member the Premier (Mr. Doer) does not like shrimp, but he has been eating an awful lot of roast beef.

I can tell the member that he is wrong about the Premier not meeting with producers. He met with them on June 23, Mr. Speaker. I have to also tell you that the role of the Premier is also to represent the people of this province at a different level.

He raised this issue in Kelowna. He raised the issue with the Prime Minister. He raised the issue with leaders in the United States when he went to Minnesota.

All of these are important issues, Mr. Speaker. I am very proud of the position our Premier has taken in standing up for Manitobans.

Mr. Schuler: The Premier running over a cow with his SUV does not constitute a meeting. The cattle producers want meaningful meetings with this Premier.

My question is to the Minister of Agriculture. A farm family states that the kids have all outgrown their snowsuits and boots; we cannot afford to buy new ones.

Why did it take 72 days for this minister to convince her boss, the Premier, to meet with any farm group, her boss with time to stand around with the rich and famous in Hollywood licking caviar off his fingers?

Mr. Speaker, the Premier has time for Hollywood, California but not for Rockwood, Manitoba. Shame on him.

Ms. Wowchuk: Mr. Speaker, the member is wrong in his comments. I can tell you that although the Premier was not meeting face to face with the cattle producers when we were in Kelowna, it was at the Premier's insistence that the western premiers' meetings stopped and that we had the opportunity to call back to each of our provinces respectively to see whether the program that was being put in place was the right program. We called back and talked to the Manitoba cattle producers. We are in constant contact.

I can also tell the member that there are regular meetings with staff in my office, and I meet on a regular basis with the cattle producers to discuss this very important issue that is impacting on cattle producers all across Canada.

Mr. Schuler: My question is to the Minister of Agriculture. As the Premier of Manitoba sipped champagne with the rich and famous of Hollywood, a farm family asks: What are we going to

do? We have children to feed, children to clothe and children to educate.

Will the minister insist that her boss the Premier live up to his promise to be a leader for all Manitobans and not just be a follower of the rich and famous?

Hon. Gary Doer (Premier): I think it is really important that we not trivialize a very, very serious issue here in Manitoba.

Mr. Speaker, it is important, I think, to recognize that Manitoba was invited to host Canada Day celebrations in Los Angeles. Last year Premier Klein did so in the same city and the year before on Canada Day the British Columbia government hosted.

I would point out that all Manitoba agricultural products were served, promoted and deals were signed dealing with agricultural diversification, including selling carrots to California.

Having said that, Mr. Speaker, the issue is extremely serious. We have tried to adjust our programs accordingly and I think it is time to stop trivializing this issue. I think it is time to deal with the money that we have put on the table for the federal-provincial agreement. Our money is ready to flow tomorrow. Let us get the feds onside and start dealing with the real economic crisis.

Livestock Industry Feeder Assistance Program

Mr. Jack Penner (Emerson): On July 15 this Government announced a \$15-million feeder program and yesterday in Estimates the Minister of Agriculture said there was only \$10 million in the province's feeder assistance program.

Mr. Speaker, will the Minister of Agriculture tell this House why her Government misled Manitobans announcing a \$15-million program for feeders one day, cutting that amount to \$10 million and then finally dumping the whole program altogether?

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Mr. Speaker, I explained this to the member in Estimates yesterday, but I guess

he does not understand so I will explain again, that is that we had a \$15-million program that was put in place for the slaughter deficiency program. We changed that program to a feeder program at the request of the Manitoba producers. It was within that package that we are doing our slaughter program and our feed program, but the most important thing is that the program is being replaced. We now have money that will be flowing through the APF to the Manitoba producers, but if there is a deficiency in the program we will work through it with the cattle producers.

Mr. Speaker, I talked about this issue with the cattle producers yesterday. My department will be meeting with them tomorrow, but I can tell you that the decision that was made to change the program from a slaughter program to a feed program was done in consultation with the cattle producers.

Mr. Penner: Mr. Speaker, I do not think there is another group in Manitoba that feels as betrayed right now as the Manitoba cattle producers and the people in rural Manitoba.

Can the Minister of Agriculture tell this House how much money the Manitoba government actually paid out under the feeder program and how many people benefited from the program before they yanked it a couple of days ago?

Ms. Wowchuk: Mr. Speaker, the program that was put in place will be expended. The whole program that was put in place will be expended. As well, we have put in \$43 million that is there waiting to flow as soon as the federal government will allow us to flow that money so that there can be bridge money, there can be funds.

Mr. Speaker, there is also a \$50,000 low-interest loan that can be used by producers to help them bridge until such time as the border opens or other money flows.

*(14:10)

Minister of Agriculture and Food Resignation Request

Mr. Jack Penner (Emerson): Mr. Speaker, never before have I seen the blame game played

as well as this Government is playing the blame game.

Mr. Speaker, I ask the minister: What do you say to a struggling farm woman who writes, and I quote: If you are not going to help your own farmers, at least have the decency to say so. Then at least I can leave the keys on the bank manager's desk.

Is this what you want, Madam Minister, for this young farm woman to do?

I think it is time that I ask again, Mr. Premier, for your minister to resign, and if she will not resign, at least have the decency to remove her from office because the cattle producers in this province cannot wait until November.

Mr. Speaker: Order. Before I recognize the honourable First Minister, I would just like to remind all honourable members when putting a question or answering a question to please put it through the Chair.

Hon. Gary Doer (Premier): Mr. Speaker, last night and again the week before that, and the week prior to that, all the farm organizations applauded the Minister of Agriculture (Ms. Wowchuk) for getting improvements to APF, including the way producers have to pay and have latitude to pay into that program. All of them advised us to sign the agreement. The member opposite would not sign the agreement, would not have any program in place. Two years ago it was \$300 million out of the rainy day fund, last year it was \$300 million out of the rainy day fund, now it is \$350 million out of the rainy day fund, now it is going into the deficit.

Mr. Speaker, we know that agriculture is a federal-provincial program. Our \$43 million is on the table with an improved program, albeit deficient program, that we have agreed to, to get the cash crisis dealt with. They would not sign the agreement. They are all over the place, Mr. Speaker. This Minister of Agriculture is dealing with this crisis in a straight ahead way with a federal-provincial solution in place.

Agricultural Policy Framework Cash Advances

Hon. Jon Gerrard (River Heights): Mr. Speaker, my question is to the Minister of

Agriculture. Yesterday, the minister indicated that a requirement for cash advances or interim payments under the Agricultural Policy Framework is that a particular proportion of the provinces, representing a certain proportion of the industry, must sign on. I would ask the minister whether she can clarify the requirements for cash advances or interim payments to flow to producers affected by the detection of the case of mad cow disease in Canada.

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Mr. Speaker, yesterday I did indicate that we are prepared to sign on to the Agricultural Policy Framework agreement. I hope that other provinces that have not signed yet will sign on as well. There has to be 50 percent of the provinces signing on. Right now there are four provinces, Manitoba will be the fifth.

The federal government has told us that when a program is implemented, they will then put in an interim payment that will flow the money. The federal government is administering the program and they will be the ones. I can also tell the member that the federal government has \$600 million that is available that they could be flowing to the provinces now and they are refusing to flow that money until people sign on to the APF. I would ask him to talk to his colleagues and encourage them to loosen up some of the money that is not tied to the APF. Our money is on the table. I want the federal money to flow, too.

Mr. Gerrard: Mr. Speaker, my supplementary to the Minister of Agriculture. I ask the minister: Is she not aware of the federal government's communication of August 12, which I table, which indicates very clearly that the federal Agriculture Minister can indeed flow the cash advances or interim payments once the bilateral agreements are in place and there is not a requirement for 70 percent of the provinces with 50 percent of the industry?

I would ask the minister: Was she not aware of the announcement on August 12?

Ms. Wowchuk: Mr. Speaker, I would like to tell the member that the federal minister did put out

a press release saying that he could flow the bilateral money and then he changed his mind on that. He is not flowing bilateral money. I would be quite happy to sign a bilateral agreement and have the money flow to Manitoba. I can tell you Alberta and B.C. have signed their agreements, but there is no bilateral money flowing there. He needs the whole agreement to be approved.

Mr. Gerrard: I think what is important to producers is when the cash advances will flow. Can you tell us when the cash advances will flow?

Ms. Wowchuk: Mr. Speaker, the federal minister, who the member I believe knows, could flow the \$600 million right now because it is not tied to the Agricultural Policy Framework.

I have asked the federal minister to courier us a copy or come here and sign the agreement immediately, as soon as possible, so that Manitoba will have a bilateral agreement and then we can make some decisions on flowing the money. I would ask him to call his colleagues in Ottawa and ask them when they are going to loosen the purse strings and start recognizing how serious the situation is on the Prairies.

Interprovincial Migration Manitoba Statistics

Ms. Nancy Allan (St. Vital): Mr. Speaker, my question is for the Minister of Industry, Trade and Mines. Population growth is an economic indicator of how well a province is doing. Could the Minister of Industry, Trade and Mines update the House in regard to the recent interprovincial migration statistics?

Hon. MaryAnn Mihychuk (Minister of Industry, Trade and Mines): Mr. Speaker, I want to thank the member for the question and indicate that some of the numbers we have received in the last two quarters and projected for the next do show a positive trend for interprovincial migration, one that has been particularly challenging particularly in the nineties and early part of the 2000s. We have traditionally seen a net loss of people from our province. It looks like we have turned the corner on that and, in fact, we have seen over 600 people across the country moving into Manitoba. That, coupled with our international migration, means that Manitoba is

growing and I hope to see even stronger numbers in the future.

Mr. Speaker: Time for Oral Questions has expired.

MEMBERS' STATEMENTS

Bovine Spongiform Encephalopathy

Mr. Glen Cummings (Ste. Rose): Mr. Speaker, now we have seen in the House today the Liberals and the NDP both trying to blame Ottawa for not flowing enough money into the pockets of producers who have actually gone from being contributing members of society. Progressive agricultural producers have been turned into broken beggars who are looking for support anywhere they can get it. There will be people who will survive this industry, but they will survive in spite of what government may or may not be doing to provide assistance.

Today the entire Question Period we have seen this Government unwilling to take responsibility for the fact that they could flow some cash as an advance, and the fact that they are prepared to sign on the Policy Framework is the perfect reason that they could shorten that time frame that is required for people to get some cash from the federal program.

This Minister of Agriculture (Ms. Wowchuk), Deputy Premier, member of the Treasury bench, she is sitting beside the gentleman who could make that decision, the Premier (Mr. Doer), and she seems to be unable to exercise enough influence to have him realize that there are people out there who can and do need this Government to step up and fill the void that is temporarily out there in a cash flow situation that is all to do with the closure of the border and not the direct fault of this industry. This industry could absorb a normal drop in industry prices. They could afford a normal problem in agriculture. They cannot afford a totally abnormal trade situation, and this minister and this Government is abdicating their responsibility by not stepping up to the plate.

* (14:20)

St. Vital Agricultural Society

Ms. Nancy Allan (St. Vital): Mr. Speaker, it is a pleasure to have the opportunity to recognize a

very important community organization in my constituency, the St. Vital Agricultural Society. The St. Vital Agricultural Society's mission is to encourage excellence in horticulture, baking, handicrafts and graphic arts and provide educational and promotional opportunities for the wider development of these skills, to instil a love of gardening, especially amongst our youth, to promote beautification of our homes and environment and maintain an awareness of St. Vital's agricultural traditions.

Mr. Speaker, St. Vital was known as an agricultural community in its beginning days with its many market gardens and horse racing on the river. I had the opportunity to attend the 94th annual display and fair in August at the St. Vital Centennial Arena celebrating the rich agricultural traditions of St. Vital. The many displays included sewing, handiwork, baking, cut flowers, painting, photography, vegetables, a woodworking display, preserves and a junior gardening competition. This particular competition is intended to make young people aware of gardening and encourage them to develop long lasting gardening and environmental skills. This year they added an opportunity to have antiques appraised, and it was a welcome addition to the festivities.

I would like to thank the many volunteers and the board of directors who worked tirelessly to produce this event. Their commitment ensures that the fair is still thriving, and I know they want to make it another five years to mark 100 years.

Congratulations to all the exhibitors for their creative participation in this very worthwhile event. I would also like to extend my thanks to the many sponsors and advertisers for supporting the fair and remembering the steep tradition of agriculture in St. Vital.

Brunkild Centennial

Mrs. Mavis Taillieu (Morris): The weekend of July 25 to 27, I had the pleasure of attending the centennial of the village of Brunkild. This vibrant southeastern Manitoba community was host to a weekend of celebration, festive activities and remembrance of the past 100 years of growth and development.

Brunkild was established in the 1890s as the first permanent settlers began to populate the

area setting up farmsteads and businesses to serve the local agricultural community. During this centennial celebration, many people attended various events throughout the weekend, visiting their favourite sights and reuniting with family and friends. The weekend celebration began with the wine and cheese party on Friday evening and following a Saturday morning pancake breakfast, there was a lively parade led by rural RCMP members Sue Laforte and Arnold Kliewer, Jr.

Saturday afternoon there was a brief but touching ceremony honouring the former consolidated Brunkild School No. 1281. Miss Elsie Steinke, a student from decades past, shared her memories of the four-room school, including experiences with frozen inkwells and how the school was heated before electricity was installed.

Mr. Speaker, in the early 1970s, the school was closed and subsequently demolished. Today all that remains of the consolidated Brunkild School is a stone memorial with the end of the inscription stating: Wisdom creates stability conquering all fears.

Shortly thereafter, the new centennial flag was raised by Mr. Henry Stein at Brunkild Hall. It was during this ceremony that I had the privilege of presenting a plaque to Len Poersch, chairman of the Brunkild Centennial Committee.

It was an honour for me to participate in the Brunkild ceremony this weekend and to share the experience with you today. It is important to recognize historical moments in our province and within the constituencies we represent. It was with great pleasure that I could participate in and recognize publicly the celebration of Brunkild's 100th anniversary celebration.

Cranberry Portage Anniversary

Mr. Gerard Jennissen (Flin Flon): My home community of Cranberry Portage has a long and distinguished history. For thousands of years, Aboriginal peoples used the portage between Lake Athapapuskow and First Cranberry Lake. Later, explorers, adventurers and prospectors also used the portage.

Mr. Speaker, in the 1780s, the noted map-maker and explorer, David Thompson, traversed

the area. On one of his maps, he called what is now Cranberry Portage the Cranberry Carrying Place because of the profusion of low-bush cranberries growing on the portage. Trappers and prospectors continued to use the portage until the arrival of the railroad in 1928. This year, Cranberry Portage celebrated its 75th anniversary from August 1 to 4.

Over 2000 people, many of them former residents of Cranberry Portage, participated in the numerous events and activities planned by the homecoming committee. Former residents from all over the world, including Europe and the Middle East, enthusiastically joined in the celebrations with the citizens of Cranberry Portage.

The homecoming celebrations were an exciting time to renew old friendships and visit family. Many people visited the comprehensive historical display at the Cranberry Portage Elementary School to relive the history of the community.

The largest parade ever seen in Cranberry Portage was held on Saturday, August 2. A large and eager crowd cheered on over 60 entries. Over the weekend numerous fun activities took place including a fish fry, a fish derby, dances, barbecues, as well as a massive fireworks display on Sunday. A beautiful cairn in the form of a canoe was unveiled at the lakeside park during the homecoming. The canoe is a perfect symbol for Cranberry Portage.

I am proud to represent my home town, the friendly community of Cranberry Portage. I wish to thank the community of Cranberry Portage, the 2003 homecoming committee and its many volunteers for organizing and staging a successful and memorable celebration of our colourful history. Thank you, Mr. Speaker.

Somerset Child Day Care

Mr. Denis Rocan (Carman): Mr. Speaker, I would like to arise today to commemorate the superb efforts of members of the community of Somerset.

Mr. Speaker, April 27, 2003, marked a momentous occasion that took place in Somerset, Manitoba. Despite the frigid, snowy weather

conditions, a committee consisting of the Somerset Village Council, volunteers, representatives from Regional Child Day Care and various youth members of the community joined together for the Petits Chou Day Care sod turning ceremony.

This ceremony was intended to mark the beginning of a project that is expected to have an immense impact on the Somerset community. In January of 2000 a committee was formed to engage in negotiations pertaining to the development of a much needed child care centre.

Since then the committee has been working very closely with the Regional Child Day Care co-ordinator to ensure that all rules and regulations which pertain to setting up a licensed child care centre are recognized to ensure the efficiency of the development process.

With donations amounting to \$45,500 from within the community and Community Places program dollars and through fundraising and loans, the centre officially opened last week and is now operating and providing its services. The 2150 square foot structure is located next to the school and will provide school-aged children with convenient care before and after school.

I would like to take a few moments congratulating all the individuals who participated in this project. I would be remiss by not personally recognizing the Minister responsible for Community Places program and the Minister responsible for Family Services (Mr. Caldwell) for taking an avid interest in this particular portfolio and allowing Somerset to have the 35 licensed day care spots so that the caregivers can offer more exciting programs and convenient care to children between the ages of 12 weeks and 12 years. It will be staffed by Cindy Curry, Claudette Foidart, Rachelle Preject, Sandy Thomsen, Ethel Raine and Claire DeGraeve.

Mr. Speaker, I would like to take this moment to acknowledge the efforts of the Petits Chou Day Care committee and their project manager, Mr. Roland Charbonneau, and honour their contribution to the Somerset community and to the children who will enjoy the services of the centre for youth. Thank you very much.

Mrs. Mavis Taillieu (Morris): Mr. Speaker, may I ask for leave from the members of the House to include a paragraph from my member's statement into Hansard which I missed?

Mr. Speaker: Does the honourable member have leave to include the paragraph that was omitted? *[Agreed]*

Mrs. Taillieu: I believe I left off in mid-sentence, so I will start at the beginning.

Shortly thereafter, the new centennial flag was raised by Mr. Henry Stein at Brunkild Hall. It was during this ceremony that I had the privilege of presenting a plaque to Mr. Len Poersch, chairman of the Brunkild Centennial committee and proud representative of his community. I also extended congratulations to the Town of Brunkild on 100 years of prosperity and vibrant community spirit. The evening festivities continued with dinner and dancing and Saturday night was capped off with an elaborate fireworks display.

ORDERS OF THE DAY

GOVERNMENT BUSINESS

* (14:30)

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, just as a result of the motion yesterday in the House on government business, given that we will be going into Estimates every day until Estimates are completed, there is no other government business available, I am wondering if it is necessary for the House Leader to call that. I wonder if you could just automatically call supply after grievances each day.

Mr. Speaker: Is there agreement of the House?

Some Honourable Members: Agreed.

Mr. Speaker: Agreement of the House?

Some Honourable Members: Agreed.

Mr. Speaker: So the announcement will be that right after grievances the Speaker who is in the Chair will bring forward Committee of Supply,

and also on Thursday mornings Committee of Supply will meet, until the hours have expired. Right?

The House will now resolve into Committee of Supply.

COMMITTEE OF SUPPLY (Concurrent Sections)

HEALTH

* (14:40)

Mr. Chairperson (Harry Schellenberg): Will the Committee of Supply please come to order? This section of the Committee of Supply meeting in Room 254 will resume consideration of the Estimates for the Department of Health. As had been previously agreed, questions for this department will follow in a global manner with all resolutions to be passed once the questioning has been completed. The floor is now open for questions.

Mrs. Myrna Driedger (Charleswood): I would like to tie up some loose ends from yesterday and revisit with the minister the vacancy rate. The minister did not know whether or not there was a vacancy rate being maintained in his department yesterday, and I asked the question. I wonder if the minister has had an opportunity to check into it.

It would seem to me that it is a policy issue or a government decision and that instructions would be given from either Cabinet at a decision made there or by the Premier (Mr. Doer) in terms of some cost controls. I know other departments are certainly maintaining vacancy rates. I would like to ask him again if he has had any time to look into that and find out whether or not that is being carried out in Manitoba Health.

Hon. Dave Chomiak (Minister of Health): Mr. Chairperson, I think the member mischaracterized, as is often the case, my response. I did not say I did not know. I said I would check to confirm the particular information that the member asked for.

Mrs. Driedger: Does the minister have the answer? He has his staff here. I would assume

that the deputy minister would be knowledgeable about this issue.

Mr. Chomiak: Yes, in fact, the deputy minister is knowledgeable about this answer.

Mrs. Driedger: Then do I have to ask the deputy minister the question or is the minister prepared to ask him and present that information at this table?

Mr. Chomiak: No, I wanted to correct the member again, who inaccurately stated the position I took yesterday. I just wanted to make certain from the start that the member will accurately reflect my comments, even though they are as recent as yesterday. I wanted to make sure that the member was aware that she mischaracterized again the comments that I made.

There is a general government vacancy ratio of 6 percent.

Mrs. Driedger: Mr. Chairperson, I am curious why the minister is being so manipulative about this situation. I mean, it is such a straightforward question. I do not understand why the carrying on about it and making such a big deal about how the question is being asked. I think it was asked in a very straightforward way. All I was asking for is a straightforward answer.

This is so typical of how we go through Estimates in Health that it is very tiresome and, I think, very insulting to Manitobans. I think it is extremely insulting that the minister cannot be more forthright instead of as we have gone for several years now. It is like a tango as we proceed through Estimates. I do not think it has to be that painful a procedure for either of us.

Mr. Chomiak: And I agree as long as the member does not mischaracterize my statements. That is fine. When the member, as is often the case, says something that is inaccurate it is incumbent upon me to set the record straight.

Mrs. Driedger: I think it is incumbent upon the minister to be forthright with his answers instead of the process he chooses to follow all the time.

I would like to revisit the Rick Dedi issue and ask the minister if he has for me today any

more information about the special projects Rick Dedi is in charge of?

Mr. Chomiak: Mr. Dedi is involved in a number of projects, as I indicated yesterday, that are of a planning nature and at this time I do not wish to make public.

Mrs. Driedger: Well, prior to Mr. Dedi being moved to Special Projects, and the minister indicated yesterday that his special projects were related to planning and workforce, which was what the minister told us yesterday, but Mr. Dedi was the ADM of Health Workforce. So is this new position redundant and is it absolutely necessary? Do we have a duplication going on?

Mr. Chomiak: If the member would check Hansard, I think the member would see that I answered that question yesterday.

Mrs. Driedger: Is Mr. Dedi paid at the ADM level?

Mr. Chomiak: As it is reflected in the Estimates, yes.

Mrs. Driedger: How many staff are in Mr. Dedi's area? How many staff is he responsible for?

Mr. Chomiak: There are none directly reporting while he undertakes these special projects.

Mrs. Driedger: Can the minister clarify then: Is he basically a one-person show?

Mr. Chomiak: I do not think anyone in Health is a one-person show.

Mrs. Driedger: Can the minister please tell me that, if Mr. Dedi has nobody reporting to him then, if he is working alone in this special projects area?

Mr. Chomiak: There are a number of capacities and a number of endeavours that he is involved in, and it involves interaction with both internal and external organizations concerning the work he is doing.

Mrs. Driedger: Well, the minister did not answer my question at all. How many staff are reporting to Mr. Dedi?

Mr. Chomiak: I answered that two questions ago.

Mrs. Driedger: The minister has not answered it at all. He has been somewhat evasive about this, and I am trying to clarify: In this area where Mr. Dedi is assigned, in the area of special projects, the minister indicated that he seems to be working alone in that area. Is that accurate?

Mr. Chomiak: As I indicated to the member three questions ago, there is not anyone directly reporting to him. I will repeat it again. There is not anyone reporting directly to him. There is not anyone reporting directly to him.

I also indicated that as he undertakes his ventures, he has to work with other individuals.

Mrs. Driedger: It seems strange to me that he would be paid at an ADM level when he does not have anybody reporting to him, while other ADMs have what appears to be much greater reporting responsibilities from other people. It just seems a bit odd that there would be one person, an ADM, working by himself as an ADM in special projects.

I mean, the minister has to certainly see that this is presenting somewhat of a strange picture as compared to the responsibilities of other ADMs, where they, I am assuming, have staff who report to them, people who do their correspondence, perhaps a receptionist, perhaps an assistant. They have a number of people reporting to them, and it would seem to me that this seems strange and costly to have an ADM that does not seem to have anywhere near the same responsibilities as the rest to be paid the same amount of money.

Mr. Chomiak: The member has offered her opinion.

Mrs. Driedger: I am sure we will have a chance over time now with this issue to take it forward at other levels. It certainly appears that the minister is being extremely evasive about this particular issue, and I will indicate that from his answers. It appears to me that more work needs to be done to look into what is actually happening with his management of his department

and the roles that are being assigned there and everything else that is attached to it.

Can the minister tell us how much the cardiac review cost?

Mr. Chomiak: Yes, I can Mr. Chairperson. Although at this point we have not received all of the invoices in respect to the review that was undertaken, we estimated that it will be in the vicinity of \$100,000 to \$150,000.

Mrs. Driedger: From our discussion yesterday, I am left with a bit of discomfort. It does not appear to me that the causes of the problems leading to the deaths of patients have been rectified to any large degree. We must wait for an unspecified amount of time before the Koshal recommendations will be implemented.

I would like to ask the minister if he can assure us that the necessary measures are in place today to ensure a safer program from the time the patients were dying in that program.

Mr. Chomiak: Mr. Chairperson, as I indicated to the member yesterday, there were recommendations from Doctor Koshal to proceed and that we follow those recommendations both immediately and pursuant to that.

I also indicated to the member that, for 20, 25 years, recommendations when she was in government and she had the opportunity to implement, she did not implement, Mr. Chairperson. That is not what this whole review is about. This whole review is about a purpose of implementation.

I read to the member specifically the recommendations of Doctor Koshal concerning implementation. I am very sorry the member has misinterpreted the recommendations which talked about immediate implementation. I am sorry the member has acquired an inaccurate assumption as to the very precise activity that was undertaken. I was very careful to quote directly from the report to the members so the member would not misinterpret my answer. I quoted directly, literally and word-for-word from the report regarding the implementation.

Mrs. Driedger: I find the minister's sarcasm and his patronizing very insulting. It is not just to

me. I am here as a representative of the people. I think it is very unbecoming of him as a minister to treat this issue this way.

As for me misinterpreting anything, I have spent a lot of time on this issue. I have not misinterpreted anything. I am just asking the minister: Is he confident enough that the necessary measures are in place today to ensure that we have a safer program? Can he actually say to Manitobans we have made enough changes that even before the whole report is recommended, things are already better? Can he give us those assurances and that comfort level as a people of Manitoba facing this issue?

* (14:50)

Mr. Chomiak: Mr. Chairperson, the Koshal report indicates, and I am quoting from page 9: "That cardiac surgery has a many year history of internal conflicts and challenges. This history has been well documented in numerous, external reviews that have been conducted in the past and will not be discussed in this report."

Consistently identified in all of these recommendations, and now I am quoting again, "are the need for strong leadership, particularly in cardiac surgery, a need for dedicated human and financial resources for the post-operative and intensive care management of cardiac surgery patients and 3) the need to consolidate cardiac surgery at one site while maintaining a strong cardiology presence at both sites with respect to that."

The report indicates that there are a number of recommendations in the report. Let me go through them specifically. Again, because I have had a history of the member misunderstanding sometimes issues that are raised. One, he recommends a regional cardiac science program, that is to establish a regional cardiac science program in Winnipeg, with the main centre of operations being St. Boniface Hospital. He indicates this program must be amongst the highest priorities of the Province. That has already been announced, Mr. Chairperson. It was announced the day the report came out. The day the report came out, we announced that.

He also indicated we should have a regional program medical director and we should

immediately recruit a regional program medical director responsible for both the clinical and academic mandates of the program. In fact, the implementation team, the day the report came out, began that process with respect to that recruitment.

He talked about the establishment of a regional cardiac sciences program leadership team comprising the regional program medical director and a patient services administrative director. The day the program came out, Mr. Chairperson, that assignment was undertaken by the implementation team.

He also asked for the St. Boniface Hospital to be directly accountable to the WRHA for the operation of the regional cardiac science program. This accountability relationship must be carefully structured in a detailed service contract that includes clear direction. We have undertaken to begin that process. The member must understand that, of course, that could not take place in one day. That is a very complex process and the outlines, Mr. Chairperson, under his recommendations, a number of recommendations that we should follow through with respect to following up on that.

He recommends the establishment of a dedicated envelope of funding, operating capital that provides sustainable long-term support for the cardiac sciences program. As I indicated, on the day the Koshal report came out, which is in fact August 18 of 2000, on that very day, I outlined for the public what measures we would be taking with respect to the program financing. That of course is still an on-going development, because, Mr. Chairperson, the envelope funding is related to both the fiscal and treasury cycles of the Province as well as the fact that there is an \$18- to \$20-million investment that we made several years ago overlooked by the member opposite with respect to the cardiac enhancement project as well as the fact that the reconfiguration—I do not know if the member is aware, but when one takes that volume of surgeries and moves it to one centre, it will result in reconfiguration and movement around the entire system in order to support those kind of volumes and that kind of program.

He also called for a cardiac sciences council with representatives from the medical nursing

discipline involved in the care of cardiac diseases. As I understand it, the implementation team has already had initial meetings with leadership in that particular area to deal with that regard. With regard to cardiac surgery per se, he obviously said in recommendation 8 to consolidate all cardiac surgery at SBGH site, combining the best practices for both the HSC and CBGH model. I point out to the member that the member may not acknowledge it, but in fact there are some very well-trained and well-dedicated people in these programs and dedicated process in these programs, all of whom can and should be incorporated.

He asked us to take time to deal with some of these issues. He points out—let me just point this out to the member on page 33 of the report: The cardiac services enhancement project is proceeding on schedule.

Mr. Chairperson, the one that the member seems to forget and seems to overlook, the cardiac services enhancement project announced by this Government, rejected by the member's party, is proceeding and is part of the implementation as indicated from Doctor Koshal's report. With respect to cardiac transplantation he says: Surgical and post-operative care for any planned future cardiac transplantation services should be located at SBGH.

Well, obviously, Mr. Chairperson, we cannot implement the transplantation program at this point because it is a longer term implementation issue. If I were to say we are implementing everything within a year, the first thing the member would do would be to stand up and say, gosh, recommendation 8 you have not lived up to, you have broken a promise or something like that, which has been the pattern.

It is obvious if one reads the report that this is one of those examples of something that should evolve. In fact he says in the commentary, the natural evolution of the cardiac surgery program should include the provision of cardiac transplantation services.

Under recommendation 10, he indicates we should designate three operating rooms for cardiac procedures required to handle the volume of cases. This has also been ongoing.

We began the day the implementation team was put in place in order to try to organize in that fashion. He also talks about ward beds and provision being made for 37 dedicated cardiac surgical ward beds to handle up to 1500 cases. The member will recall yesterday, she had some difficulty with those numbers. It was up to 1500, which is the long-term planning, not the short-term with respect to the number of cardiac cases. Again, that is part of the implementation team structure and planning process.

Under recommendation 12 he indicated we should recruit a section head of cardiac surgery. That began the day that the report came out, on the 18th, when we enacted the implementation, a team, following the direction of Doctor Koshal.

On profusion services, he asks that we ensure that profusion services within the cardiac sciences report on special matters to the medical leadership of the cardiac surgery and anesthesiology. As I understand it, and if one reads the report, there has been some discussion. The implementation team was charged with the task and has begun meeting with all of these professional groups in terms of combining services and dealing with some of the issues related to those provisions.

He indicates we should also, under 14, recruit a section head of cardiology. That began immediately as well. On the day that the report came out we began the process of doing that. With respect to cardiology service location, he indicated that the majority of cardiology activity should continue to be located at SBGH, but a strong cardiology service must be maintained at HSC. Of course we have taken that recommendation to heart, but, again, that is not something that can happen tomorrow. In point of fact, the service is provided now at two centres. There is an evolution that will take place over a period of time. The implementation team is charged with the responsibility of ensuring that.

With respect to coronary care units, he indicated we should have a dedicated coronary care unit under the direction of the cardiac science program at the SBGH site to monitor and treat extremely ill cardiology patients as well as plan to proceed as detailed in the critical services redevelopment project.

Mr. Chairperson, the member might note the critical services redevelopment project was the one that was cancelled by the previous government and that we have actually brought forward. It is now under construction, the one that had been planned almost 20 years ago, now under construction under this Government with respect to this particular matter. I might add that some of the capacity will be acquired when this construction project is complete, a project that was put on the drawing board when the member was the legislative assistant to the Minister of Health and did not go forward.

Under No. 17, in terms of interventional cardiology, he indicated we should develop a cost-effective model for interventional cardiology that meets the need of HSC and children and make some recommendations in this regard. Those are some significant programs and design features that we have to work on with our implementation team.

With respect to cardiac catheterization referrals, he indicates triage nurses at both sites handling cardiac catheterization lab referrals would be an asset and of use to the system. There is, as I understand it, one site and then the process of looking at developing it at the other site. The implementation team has been charged with the task of, in fact, implementing that.

With regard to bed base, he indicates the WRHA should dedicate beds to the cardiology program, including coronary care, step-down and ward beds. They should be directly managed by the proposed cardiac sciences program. Of course, until the proposed cardiac sciences program is, in fact, up and running, they cannot be management of that program, Mr. Chairperson. But it is the implementation team that was set up immediately after the report came out that was charged with that responsibility.

He indicated we should give education support through the department of medicine for dedicated positions for cardiology resident and fellowship training. As I understand it, discussions have also been undertaken by the implementation team that have, in fact, representation from the Faculty of Medicine and others to, in fact, put in place those particular supports.

Mr. Chairperson, with regard to technical support, he indicated we should provide adequate resources to support the technical services, including the echocardiography program and improve the information technology support. We have some ongoing measures in this regard. In fact, some of those measures were contained both in the cardiac redevelopment project, the enhancement project that was announced several years ago and not supported by members opposite, as well as some of the initiatives we have undertaken over the past several years to train additional professionals after programs had been cancelled during the 1990s.

* (15:00)

With respect to intensive care resources, he talks about also recommending an early extubation management program as practised at HSC should be incorporated in the consolidated program at St. Boniface Hospital. Again, this is another example of a program that is very effective, Mr. Chairperson. It is very interesting that he should recommend that the program should be transferred over to St. Boniface Hospital because it has been very effective.

He also called for a dedicated cardiovascular intensive care step-down unit at the SBGH site under the direction of the proposed cardiac sciences program to support the consolidated cardiac surgery program, and that has been put under the auspices of the implementation committee in order to implement.

With regard to ICU staffing, he indicated cardiac anesthesiologists and cardiac surgeons trained in intensive care management should be encouraged to participate in this staffing of the ICU step-down unit, and the development should be developed to provide for service in the cardiovascular ICU step-down unit.

With regard to anesthesiology services, he indicated we should create a single cardiac anesthesiology section under the leadership of a section head. Again, Mr. Chairperson, the implementation team has been charged with the tasks of ensuring that this happens in initial meetings, and, in fact, meetings are ongoing because of the complexity of some of these issues.

Perhaps one of the reasons why members opposite did not put in place the changes that were recommended to them by previous reports is it is a complex process that entails the integration of a number of services in a number of professional organizations and the input from a number of individuals in order to do so.

With regard to a section head, he indicated a funded position for a section head of cardiac anesthesiology, and a move to recruit into this position should take place. All of this has been tasked to the implementation team. As I indicated to the member yesterday, who was looking for assurances, I indicated that, in fact, notices for a number of these positions had, in fact, closed yesterday.

He also indicated we should consolidate the cardiac anesthesiology services at the SBGH, and anesthesiologists at the HSC who wish to continue to provide this service should be given the opportunity to integrate into the regional program. He talked about some of the difficulties that have occurred in the past and recommended that we do that.

He indicated we should maintain the chronic pain program for cardiac patients at HSC, and the program should be appropriately represented at the cardiac science program.

At this point, I might add, I am not sure if it is at this point in the recommendations, but he certainly recommended that one of the projects that had been put in place by this Government with respect to dealing with angina had been an overall success and that we ought to continue that particular program as being innovative and world-class and is, in fact, being studied, as I understand it, by officials from the United States federal department.

Mr. Chairperson, with respect to a quality assurance officer, he indicated that a quality assurance officer for cardiac sciences should be created, and a subcommittee of the cardiac sciences program should assume responsibility for developing that. Again, the implementation team has undertaken initial steps to deal with this matter.

I might add, at this point, Mr. Chairperson, that it should be pointed out that as a result of

the Thomas and Sinclair inquiry, positions were put in place with respect to responding to issues in this regard, and this will be building upon some of those recommendations, because I do not know if the member recalls, but the problem in the baby deaths scenario was that nothing happened in the system. Warnings were not heeded. There was no follow-up. There were no critical incident report follow-ups, et cetera. That was recommended by Sinclair and Thomas, and that is one of the things that I am proud of, that we have come out of Sinclair and Thomas with systems in place that help deal with that.

Mr. Chairperson, he talked about we should also conduct morbidity or mortality reviews within the surgery and cardiology program as standard. He indicated joint rounds should be undertaken between cardiologists, cardiac anesthesiology and cardiac surgery, and intensive care medicine should have combined rounds on a scheduled basis to discuss matters of mutual interest.

While he recognized that physician assessments have been already implemented, he thought that we should establish specifically for physicians and surgeons in the cardiac sciences program a standardized process for assessment and evaluation. Of course, again, that particular implementation has been given to the implementation team and will be addressed, but, again, as the program is developed and up and running.

With respect to wait list management, he recommended standardized definitions and methods of collecting data relating to wait times for cardiac procedures requiring all surgeons to enter and provide needed wait list management data and set internal benchmarks for mortality rates on the wait list based on existing experience and that of other cardiac centres.

Ms. Marilyn Brick, Acting Chairperson, in the Chair

As I indicated to the member, we do follow the Ontario guidelines, something that was put in place prior to our coming into office, a system that we followed that was put in place by members opposite. Unfortunately, since this information just came in, in 1999, we have been unable

and we cannot directly connect data about how many people died on the waiting lists during the 1990s with respect to the cardiac program, of which we know there were many, but we have not been able to collect that, so we cannot do any kind of comparative data, but he does call for us to increase the wait list management system.

He also indicates we should establish a formal process to ensure that patients on the cardiac wait list are appropriately monitored. This should include utilizing standard wait list criteria established by clinical leaders and regular contact with wait list patients to inform them of their place on the wait list and determine their current health status. Patients on the wait list who have been bumped as a result of the need to deal with a more urgent case should be scheduled for the next available surgical spot.

To that end I thought this was a very crucial issue that the member might want to—with respect to the wait list management, we have already, as I understand it, asked the wait list manager who has been in place for several years to contact all patients. All patients are contacted regularly by the wait list manager pursuant to some of these recommendations, as well as taking steps to ensure that all the wait lists are now put on and that more adequate follow-up be done, as a key recommendation. It has come out of the Koshal inquiry. We have already taken those steps.

In addition, Doctor Koshal also indicated that the changing of the staffing patterns at St. Boniface Hospital that occur on the weekends has succeeded in improving the situation with respect to wait list management and the number of bumping and the number of bumps that occurred with respect to the wait list management and to deal with the bumping issue. So that is another specific recommendation that was made and, clearly, some action has taken place. I would hope the member would note those as very significant developments.

He also indicated with communications with families that a better communication strategy be put in place to ensure that patients and their families have accurate and timely information. He recommended some other jurisdictions that utilize patient care co-ordinators and some

preliminary work has been done by the implementation team with regard to following up on those particular items.

With respect to human resources, he indicated we should develop and implement a comprehensive human resource plan to meet the current needs of the cardiac sciences program. Fortunately we have expanded the number of physicians and a number of the technicians, technologists and nurses in this area, although there are some challenges with respect to some specialized area that we are working on with the implementation team.

He also indicated we should improve the efficiency of the pre-operative clinic to increase the proportion of patients who are admitted the day of surgery. He asked us to target a benchmark of 90 percent to 95 percent to deal with pre-admission clinic. That is not the case now and the implementation team has been tasked with that task to improve that particular procedure.

On data management he said we ought to improve the process of data collection and reporting it by developing a centralized database. That has been charged to the equipment team.

He also indicated we should develop a capital equipment plan to meet the needs of the cardiac sciences program. As I indicated to the member in my earlier comments, both on the day of the announcement and continuing we are working on that. We still at this point have not achieved a total and still data is going back and forth and being analyzed with respect to the capital transition plan.

He talks about making adequate provision to ensure HSC physicians and staff cope effectively with the transition. This, of course, is more difficult to do and cannot be done over night, dealing with people who have been working in one centre, another centre over night. Dealing with related labour relations issues is a more difficult task and the implementation team, as I indicated earlier, has met with staff and many individuals and continues to do so in order to deal with the transition process, as recommended by Doctor Koshal.

With respect to the Critical Services Redevelopment Project, he indicated we must ensure the consolidation of cardiac surgery has no impact on the critical services development project. I might point out to the member that this is the \$100-million redevelopment of Health Sciences Centre that has been on the board for a number of years.

He also recommended that profusion and cardiac surgical on-call services should be provided at both SBGH as well as HSC. The member asked about implementation. I have gone through all of the recommendations in the report and pointed out specifically recommendations that have been asked to be put into place by Doctor Koshal, but let me quote from Doctor Koshal's report: This program has been reviewed extensively over the years with very similar recommendations to those in this report emanating from these reviews. The creation of an integrated cardiac sciences program, the consolidation of cardiac surgery at one site and the need for strong leadership are recurring themes. The commitment made by the Minister of Health to conduct a review of the implementation status of the recommendation of this report within one year of the completion of the review should be assistance in this regard.

I hope I have been helpful to the member by answering her question.

* (15:10)

Mrs. Driedger: Actually, I find the minister somewhat condescending in his response, sitting, reading off Doctor Koshal's report. I have read it myself. I was asking for the minister to speak directly to immediate, immediate types of measures that are being put into place that led to the deaths.

It is interesting the misleading statements he tends to put on the record too about us not supporting other measures he has put into place in cardiac care over the years and seems to have a huge sensitivity when we do not pat him on the back for recognizing some of the good work. I do acknowledge that. When he said that we did not support what he did, he is misleading the House, because that actually is not even a true statement.

So for the minister to be so manipulative in the information he puts forward, again, I will say, is insulting to Manitobans. I find over and over again when he cannot defend his actions he personally attacks the messenger. I have certainly been getting a number of phone calls from people, particularly women, that find this offensive out of this Minister of Health, that he does not answer his questions in a straightforward answer.

It is hard to have confidence in a minister that plays games like this. Yesterday he did not know how many cardiac surgeons were working in Winnipeg. That is a basic, basic safety issue to this whole cardiac surgery program. He stumbled around that. He cannot tell me why one of his own documents said that a few years ago there were 12 surgeons here, and he could never explain that one. While the minister likes to personally attack the messenger, he fumbles around with a lot of his information and his numbers and then just sits back and smirks about it.

I think he has grossly mismanaged this issue. Patients have died. Eleven patients have died. Family members have lost somebody. Naomi Levine, a lawyer in Winnipeg, on a CBC station called this negligent politics. The minister has brushed aside serious warnings about this. They made an election promise to stop the consolidation of this program back in 1999, when, had the experts been listened to and this program been moved forward, we could have had a consolidated program by now and we might not have had patients die.

But a promise was made in St. Boniface by the now-Premier, who was out there without any understanding of the issue, without any advice from the medical experts, who were all calling for a consolidation of the program.

When you have got a Minister of Health and a Premier that have played politics with this issue right from the very, very beginning, it is very, very hard right now to have any confidence in what this minister is saying, especially when he is so manipulative and misleading with a lot of his information that he puts forward and then sits back with a smirk on his face thinking he is so cute in trying to put all this forward.

I think this is a very serious issue. I am not at all confident even with the minister's response. Perhaps he doesn't understand the questions I am putting forward in terms of the immediacy and the urgency of some of the changes like doctor shortages, nurse shortages, bed closures, some of those immediate things that could begin to make a difference.

I certainly look forward to leaders being put in place, chiefs of programs being put in place on a very timely, immediate basis so that we can have the leadership in this. I truly hope that the leadership from this Minister of Health can be a little bit more straightforward and in the best interests of the patients so that patient safety is no longer compromised.

That just leads into what we were talking about yesterday too which was Paul Thomas' report, and the minister has made reference to it. He, in his report, related to the baby deaths. He called for more transparency regarding political involvement in decision making saying that it would ensure a clear focus for accountability and avoid discretionary accountability. Certainly with discretionary accountability, we can see a minister duck certain issues if he wanted to, especially the messier, touchy ones and just make himself visible on the feel good issues. With this Minister of Health, in the early days we saw him totally invisible from making any comment on public health issues. He said it was not appropriate for him to do that and then later we find out that he makes himself visible and available for comment on public health issues. So he has been on both sides of this one. We have not heard a peep from this minister on the Internet pharmacy issue, particularly the health aspects of it, but the Industry Minister (Ms. Mihychuk) has been very visible discussing the economic side of it.

With the closure of rural hospitals, the minister keeps saying they will not be closed yet one RHA for some time now has been saying through various members of that RHA that some will be closed, that that is their intent. The minister does nothing, says nothing to that RHA. We hear no public statement from him addressing the specific comments of a specific RHA, so we certainly do see discretionary accountability

and cloudy accountability clouding up all these issues.

Paul Thomas said and I quote: "There is an initiative underway to clarify the relationship between the minister and the RHAs," and that was in the report that he put out. I would like to ask the Minister of Health if he could describe that initiative that Paul Thomas has referred to.

The Acting Chairperson (Ms. Marilyn Brick): I would like to take a moment and remind all honourable members on both sides of the table to please address their questions through the Chair. I respectfully ask for the co-operation of all honourable members in this matter.

Mr. Chomiak: I am sorry the member took offence to the fact that I went through the 42 specific recommendations made by Doctor Koshal, on August 18, and pointed out the status of the implementation. The member indicates to me that was not the question. The member asked about implementation. I pointed out the steps taken on the 42 recommendations with respect to the implementation. I do not know what more the member wants with respect to this matter, but certainly I answered the question the member put to me. Again, the member can interpret the information, as is often the case, any way the member wants, but the 42 recommendations, the implementation team has been put in place. I pointed out to the member yesterday that we very, very carefully want to implement and follow the recommendations of Doctor Koshal because Doctor Koshal pointed out in his report the failure in the past has been not following the reviews that took place.

Mrs. Driedger: The minister did not answer the question and I would like to ask it again. Paul Thomas, in his report, said that there is an initiative underway to clarify the relationship between the minister and the RHAs. I would like to ask the minister if he could describe that initiative.

Mr. Chomiak: I announced those at a press conference that I was at, a public press conference, that I think notice went to all of the media, including the members own chambers, with respect to the performance contracts and the performance deliverables that were put in place

between the Department of Health and the regional health authorities. It was a very public meeting and a very public process where we sign these performance deliverables. I am sorry the member missed out on that.

Mrs. Driedger: Can the minister please indicate specifically what was in that news release then in terms of those performance deliverables?

Mr. Chomiak: I will go one better and I will give the member a copy, maybe perhaps by the end of the day or certainly tomorrow, of the press release that dealt with that in case the member missed that particular press conference.

Mrs. Driedger: Can the minister tell us if the deliverables were more related to specific programs like palliative care and other such programs?

* (15:20)

Mr. Chomiak: This is a multiyear task that has never been done before in the province of Manitoba. It is the ability to establish a different relationship and to have accountability and standards that are put in place between regions and the Department of Health. It is a multiyear process that deals with accountability.

I think it is quite significant and I am glad we have had an opportunity to talk about it because I think we are one of the first jurisdictions. There are a few others, I understand, who have been experimenting with this, but we are one of the few jurisdictions to put in place this accountability framework and this accountability structure that now the member is looking for a generic—there were some generic performance indicators in the first year. There were others that were orientated toward different types of populations and different types of issues that were specified, some of the priorities that can and should be met by the Department of Health. Some of that will be contained in the document. I will make certain that the member gets a copy of the release outlining that very significant document that was signed by the Department of Health and all the regions pursuant to recommendations by Paul Thomas in following up the Sinclair inquiry.

I should indicate there are other issues with respect to the Thomas report that we have also

followed up on with respect to some amended legislation and the like. But the key factor, if I can gather from the member's question with respect to the new relationship, is that of the performance indicators and the accountability structure that has now been put in place that was not in place before. As we develop and mature in terms of our relationships between the Department of Health and the regions—the member may not be aware, but this has been a process of growing. There were no regions in Manitoba prior to the legislation that came about in 1997-98 that developed regions. This has been a developmental process over a number of years that has taken place in terms of how the regions and the Government interact.

I was a participant in the debates in terms of the initial establishment of regionalization and how they would develop. It was very clear at the time that this would be an evolving relationship. This is part of the evolving relationship from regions. It is not just coincidental but, in fact, quite deliberate that recommendations from the Sinclair-Thomas inquiry were able to be incorporated into the process to ensure better accountability between the regions and the Department of Health, to put in place performance guidelines and performance measures that would take into account not just the overall health status in the various regions but would deal with some of the specifics to other regions.

The member might be familiar that there was a Treasury Board directive when the member was the legislative assistant to the Minister of Health. There was a process of business plans that were put in place. I am not sure if the member is aware, but there were business plans that were put in place. We now have in place performance standards and contracts and guidelines that are much more specific and provide for much more accountability and transparency and reporting structures between the Government and the regions.

I hope that answers the member's question with respect to the issue that she raised concerning the specific relationship that has been entered into as a result of recommendations of the Thomas inquiry.

Mrs. Driedger: I think the minister does not have to be so patronizing. I have seen that news

release. I know what is in it. I still do not think he has dealt with the issue of removing discretionary accountability from the problem that can occur with the RHAs and the minister's office. So, while he may try to pass off the performance documents as something that is going to achieve that, it still leaves him in a position where if he wants to have discretionary accountability, it is still there.

I would also like to ask the minister if he is aware that a deal has been cut, that questions and answers are five minutes each. Otherwise, the minister will end up manipulating all of the Estimates, and there are such few hours in Health, he will burn them off, and then this makes this an absolutely ridiculous process.

Mr. Chomiak: I was not aware of that. I am just looking to my colleagues to confirm. Is there a five-minute—does anyone know?

If there is a five-minute limit, I would hope the member would then put her question because if the member would think just for a minute about the question she asked me, the member asked me about the relationship and the recommendations from the Thomas inquiry with respect to accountability. I answered the question, and then the member's response was, oh, I have that anyway and I am really talking about something else.

So if the member would put a precise question, perhaps I could shorten my answer, but if the member persists in doing that, it will be more difficult to answer those questions.

Mrs. Driedger: As my colleague reminded me, the minister just turns around and blames somebody else for his misunderstanding of the questions, typical of how this Government is doing business.

I will ask a very, very specific question of this minister. In February of this year, can the minister tell us how much the federal government committed to Manitoba and over what period of time?

Mr. Chomiak: Madam Chairperson, is the member referring to the accord that was entered into between the federal and the provincial

governments, the first ministers' accord in February of 2003?

Mrs. Driedger: Was there another accord in February of 2003? If not, then that is the one I am referring to.

Mr. Chomiak: I will look through that information within my book to provide that information to the member.

Mrs. Driedger: I just wish to say to the minister that is not acceptable; that is why he has all these staff here to provide him with that information. I will wait patiently while he can indicate how much the federal government committed to Manitoba in that accord. I would have thought, again, if he knew his department, that would be something that he would know immediately.

* (15:30)

Mr. Chomiak: We are not able to find out about this five-minute limit. As I understand, that is not in effect from discussions I have just had, but perhaps we should adjourn and discuss whether or not the committee will adopt those measures. I am not aware of it, but nonetheless, the gratuitous comments of the member I will simply ignore with respect to her comments. I just came from a federal-provincial Health ministers' meeting in which it was not clear and where the Minister of Health from Alberta and the Minister of Health from Ontario both pressed the federal government to confirm what in fact the funding arrangements were with respect to the health accord. There is some disagreement at the federal-provincial level as to what, in fact, is contained within the health accord because of the fact that some of the money booked by the federal government has been, by provincial calculations, previously booked and by federal calculations is "new money."

In addition, there is also some dispute as to whether or not the \$2 million contingency fund that was agreed to in the health accord is in fact a specified booked fund or not, Madam Chairperson. So I just want the member to know that all Health ministers from all provinces, including Liberal Health ministers and Conservative Health ministers have been very wary about specifying the specific funds coming from the

federal government because of uncertainty with respect to how the funds can and should be booked with respect to that.

A fund was set up for diagnostic medical equipment to support the acquisition of specialized diagnostic and medical equipment, including staff and support for training. We estimate that somewhere in the vicinity of \$6 million should accrue to Manitoba in that regard. All levels of government, that is all 14 levels of government, although it might not be 14 because I think there might have been a tangential agreement between the territories and the federal government, but they all agree to establish a Health Reform Fund of \$6 billion over three years to address three priority areas of primary care, home care and catastrophic drugs. Manitoba's share this year is in the neighbourhood of \$37 million.

I should tell the member, and I find it very frustrating because the member makes accusations, but I should tell you at the recent conference of last week we were unable to arrive at particular earmarked criteria for that funding, and until we can come up with some earmarked criteria, there is some doubt as to how and if that money would flow, and I do not believe that that money is flowed into a trust in that respect.

There is also Primary Health Care Transition Fund, an investment of \$800 million over four years, April 1, 2002 to March 31, 2006. The problem with the Primary Health Care Transition Fund is, I believe, some of that money flows out of the 2000 agreement as well. It is not just new money. So we are estimating, although it is not totally certain, that we may obtain \$8.5 million in this fiscal year from that particular fund.

In addition, a fund has been set up to support investment in diagnostic and medical equipment over a three-year period, and Manitoba's share of that should be in the vicinity of \$17 million or \$18 million. Now, again, part of the problem, Madam Chairperson, is that some of this funding flows over a two- and three-year period. Some of it is money that was announced previously with respect to primary care reform and makes it difficult to calculate specifically how much is flowing through to the Province in any one

particular year, and I should indicate there is also additional funding that is contingent upon some agreements that have yet to be concluded.

Mrs. Driedger: Can the minister indicate why in early February when all of this was happening, he had indicated—well, the one article I have in front of me from the *Winnipeg Free Press*—to the reporter that Manitoba will be getting \$365 million of the \$12 billion. Now, it was out of \$12 billion. He indicated \$365 million. The reporter has it over three years. I have heard over five years.

Mr. Chomiak: Again, I went through this very precisely with the member last year. Let me try again. The Primary Health Care Transition Fund flows from April 1, 2002 to March 31, 2006. It overlaps a previous Primary Health Care Transition Fund that was put in place. The health care reform fund that is put in place operates over a three-year period. There is also the diagnostic funds. I believe those monies are made available. On top of that there are the existing cap-ups with respect to the CHST that is going to be converted in several years as well as some contingency money that is supposed to flow through January 1, 2004, depending on the federal government's financial statements.

The member will note that every single Health minister in every province came away from the March 2003 agreement with some specific numbers that have yet to be realized in every single jurisdiction that we are working on on a continuing basis.

Mrs. Driedger: If the minister says it is so hard to figure out exactly what all the money is, how is it that he could tell the *Free Press* that in February that accord settled on Manitoba \$365 million? How could he say that then in February and right now he is saying it is too hard to say exactly how much money? I am just looking not even at the breakdown right now, just back it up a little bit and out of the total amount was there a commitment in that health accord that Manitoba would see in this particular specific accord, do not get it mixed up with other things that are happening, but this particular accord, was there \$365 million committed to Manitoba over three or five years?

Mr. Chomiak: Madam Acting Chairperson, the accord as it was understood by the Province at the time it was entered into with all of the understandings at the time, the number that was given, my calculation would be Manitoba's portion over the period of time that the accord was in place keeping in mind that some of the funding in the accord is retroactive. Some of the funding goes beyond a two or three-year period and some of the funding is a compilation of funding that was previously provided in the Primary Health Care Transition Fund.

Mrs. Driedger: If it is that complicated, how could he tell the *Free Press* that it was \$365 million? I mean, he gave them a straightforward number. He did not mix it up with anything else. He basically said that Ottawa is going to hand over this amount of money. The reporter does say it is over three years. I have read some place else it is over five. So this is a straightforward question to the minister. I am not asking for anything other than did he say that to the *Free Press* in February, that \$365 million is Manitoba's share of the 12 billion that is going to be coming from the accord.

Mr. Chomiak: Yes, I did say that to the *Free Press*.

Mrs. Driedger: Now the minister just a few minutes ago indicated that none of that money has actually flowed. Is that correct?

Mr. Chomiak: No, I did not say that.

Mrs. Driedger: Can the minister answer the question how much of it has actually flowed to Manitoba already then?

* (15:40)

Mr. Chomiak: I know the member is concerned about time. If the member were to look back in Hansard, I answered the specific question of the flowthrough for the year '03-04 in the context of my comments earlier.

Mrs. Driedger: The minister likes to say people get their information all mixed up and all wrong. I am giving him a chance to provide a straightforward answer to a question. If he has to repeat it again and again, I think that is what Estimates

is about. How much of that \$365 million has actually already flowed to Manitoba?

Mr. Chomiak: I indicated the numbers to the member opposite. I will repeat the numbers that have been budgeted. I want to again outline to the member that she not fall into the trap that happened last year both in Estimates and in the House when money was committed. Then the member came up and said, oh, but you have not spent it yet because invoices had not gone through because expenditures had not taken place.

That is what the member did last year with respect to the equipment fund because, quote, the money had not flowed through our entire process. The member made allegations that the money was not spent. I want to make sure that the member does not misunderstand how this works. Some of this money goes into trust; some of this money goes into the process; some of this money goes into the budget.

I want to know, does the member understand that?

Mrs. Driedger: I am stunned by the arrogance of this minister.

I am disappointed that he does not take this process more seriously. What a horrible insult to Manitobans in how he approaches this. I think it is absolutely shameful.

If he recalls, all I am asking for is he has asked for straightforward questions, he is getting straightforward questions. We will flesh this out through the rest of the day. That is what these are, they are very straightforward questions. All I am asking the minister, without any patronizing answers and sarcasm, is just for some honesty in his answers.

I would like to ask the minister how much of that money has actually already flowed to Manitoba. Has all \$365 million or do the feds hang on to some of it and disburse it over five years or three years? The minister has not even acknowledged that component of it. The *Winnipeg Free Press* had said three years.

I would think the Minister of Health should know this.

Mr. Chomiak: As I understand it, the agreement was over five years. Some portions of the agreement had three-year flows, some had several years' flows, with some retroactive. Not all the money is flowed to the Province.

Mrs. Driedger: How much of it has flowed to the Province?

Mr. Chomiak: Based on projections, based on interpretations of agreements that have yet to be signed, and I just returned from a federal-provincial conference when there was not an agreement on how some of this money can and should flow, based on that, as I indicated in my previous three answers ago, with respect to the Diagnostic and Medical Equipment Fund, that is, the one to support acquisition of specialized diagnostic equipment, we are anticipating \$6 million this year.

With respect to the Health Reform Fund, which is broken down into three areas, primary care, home care and catastrophic drugs, Manitoba's approximate share this year should be in the vicinity of \$37 million. I want the member to know that particularly in that area there was not an agreement at the federal-provincial level with respect to what the minimum standards would be with respect to the flow-through of that particular money.

Just let me digress for a second so that the member understands. Has the money been committed? It has been committed as a result of the accord. Has the money flowed? The money has not flowed. Has the money been budgeted? We are budgeting for this money within our framework.

In terms of the Primary Health Care Transition Fund we are anticipating in the area of \$8.5 million and we are anticipating our share of the Medical Equipment Fund should be in the area of \$18 million.

Mr. Chairperson in the Chair

Again, on the Medical Equipment Fund, Mr. Chairperson, the process that was put into place took several years and the last one for the money to flow through. We are hoping for a faster flow through.

Mrs. Driedger: The minister seems to have made a couple of—now I could have heard wrong

but I need clarification, because I thought I heard him say the money flowed, then I heard him say the money did not flow, then I heard him say, well, it is in the Budget, but then I heard him say it did not flow. So if the minister would not mind just clarifying for me: Has any of the money flowed to Manitoba?

Mr. Chomiak: The member asked what money flowed. I indicated to the member what money we were anticipating to receive in budgetary year 2003-2004, subject to the matters that I raised at the beginning of my response. That is there are several subsequent agreements that have not been finalized with respect to some of this funding. If the member would take a look at the accord, which is about 8 to 10 pages, it is a relatively complex documentation with respect to how and when and if money should flow. I do not know where the member is confused. I outlined what we thought Manitoba should get this year. I indicated that there are provisos on most of those scenarios. They are related to a number of factors.

Mrs. Driedger: The minister seems to be confused with this. The question is straightforward as he asked them to be. How much of the money has actually flowed to Manitoba? If there is none, say none, or if a certain portion of it, say the first year of the five-year amount has flowed, can he indicate that?

He said two things just now. He said it has flowed and then he said it has not flowed. Has any of that money actually flowed into Manitoba?

Mr. Chomiak: Some of the money has been committed; some of the money is still in budgetary Estimates; and some of the money is contingent on other factors.

Mrs. Driedger: Does "committed" mean we have it?

* (15:50)

Mr. Chomiak: Mr. Chairperson, that was one of the main subjects of discussion over two days in Halifax with all Health ministers—Liberal Health ministers, Conservative Health ministers and NDP Health ministers—in terms of the actual

commitments of the money that we were getting from Ottawa.

Mrs. Driedger: Can the minister indicate, because he has now said the money has flowed, then he said the money has not flowed, then he said that the money is built into Estimates, can he indicate in the Estimates where some of this money might be seen?

Mr. Chomiak: Mr. Chairperson, as per the agreement with respect to the federal government, a lot of the money and a lot of the resources with respect to the accord has been allocated with respect to some of the major priorities that came out of the accord, most notably the primary care initiative, the home care initiative and the catastrophic drug program.

I know the member thinks that she is somehow capturing some confusion, but let me outline this for the member. There are basic minimum standards—*[interjection]* If the member would do me the pleasure of paying attention perhaps. *[interjection]* Well, if you are not going to listen.

The accord calls for minimum standards for primary care, home care and catastrophic drugs for the allocation of the money. Okay, let us just talk about one package of the four-piece package. Is the member still with me? Okay, so one package, three different component areas of which minimum standards must be acquired. Manitoba and other provinces put together a package of minimum standards that has to be met for the federal government to flow through the money.

The question then becomes if Manitoba standards are met on, for example, catastrophic drugs, do we have the ability to flow money from the catastrophic drug category to the home care category if, in fact, we have not met the minimum standards. In point of fact, Manitoba I believe has met the minimum standards of both home care and catastrophic drugs. Therefore do we have the ability to take the entire \$37 million that is due to us this year and put it into primary care? That was one of the main items of contention and one of the reasons why the entire conference almost broke down, the assertion from the Province of Alberta that there was the

ability to move funding around those three component areas and the assertion of the federal government that certain levels had to be met before money could go into each of one of those particular areas.

So Manitoba is entitled under this particular portion to \$37 million. It has not been made clear under what criteria Manitoba could utilize those funds in either our primary care, our home care or our catastrophic drug program, over a period, I understand, of five years, this being the first year of \$37 million.

So we have developed standards with the other provinces to meet minimum standards. We think that we have met all of the criteria for all of those areas, and we think we will be entitled to the entire \$37 million from the federal government this year if they are in agreement with the way that the funding is allocated, but there is no consensus around the table as to how that funding is going to be allocated or flow.

Mrs. Driedger: So can the minister just clarify for me then, because he said the money flowed; then he said it did not flow; then he said the Manitoba share for this year is \$37 million and it will flow if they can demonstrate that it met the criteria. Is that accurate?

Mr. Chomiak: Mr. Chairperson, in the accord that was entered into in 2003, certain monies were allocated from the federal government to the provinces to deal with the health accord. Certain criteria were outlined in regard to which money would flow and how it would be passed onto the provinces.

Mr. Chairperson, I gave the member the outline of what Manitoba anticipates we should receive from the federal government this year flowing out of the accord.

Mrs. Driedger: So, then, Mr. Chairperson, for absolute clarification, no money has flowed yet. Is that accurate?

Mr. Chomiak: Mr. Chairperson, the use of the word "flow," I think, is causing difficulty for the member. Some money has been put into trust for withdrawal from particular funds by the federal government. Some money is pending and some

money is pending as a result of certain clarifications that have to be made regarding standards.

Mrs. Driedger: If the minister is indicating that some of that money is put in trust, has it been flowed into Manitoba and put in trust here or has the federal government kept the money and put it in trust and will flow it after Manitoba meets its criteria?

Mr. Chomiak: Just to explain to the member how the federal-provincial process works, in the last round with respect to how, quote, money flowed, monies with respect to the equipment fund were put into a trust that could be drawn down from the provinces automatically as a result of the federal government. Money with respect to primary health care required a very lengthy process and an application process and an approval process from the federal government before the money could be drawn down.

Mrs. Driedger: The minister asked for straightforward questions. He is getting them, and I am not getting straightforward answers from him, because he said yes it has flowed, no it has not flowed, \$37 million will flow if he meets his criteria. Now he is talking about trusts, but we do not know if the money flowed, and it is in trust here or the money is still with the federal government and in trust there.

I mean, Mr. Chairperson, it is so straightforward, and I will ask the minister again. How much of that money—which, by the way, if we were looking at five years and if I were to do my calculations, \$365 million divided by five is well more than \$37 million. Has any of that money flowed to Manitoba?

Mr. Chomiak: Mr. Chairperson, I outlined my answer to the member. I gave her the specific numbers that arose out of the fund, and I indicated how much money was anticipated this year.

Mrs. Driedger: Is the minister then refusing to answer the question?

Mr. Chomiak: I answered the question.

Mrs. Driedger: Well, the minister has answered it in the most convoluted way. He is going to

turn around and accuse me of going out there and making all kinds of statements, when in fact he has given me all kinds of answers. If I wanted to go and have a heyday with this I probably could. I am looking for some clarity in this.

Mr. Chairperson, how much of that money has actually flowed to Manitoba?

Mr. Chomiak: Mr. Chairperson, I have indicated twice the answer to the member and I will go through it again. There were a number of funds and a number of fundings that were set up with respect to the agreement arising out of the February 2003 accord between the federal and the provincial governments.

We are anticipating some funding under the Diagnostic and Medical Equipment Fund. We anticipate \$6 million in that regard. We anticipate approximately \$37 million under the Health Reform Fund which includes three areas: primary care, home care and catastrophic drugs. I cannot give the member a specific allocation to each of those areas because the specific allocations have not been arrived at, and that is one of the entire discussions that occurred at the Health ministers' conference that occurred in Halifax last week.

Also, we are anticipating money under the Primary Health Care Transition Fund which, as I understand it, is also engaged with the previous primary fund, but we are anticipating somewhere in the vicinity of over \$8 million, and then there is a medical equipment fund in which we are anticipating somewhere in the neighbourhood of \$18 million this fiscal year.

With respect to the accord that was entered into in February 2003, I must again emphasize to the member that a number of these areas are still, with respect to specific allocations, unclear vis-à-vis the federal and all provincial governments, not just this provincial government in terms of the actual funding and the actual flow-through of the money.

In fact, Mr. Chairperson, I have looked at the numbers that were anticipated by other provinces and some of their calculations are different than some of the calculations that we had anticipated.

*(16:00)

Mrs. Driedger: Can the minister indicate if any money has flowed to Manitoba, yes or no?

Mr. Chomiak: I have indicated specifically the funds and specifically how some of the money has been allocated.

Mrs. Driedger: I am only asking for a very straightforward answer. Has any of the money flowed to Manitoba, yes or no?

Mr. Chomiak: Mr. Chairperson, some of the money has been allocated to Manitoba.

Mrs. Driedger: Can the minister indicate if any of that allocated money has flowed to Manitoba?

Mr. Chomiak: Let me perhaps try another approach to make the member understand. If the member were to ask me, for example, of the money that we have allocated to, say, the provincial Pharmacare program, if the member were to ask me how much of that money have we flowed in this 2003-2004 year, I could not give the member an accurate number. I have an estimate in the book that we are reviewing of what we anticipate will flow, if that is the word the member wants to use, this year. I do not have an actual number of invoices et cetera, and I may not even have when we reconcile the financial statements next year an actual number as to how much money has flowed.

What the member is asking for, let me again clarify there is some money in trust from the federal government that can be drawn down. There is some money that is still subject to agreement and there is some money that is still subject to invoicing of the federal government. So for me to give an exact amount of flow is not only inaccurate but would not be appropriate.

Mrs. Driedger: The minister made reference that he could show me in the Budget where that federal money is allocated for Pharmacare. I wonder if he could do that now.

Mr. Chomiak: I did not say that.

Mrs. Driedger: Can the minister, if he says he did not say that, is there money in this Budget

allocated to drugs from this health accord funding?

Mr. Chomiak: Yes.

Mrs. Driedger: Can the minister show me in the Budget where I should look. What page can I refer to, to see where that Pharmacare money is represented from the federal money?

Mr. Chomiak: If the member looks on page 103 of the supplementary Health information she will see that we are estimating expenditures of \$171,859,000 under the Pharmacare program this year.

Mrs. Driedger: Contrary to the other initiatives of primary care and equipment, it does not indicate in there in the notes that any of that federal money went to the Pharmacare program. Can the minister explain then if he is using some of that federal money for the Pharmacare program why it is not specifically identified on page 103?

Mr. Chomiak: We have attempted in the Estimates book and documentation to provide additional information. In some cases we have pointed out where there is some direct funding. In some cases we have not. That is how we have allocated the particular funding and the estimates that we have made within the supplementary Estimates.

Mrs. Driedger: So is the minister saying he made a mistake by not indicating on a note that some of that Pharmacare money was coming from that federal health accord?

Mr. Chomiak: No. If the member read the accord it would note the accord indicates we have to document after the expenditure of the money where the money was spent, and the member will note, this is why it gets so frustrating dealing with the member, I pointed out to the member that the provinces are unclear with respect to how the three funds: primary care, catastrophic drugs and home care, how the money can be allocated. It is, in fact, an ongoing disagreement at all levels as to how that money can and should be shown. So the member precisely has walked into the area that is under

discussion between the federal and the provincial governments.

I might add that all governments, Liberal, Conservative and NDP governments, are unclear in terms of the allocations under the three funds and whether or not money could be moved within those envelopes which have to be accounted for after the expenditures are made. But at this point the criteria that were put in place by the federal government, that were put in place as a result of the accord for specific minimal standards to be applied to those three funds have not been agreed upon.

Mrs. Driedger: On February 8, in an editorial in the *Winnipeg Free Press*, the minister, and I quote, says: I guarantee to plot all of it.

That is the minister's quote about this \$365 million: I guarantee to plot all of it. If he has guaranteed to plot all of it, why is there no amount showing under the Pharmacare? As we see, there are notes related to the Primary Health Care initiatives and there is a note related to the equipment purchases, but there is no specific note related to Pharmacare.

So if one were to look at this on page 103, it would appear that none of that federal money has been budgeted for Pharmacare, although the minister a few minutes ago said it was budgeted.

Mr. Chomiak: I will try again to outline to the member that the accord said that we had to allocate where the money was spent after the actual expenditure of the funding.

Mr. Chairperson, the second point that I want to make to the member is that there is some dispute with respect to how that money can be allocated between the three areas as they relate to the base levels.

* (16:10)

Mrs. Driedger: Mr. Chairperson, can the minister confirm that on page 103 there is an indication of \$8,500 for Primary Health Care initiatives, and that is actually referenced in a note?

Mr. Chomiak: The sub-note to the Estimates of Expenditures, sub 1, that talks about the

additional funding deals with funding that is in addition to that that is included within the health insurance fund.

Mrs. Driedger: Can the minister clarify, the \$8,500 for Primary Health Care initiatives, is that money from the federal government from that health accord funding?

Mr. Chomiak: No.

Mrs. Driedger: Can the minister explain what the Canada-Manitoba Enabling Vote means?

Mr. Chomiak: We have to access that funding by submitting invoices.

Mrs. Driedger: That was not the question. My question to the minister is for a description or explanation of what the Canada-Manitoba Enabling Vote is.

Mr. Chomiak: As I understand it, under the previous Primary Health Care fund, and I believe under the newly agreed to health care fund that was agreed to in February, there are certain criteria and agreements between the federal and the provincial government in order to enable acquisition to funding. When I pointed out to the member that there were invoices that had to be appropriately submitted, as I understand it, these agreements are enabling the triggering of the payment of funds once the invoices are submitted. With respect to the previous accord, the 2000 accord and the accord in 2003, these are various different mechanisms of accessing funding with respect to particular issues. Now, in terms of the Primary Health Care fund per se that Manitoba received, the previous fund, if memory serves me correctly, that was over a three-year period of time, there were several envelopes of funding. One envelope of funding concerned Aboriginal initiatives that we had to go through and agree with the federal government on and some of those we are still working on. Others were a \$12-million and \$20-million fund respectively that we had to receive permission from the federal government to act on, and we recently acted on several of those and therefore obtained funding from the federal government on the submission of actual plans and invoices in that regard.

Mrs. Driedger: So clarification then, from the minister, please. He has said that this \$8,500 is

not from the February 2003 health accord funding package.

Mr. Chomiak: Mr. Chairperson, the \$8.5 million the member is referencing is from the previous Primary Health Care transition fund, of which I gave an explanation to the member, a very extensive explanation, last year.

Mrs. Driedger: Well, the minister has just indicated that the \$8.5 million related to the Primary Health Care initiatives is not from this 2003 February health accord. Could the minister indicate then whether the \$23.9 million for equipment purchases as indicated here is or is not from the 2003 health accord.

Mr. Chomiak: Some of the money in that \$23 million is from the previous and some of it is from this year.

Mrs. Driedger: Could the minister tell us how much is from this year?

Mr. Chomiak: Since we are getting to line-by-line specifics, Mr. Chairperson, perhaps I will deal with this when we get to that line in the appropriation so that I can have all of the officials here and all of the documentation so that I can provide the member with that specific information.

Mrs. Driedger: It is certainly interesting. I would think that the two people that he needs most to define what these numbers are are sitting at the table already. The chief financial officer is here and the deputy minister is here, and, oh, the powerful legislative assistant to the Minister of Health, the Member for Dauphin (Mr. Struthers), is also here. As the minister seems to think that this particular role has a great deal of influence, and with all the references he made to what that particular person should know, then perhaps this legislative assistant knows some of these answers.

So with the people who are at the table, I would think that it is the appropriate time right now to be asking the questions. I will ask the minister again: How much, then, of that \$23.9 million comes from this year's health accord?

Mr. Chomiak: Mr. Chairperson, we have just spent 45 minutes, for me, trying to explain the

health accord to the member, and, clearly, the member has not been able to understand the implications.

We were talking about general questions in terms of dealing with these Estimates. Now the member is asking specific line-by-line items, in fact footnote-by-footnote items with respect to the Estimates. If the member wants to deal with this, then I think we should appropriately work through the Estimates and get to these line-by-line items, so that the appropriate officials and the appropriate information can be provided. Otherwise, we will continue.

In fact, I want to have the member take a look at the 2003 accord, because the member seems to be confused as to how it is operating. We probably should be looking at the accord as we discuss this. We have not had a chance to look at the actual accord itself, so that I could go through it line by line with the member to explain it.

I suggest we deal with this on a line-by-line basis, as agreed to when we commenced these Estimates.

Mrs. Driedger: I think the minister is having difficulty in addressing this issue because he does not have a full and clear understanding of the money allocations from this particular health accord. I think it is a very appropriate time right now to be discussing it because we are discussing a general accord. It happens to be identified in line by line, but we are certainly looking at an accord where now the minister has finally admitted that it is \$365 million allocated to Manitoba over five years.

He has now indicated that \$8.5 million for Primary Health Care initiatives is not related to that accord from this year. He has indicated that some of the \$23.9 million for equipment purchases comes out of this particular health accord from this year, and some of it is related to previous accords. Then there is nothing allocated for drugs in here. It does not appear to be. The minister has committed to plot all of the money that he gets from this accord, and if he has made that commitment and he cannot tell me right now how much exactly from that health accord he has committed to medical equipment, I think

he has perhaps spun a yarn to the media when he has made this commitment that he can plot every bit of it.

* (16:20)

Mr. Chairperson, the minister has also earlier on today indicated that \$6 million came to Manitoba for equipment. That was several minutes back that he made that particular reference. I did write it down at the time. However, I believe a few minutes later, he might have talked about \$8 million, and then he talked about a total of \$18 million as the total number for equipment.

So he had the numbers out there of maybe \$6 million for the equipment, then he had \$8 million, and we have a total of \$18 million, I guess, out of this \$23.9 million. Could the minister clarify for me, and if we want to start with the \$6 million that he first indicated was the money given to Manitoba by this 2003 health accord for equipment, could he clarify, as he said earlier, that those are indeed the numbers?

Mr. Chomiak: I think probably the best way to accommodate the member's confusion in this regard is to get copies of the 2000 accord and to get copies of the 2003 accord and I could show the member where the different funds are.

The member has to understand that there are different funds allocated to different purposes. Let me try that again. There are different funds allocated to different purposes both from the 2000 accord and the 2003 accord. I think we cannot get much further, because we have to go through each of these funds to indicate—welcome, everyone—there are different amounts of money that apply to different funds.

Have I made that clear to the member? There are different funds with different money, two different accords, and different funds are allocated to those different funds, two accords, different funds, different money that applied to those different funds, but I think we had better get copies of both accords.

I am asking perhaps my staff to get copies of the 2000 accord and the 2003 accord so we can continue this discussion, because I do not want

to go on all day trying to discuss with the member the various funding, the various accords, because clearly I am not making any progress.

Mrs. Driedger: How much of the accord money from this year can be found plotted out in this Budget?

Mr. Chomiak: I have given the member that answer three times.

Mrs. Driedger: Can he give it a fourth, please, very clearly and short and sweet?

Mr. Chomiak: Use of the word "plotted out" is the member's word. As I indicated, the member asked me the question, to plot out. *[interjection]* Yes, I know the member acquiesces to the *Free Press* editorial board. I understand that and I understand how important that is to the member and I want the member to know that we will live up to our commitments quite firmly.

I am just waiting for the arrival of the 2000 and 2003 accords so I can outline to the member specifically the various funds that are applied and how they are applied so the member will no longer be confused when I talk about different numbers, because different numbers apply to the different funds.

Mrs. Driedger: I am absolutely amazed at the minister's confusion about this issue. When we started this line of questioning today, at first he did not know how much money had been allocated to Manitoba, and yet he told the *Free Press* back in February that it was \$365 million. When he was reminded of that, then he thought, yes, that might be the number. Then he did indicate that it was over five years.

Then he, in being asked these questions, after having made a commitment to plot all of it, and this is a budget, so it should have been plotted in here. It should be very clear in this Budget where all of that federal money is going, especially if, although he said the money has flowed, then he said it has not flowed, then he said it is not going to flow until invoices are presented, but how can he present invoices if he has not plotted this already in terms of spending?

He has given no indication then where that money from the 2003 health accord is being spent and he has got on the record here different numbers for the equipment fund of money that might be plotted, but then he had different numbers. Then he talked about primary care and home care and catastrophic drugs amounting to \$37 million.

Well, if he is saying that Manitoba's share of this money is \$37 million this year, why can he not point that out to me in this Budget?

Mr. Chomiak: Mr. Chairperson, if the member will review Hansard carefully tomorrow, she will indicate that I specifically outlined the various funds I think on at least three separate occasions.

Mrs. Driedger: Can the minister show me in this Budget where the \$37 million, which is what he said Manitoba's share is, can he show it to me in this Budget?

Mr. Chomiak: The \$37 million that was allocated under the 2003 federal accord is divided into three areas that have already been outlined to the member, that is, primary health care, catastrophic drugs and home care.

Mrs. Driedger: According to the way the report is set up, none of that adds up to \$37 million. So I am asking the minister if he can point out to me perhaps a page where I might find the \$37 million. There is no reference at all to the federal money going into Pharmacare. There is some reference of federal money going in to Primary Health Care initiatives and to equipment purchases. Although he said that \$23.9 million covers off a few years, I am just asking for a very straightforward answer from him. Show me where the \$37 million is that he said is this year's Manitoba share. He has committed to plot it out and I cannot find it in this year's Budget. Where is it?

Mr. Chomiak: When we get a chance to review the accord, the member will see the accord states we have to show where all that money was spent. As I indicated to the member, there is still a dispute and a disagreement at the federal-provincial table as to how the money is allocated between the three various areas and how it is

going to be allocated. At year end when the invoices are in, we will show where all of that money was spent.

Mrs. Driedger: Is the minister not obligated to show it in this Budget?

Mr. Chomiak: As I indicated, there are estimates within this Budget and we have included estimates of various expenditures within this Budget. If the member wanted to ask me, as I told the member, of the estimate, how much money we have spent on Pharmacare this year, we are into the second or third quarter, I cannot advise the member as to that.

There is an estimate as to how much we are going to spend this year and next year when we go into the public accounts and into next year's Budget, it will allocate how much we have actually spent. So I cannot give the member an exact figure as to how much money has been actually spent. All I can give the member is an estimate of what the expenditures are projected to be for 2003-2004, which are the subject of the discussion during the course of supplementary Estimates.

Mrs. Driedger: But the minister has not been able to show me where it is, and that is what I am asking. Where is the \$37 million in this Budget?

What he is also saying in some of those comments is: I cannot tell you where the federal money is going until after we spend it and then we invoice for it. So is he spending all that federal money without any of it being built into this year's Budget, which therefore does it mean that besides the three point whatever billion dollars he has budgeted for health care, on top of it, based on what he just said, there is a whole bunch more federal dollars that are not even built into this Budget that he is going to be spending? Because that is just what his answer inferred.

Mr. Chomiak: That accounts for some of the difficulty the member is having and is why the member is confused, because I pointed out that some of the monies are from the previous 2000 accord. Some of the monies are from this accord. Some of the money has already been accounted

for. Some of the money will be accounted for in the future.

Mrs. Driedger: Well, I am quite prepared to spend a lot of time in Estimates on this particular issue because I think it is extremely important.

Mr. Chomiak: As I indicated, I am getting copies of the accord brought forward so I can explain to the member how the various monies flow on both accords, to clear up the confusion with respect to the member's understanding.

* (16:30)

Mrs. Driedger: I would like to indicate to the minister I am not at all confused about this. The accords can say one thing. The Budget and the line by line has to show where he is spending this money. *[interjection]* He is now telling me—my colleague does say transparency. It is not transparent where this federal money, which now we have determined after much teeth-pulling is \$365 million. When the minister was first asked how much the health accord from February 2003 was, he did not know today. How can a minister be so unknowing about his own department?

Finally, after being reminded by a *Free Press* article that it was \$365 million, he indicated that perhaps he could have told the *Free Press* it was \$365 million and it is over five years.

Now the minister indicates: Well, none of that money has flowed. So he indicated that none of that money had flowed, then he indicated that some of that money had flowed, then he indicated that nothing can flow without invoices. Then he said Manitoba's share for this year is \$37 million.

I am asking the minister, who has actually guaranteed to plot all of this federal health accord money and to me the best place to plot it would be in a budget, I am asking him: Where in this Budget can I see the \$37 million that he said is this year's Manitoba share of that money?

Mr. Chomiak: First off, much of what the member has said is categorically wrong, categorically inaccurate comments and reflections of

my statements. That is the first point. The second point, Mr. Chairperson, with respect to the member's question, is I outlined four areas of expenditure this year dealing with the federal 2003 accord. Four times I mentioned it to the member in the Estimates as we would go through general questions, and the member keeps coming back. That is why I think it is very important that we look at the accord and look at the various aspects of the accord so I can explain to the member what her difficulty is.

Mrs. Driedger: All I am asking for is the minister to show me. He said Manitoba's share this year is \$37 million. He is now being asked to show Manitobans in this Budget where that \$37 million is plotted.

Mr. Chomiak: Mr. Chairperson, if the member would canvass her memory and take a look at Hansard, I talked about four different funds in this year's Estimates, not just the \$37 million, of which the \$37 million has three components, I might add. But I talked about four different funds. Now the member is trying to suggest that I only indicated there was \$37 million. That is the problem with dealing with the member and trying to explain these issues.

Point of Order

Mr. Chairperson: A point of order, the Member for Charleswood.

Mrs. Driedger: I would ask the Minister to not put misinformation on the record. He was the one that earlier said \$37 million is this year's share to Manitoba from the federal health accord of February 2003. I am quoting his numbers. He has used them several times today. He has used \$37 million several times. These are his numbers.

Mr. Chomiak: That shows why it is so difficult to explain things to the member. I said the \$37 million was the Health Reform Fund. There are other funds attached to the 2003 accord. That is why we need a copy of the accord. That is why I need to take the member through it item by item so she is not so confused.

Mr. Chairperson: I just want to report that there is no point of order. It is a dispute of the facts. So we will continue.

Mrs. Driedger: I would ask the minister again, if he wants to call this the Health Reform Fund now and indicating that the \$37 million comes from that fund, where is it in this year's Budget? Can he just point me to the page?

Mr. Chomiak: Thank you, Mr. Chairperson. As I have indicated to the member on several occasions during the course of these Estimates, part of the federal accord agreement saw one of the funds being a Health Reform Fund that is divided into three areas: primary care, catastrophic drugs and home care. That portion is estimated to come to Manitoba of \$37 million.

I also indicated to the member that the specific allocation of those funds is still subject to a disagreement between the federal government, the provinces, as to allocations between those three areas: primary care, catastrophic drugs and home care, and whether or not funding of say \$2 million can be transferred from one portion of the fund to the other portion of the three funds. The funds itself are available in the Estimates of the Province of Manitoba, as I indicated in my earlier response.

Mrs. Driedger: Mr. Chairperson, because the Budget is so what appears now to be very vague on where this federal government money is allocated, I have some huge concerns that we could be looking at \$365 million coming into Manitoba from this fund over the next five years and none of it is being plotted in this Budget. Or certainly in this particular year the minister has indicated well, maybe some of that money has come for equipment purchases. But he has indicated that the primary health care money was from a previous accord. So the minister has indicated there is \$37 million supposedly coming this year. There certainly is not \$37 million plotted and clearly transparent, like the minister committed to.

Why is it not clear in this Budget then if we are using good financial practices? Or are we going to expect that at the end of the year the Health spending, there will be some real hidden spending that we do not even know about, money coming from the federal government, because it is not showing in this year's Budget?

Mr. Chomiak: As I have indicated to the member, I have tried to explain to the member

and I have at least on three occasions outlined the various funds that Manitoba is anticipating from the federal government as a result of the 2003 February accord. I have indicated the packages and I have indicated the issues that are surrounding that. I can assure the member that all the money will be accounted for and in fact as a result of the accord we must account for that money publicly for those expenditures.

* (16:40)

Mrs. Driedger: I think we could end up with a serious breach in public confidence on this issue unless the minister can clearly delineate where this money appears in this Budget. If he has indicated that \$37 million is Manitoba's share, and frankly I would think that should show clearly either through notes at the bottom of a page or it should be—I am not sure what. It should be so much more transparent in his Budget. The fact that it is missing from this Budget and is extremely unclear is certainly going to leave a serious breach in public confidence. This will be exacerbated by the fact that the minister cannot show where the \$37 million is. He has indicated that that is Manitoba's share. He has not budgeted for it, which leaves one to believe that as that money comes in it could be spent on things we do not know about. It certainly raises a lot of questions.

I am going to raise another question then on this whole issue. The Finance Minister has said that he has included an additional \$73 million in federal health care payments, which is Manitoba's share of the \$2 billion bump Canada's premiers demanded from Ottawa. If the Finance Minister has indicated that there is supposed to be \$73 million from this particular fund, the minister has indicated \$37 million, I would ask the minister who is right, who is wrong, where is the Finance Minister's \$73 million showing then in this Budget?

Mr. Chomiak: The member is wrong in her assertions. She is talking about different funds. She is confusing the funds and she is wrong.

Mrs. Driedger: Again, I will indicate that my reference is coming from the *Winnipeg Free Press*, an article written by Dan Lett on July 16, 2003. I will read from that particular article that

Mr. Lett wrote: In this year's provincial Budget, Finance Minister Greg Selinger included an additional \$73 million in federal health care payment, Manitoba's share of a \$2-billion bump Canada's premiers demanded from Ottawa. It goes on to say that Selinger said it is common practice to "book" anticipated increases in federal transfers into the Budget to ensure transparency. Selinger added he fully expects the federal government to make good on its pledge to increase health care funding.

I would ask: In view of the Finance Minister's statement that there is \$73 million of that new money built into this Budget, where is it?

Mr. Chairperson: There is a caution here. When you refer to members, even from a newspaper, refer to their constituency or to their portfolio, not to their name. Thank you. We will continue now.

Mr. Chomiak: Again the member's response does suggest that a little bit of information can be dangerous. I tried to explain to the member earlier during the course of this discussion that there are various funds. Let me read from the accord, Mr. Chairperson, to try to clarify the issue for the member. With respect to the \$37 million fund, I guess we are calling it that now that the member has tagged that name onto it. Let me quote: First ministers agree that additional investments in primary health care, home care and catastrophic drug coverage are needed for a long-term sustainable public health care system in Canada. The federal government will create a five-year Health Reform Fund which will transfer resources to the provinces and territories to address these three priorities.

Recognizing that provinces and territories are at differing stages of reforms in these areas, the fund will provide the provinces and territories the necessary flexibility to achieve the objectives set out below.

Premiers and territorial leaders agree to use the Health Reform Fund to achieve these objectives. Therefore these funds to be transferred to the provinces and territories will be available for any of the programs described within the Health Reform Fund at their discretion. Achievement of the objectives of the Health Reform Fund—I note

fund. This is one of several funds that arise out of this accord and out of the previous accord. Achievement of the objectives of the Health Reform Fund by a province or territory will allow use of any residual fiscal resources in the fund for other priority areas of their own health system.

Mr. Chairperson, let me point out that my ministers of different political stripes in other provinces raised and are very upset and had some disagreement with the federal government as to whether or not funds could be distributed between the three base areas if certain levels were achieved. So there is some uncertainty with respect to how the funding can be allocated within this envelope between the various areas. Now let me continue reading from the accord.

The Government of Canada will establish a new long-term health transfer, CHT, by March 31, 2004. It will include the portion of the current CHST, both cash and tax points, corresponding to the current proportion of health expenditure and provincial social spending supported by this federal transfer. In establishing the CHT, the federal government will ensure predictable annual increases in health transfers subject to a review of progress toward achieving the agreed upon reforms, and following a first ministers' meeting, by March 31, 2008, the federal government will ensure that the level of funding provided through the Health Reform Fund, again, mine, this is one of other transfers, is also integrated into the CHT.

Point of Order

Mrs. Driedger: Is it common practice if the minister is reading from a particular document to the extent he is, that he should be sharing that document?

Mr. Chairperson: On the same point of order, the honourable minister.

Mr. Chomiak: This is the premiers' and first ministers' health accord of 2003 that the member is obviously confused about, and I said I would try to clarify it.

I will provide a copy to the member so we can go through it together so the member could

understand there are different funds that allocate different resources, and that is where the member is getting completely confused.

Mr. Chairperson: On the point of order, I understand that you only have to table a private letter. A public document does not have to be tabled, but the minister may table it if he wishes.

* * *

Mr. Chairperson: We will continue now.

Mr. Chomiak: Now, again, one fund under the accord divided into three areas. Let us look at the home care provision. It says first ministers direct Health ministers to determine by September 30, 2003, the minimum services to be required. In other words, there is a requirement to determine the minimum standards for home care to be provided by September 30, 2003. That date has not been achieved nor have those minimum standards been achieved.

Notwithstanding that, Mr. Chairperson, we are still anticipating the entire flow of the fund will be to Manitoba in this budgetary year.

*(16:50)

Mrs. Driedger: When we first started today, it became clear after much questioning that there is \$365 million allocated to this 2003 federal health accord over five years to Manitoba. The minister indicated that Manitoba shares \$37 million.

The Finance Minister (Mr. Selinger) has indicated a larger amount has been built into the Budget, contrary to what the minister is saying. The Finance minister is indicating that an additional \$73 million has been built into this Budget, and he said it is common practice to book these kinds of anticipated increases in federal transfers into the Budget to ensure transparency. However, it is very lacking in transparency because it is not at all clear in this Budget where this money has been plotted.

The other question that then arises because it is so unclear as to where this money is, it begs the question as to whether not there is going to be more money spent in health care over a period of five years, if the Government is not even plotting it in their Budget.

The other interesting thing is the Minister of Health indicated that there was \$37 million allocated for Manitoba this year. It is interesting to note that the Finance Minister allocated \$73 million, which would be more accurate in terms of a division over five years. In fact, if you take \$365 million divided over five years, the Minister of Finance did have an accurate number of \$73 million, which would be a one-year share, if one were to divide it that way. Although the Minister of Health indicated that only \$37 million would be forthcoming this year, so we would then have to assume that the rest might be allocated at a different time.

My concern with all of this is, without it being transparent in the Budget, in fact with it being totally lacking in the Budget, and because we know that the federal Minister of Health, John Manley, has said that the federal government may not be able to honour their funding commitment because they may not have the surplus with which to do this. John Manley went on to say that the economy has taken a turn for the worse. He is indicating, although they may have committed \$365 million to Manitoba in February of 2003, that at this date in the fiscal year the federal government may not have enough money to flow to any of the provinces.

Whether he is flowing \$37 million this year or whether he is flowing \$73 million, maybe the minister got the numbers turned around, because 73 and 37. It certainly concerns me that the Finance Minister said: Well, it is typical—or what were his words exactly. He said it is common practice to book anticipated increases in the federal transfers into the Budget.

Obviously, he is indicating that this federal money has been built into this Budget, although we cannot find it in this Budget, but minister John Manley has indicated that this money might not flow, that they might not be able to honour that funding commitment.

I would like to ask the Minister of Health if he can tell us how he plans to deal with a potential loss of \$73 million or even a portion of it, if this federal money does not flow. As he has been indicating, it is in the Budget, but we cannot find it. They are anticipating and we are halfway into the Budget, so obviously money is

being spent. What is he going to do if in fact the federal government is not going to flow this money? What are we going to see?

I do not think we can raid Hydro anymore. The Fiscal Stabilization Fund has been drained down so much by this Government that there may not be much left there. Where do we go next if this money does not flow?

We heard of mammograms not being conducted at St. Boniface Hospital this summer. Are there going to be staff layoffs? Are there going to be closure of rural hospitals? Is he going to have to de-insure some services? Where is he going to squeeze the kind of money if the Minister of Finance (Mr. Selinger) said \$73 million has been built into the Budget? What if it does not come?

Who is going to suffer from all of this? Is the Government going to have to raise taxes? Where are they going to find the savings or efficiencies? Are we going to see less police on the street because they have to fund health care instead? Are they going to have to have less textbooks in the school or more fundraising, which by the way I note that the NDP indicated they did not want any fundraising, yet day one of the school year kids were asked to fundraise. I wonder what happened with all that rhetoric from way back then?

If savings are not going to be found in health care, they have to come from someplace else. If the Government cannot find any of the efficiencies in other departments, the Fiscal Stabilization Fund is at risk. It is low, interestingly enough, low at a time when it has not been raining, low at a time when this Government has had a billion dollars of new money to spend.

We are seeing waiting lists go up. We are seeing care being rationed and cardiac patients dying. We have a very, very convoluted picture that has been painted here this afternoon.

I have concerns that out of all of this, besides a breach in public confidence, there are some very, very big unanswered questions. The minister runs around and easy to talk to the media and make guarantees that he is going to plot everything, well, why has it not been plotted

in this year's Budget? Why has this year's allocation not been plotted? This accord happened at the beginning of February of this year. There was plenty of time to adequately plot that spending in this year's Budget and it is not plotted in here.

I think there are some serious issues that have been raised with this and some serious consequences down the road because the minister does not seem to have an understanding of what is happening in his own department with the federal health dollars. He is trying to deflect by reading from the accord. The accord does not tell me where the \$37 million or the \$73 million is in the Budget. That is all I am asking for, a clear understanding from the Minister of Health to point us in the direction where we can clearly see where that federal money has been allocated in the Budget, because it is not clear where it has been allocated in this Budget. It is certainly going to raise some interesting questions in days to come, I am sure.

Mr. Chomiak: Mr. Chairperson, I implore the Member for Charleswood to read the Hansard of today's discussion and to very carefully look at the numbers that were provided to the Member for Charleswood in terms of the allocation of the funds. Part of the difficulty the member is having is that she is comparing different funds and drawing erroneous conclusions from the utilization of those funds. She is drawing erroneous conclusions and unfortunately does not further the particular debate.

The reason that I wanted to refer to the health accord of February '03 was to outline to the member that there are different allocations and different fundings over different years, but the member seems to be incapable of understanding that particular aspect of it.

The member is also confusing different numbers with respect to numbers that are provided in terms of revenue by the Minister of Finance and money that has been allocated with respect to various funds under the accord. I just urge the member to review Hansard before she takes this matter any further.

Mrs. Driedger: Can the minister indicate when he guaranteed to plot all of this money how he actually intended to carry that out?

Mr. Chomiak: As I said earlier, first off, the accord requires that we provide assurances that this money is spent. Secondly, we will ensure that the allocations are recognized and are outlined with respect to federal money. In fact, we are bound to do that.

Mrs. Driedger: Mr. Chairperson, my specific question to the minister, and I know he has to make a commitment to plot it because that is a requirement, but how does he intend to make that transparent to Manitobans. I would think that the Budget would be the first place to start.

Mr. Chomiak: Mr. Chairperson, we have and we will make it transparent to the public.

Mrs. Driedger: Could the minister identify through what format he intends to do that?

Mr. Chomiak: We not only promised the federal government but we promised the people of Manitoba that we would provide information with respect to these funds. We will live up to that commitment.

* (17:00)

Mrs. Driedger: I note that the minister basically has given a nonanswer. He is not answering the specific questions that are being put to him. I would like to ask the minister if the \$6 million for the gamma knife has come out of this federal accord money of 2003.

Mr. Chomiak: Mr. Chairperson, the member has asked whether or not the \$6 million for the gamma knife has come out of the 2003 health accord. To the best of my knowledge, the \$6 million for the gamma knife has not come out of the 2003 health accord.

Mrs. Driedger: Can the minister indicate if the health access centre, the one that is sitting empty right now where we are paying great rent, is that health accord money?

Mr. Chomiak: As far as I understand, the money for that particular centre—the first of its kind access centre developed a concept of having access centres around the city of Winnipeg. This was the first of its kind, an arrangement entered into. The money from the 2003 accord has not gone into that particular access centre.

Mrs. Driedger: I thought the minister gave that as an example of how the money was going to be spent, were the access centres. Can the minister then indicate whether or not this is going to go into these access centres?

Mr. Chomiak: What is going to go into the access centres?

Mrs. Driedger: Mr. Chairperson, can the minister indicate whether the health accord dollars from February of '03 of this year, whether that money is being targeted towards the access centres as Primary Health Care initiatives?

Mr. Chomiak: Again, the reason I wanted to ask that is because I wanted the member to note that there are various funds that arise out of the 2003 health accord, so that it is very clear to the member that that is the case. It is anticipated that some of the funding from the primary care dollars that flow out of the 2003 health accord will go to access centres.

Mrs. Driedger: The East Kildonan access centre is the first one that is up, and I understand from reading about it in the media that there are struggles in terms of staffing it, so that we are paying a huge monthly rent on a building that has been built but is sitting empty because there are some problems in finding the staff to work in it, although I thought all of that, if good planning had been done, would have already been in place.

In fact, in the editorial in the *Winnipeg Free Press* on February 8, it indicates the minister making a reference to this access centre in talking about new spending and indicating that he is going to plot outcomes now from new spending. He is talking about the first of the 12 multidisciplinary health access centres, and he goes on to talk about that in relationship to the new spending.

So is he saying, then, that this first health access centre will not see any of this funding from the federal government's 2003 health accord?

Mr. Chomiak: Yes, we will plot out all of the expenditures that we are making as a result of the 2003 health accord.

Mrs. Driedger: The minister did not answer the question. Will any of that money be going to the health access centre in East Kildonan?

Mr. Chomiak: Mr. Chairperson, I indicated in my previous response a response to that.

Mrs. Driedger: Can the minister tell us, because he would be the person with the most up-to-date information, what is the outstanding capital debt of hospitals and personal care homes as of the end of the fiscal year 2003?

Mr. Chomiak: Are we into line by line now, because I wanted to clarify that, whether it is general questions or specific questions.

Is the member indicating that we are now going line by line in terms of the Estimates process, because I can bring my capital people here to deal with capital issues if the member wants. That would be appropriate.

Mrs. Driedger: I do not think it is a capital issue; it is a financial issue. If the member prefers me to wait, I can do that, but his CFO is at the table. If he wishes to delay responding to this, I can certainly do it another day.

I will also ask then, in order for him to prepare his staff, that I will also be asking for the lines of credit to finance capital projects in process, what the amount is for that for the end of 2003. I am quite prepared, I can wait for that part at a later date.

The next question I have is if the minister can tell me which RHAs are running deficits.

Mr. Chomiak: I will provide that information for the member when next we meet.

Mrs. Driedger: I thank the minister for making that commitment. I would like to ask the minister if the RHAs are going to have to cover their own deficits.

Mr. Chomiak: We anticipate that in the 2003-2004 year the RHAs will not run deficits.

* (17:10)

Mrs. Driedger: Can the minister just repeat that? Did he indicate that there will be no

deficits by the RHAs at the end of this fiscal year? That is what he said?

Mr. Chomiak: What I said is that we anticipate that the RHAs will not have deficits at the end of this fiscal year.

Mrs. Driedger: Does the minister anticipate that instead Manitoba Health will have that deficit at the end of this year?

Mr. Chomiak: Mr. Chairperson, I am very happy to say that since we have come into government the deficits of RHAs have gone from what I believe was something like \$70 million, I think, was the figure when we came into office, it was in the tens of millions, down to a very minimal amount. That I think has been as a result of working collaboratively with the RHAs, good management and attempting to deal with our resources appropriately.

We budget and we budget accordingly and try to anticipate all of the costs and expenses and try to move toward an equal revenue and equal expenditure, both in the Department of Health and in all government departments.

Mrs. Driedger: It is interesting that, when the NDP first formed government, the Premier (Mr. Doer) said in a very, very passionate way, no more deficits from the RHAs, then the RHAs have had deficits. In some instances, Manitoba Health has bailed them out. So it makes the RHAs look better if Manitoba Health is willing to bail them out, but, on the other end of it, Manitoba Health has gone into deficit itself and is running huge, huge deficits at the end of each year.

So it is interesting that the minister will say, well, the RHAs will not have a deficit. While that makes it sound like there are all kinds of wonderful things happening, what is really happening here is a shell game. The shell game is nothing more than the minister giving grants and covering deficits and bearing the costs of some of the deficits that the RHAs are actually running. Is that what is happening?

Mr. Chomiak: As I recall, Mr. Chairperson, when I looked at the financial statements, the deficit run by Manitoba Health was the least last

year than any time in the past six to eight years overall. I also know that the deficits of the regions have gone down from double-digit millions into far, far less than that. I know that the WRHA, which is the largest health region in Manitoba, is the only health region to not have a deficit, only major health region in western Canada to not have a major deficit. I note that recently the government of Ontario was forced to bail out hospitals by providing an additional \$30 million and \$40 million just in the last month or so.

So we feel that we have not totally overcome the issue, but we have certainly dealt with the deficit issue in a reduction in the regions by over 80 percent, this despite the fact that the member on a regular basis urges us to spend more resources on every single issue that comes across her desk and stands up regularly and chastises us for overspending and then at the same time on every single issue that crosses her desk asks us to spend more resources and to spend more money on every single area and is in direct contradiction, I might add—

Point of Order

Mrs. Driedger: I think either the minister is really tired. He has really lost it this time. For him to make that kind of an absurd statement is absolutely ridiculous. If he is going to make absurd statements like that, then at least put some documentation on the table to prove what he is saying. It is awfully easy to take cheap shots, but I would ask the minister to back that up with evidence.

Mr. Chomiak: That in fact leads me directly to a point the member made yesterday, when the member yesterday criticized our not providing information to the public with respect and not contacting the public with respect to the cardiology program. I have the member's own press release under the member's own signature saying that we are wasting money by providing ads to the public to tell them to come forward on the heart inquiry. If there ever was an example, that is an example right there of the issue.

Mr. Chairperson: I would like to thank both members for their advice on this point of order. I just want to point out there is no point of order,

it is a dispute of the facts. Thank you. We will now continue.

* * *

Mr. Chomiak: We have just come out of an election campaign where the member and the member's party asked us to restrict spending to, what was it, 1 percent or 2 percent. It is contrary because the member has already, in fact the Member for Emerson (Mr. Penner) asked us to run a deficit budget both in the *Brandon Sun* and the *Winnipeg Free Press* this year. So the flip-flops on members opposite is, I suppose, typical.

I do have copies for the member, if the member wants, of the 2000 health accord. I think I have copies of the 2003 health accord. If I can get that to the member, we might be able to have a useful discussion with respect to the allocation of funds relating to the various monies under the health accord. Just let me check through my notes. If I do not have it in total here I certainly will provide it first thing tomorrow so we can get off to a good start with respect to discussing the various funds under the health accord.

Mrs. Driedger: In looking at the deficits that some of the RHAs had, I note that in March of this year Central RHA was projecting a \$2.6-million deficit. Actually then the Government has bailed them out with a \$2-million grant. I am assuming that that \$2-million grant is what is going to end up bumping Manitoba Health into a deficit, but it is certainly going to paint a better picture for the RHAs. As I said, this could very well all just be a shell game because it is shuffling over the same kind of money. It is just going to be in what public perception is of all of these dollars.

When the Premier (Mr. Doer), in 1999, said there will be no more deficits, I would like to ask the Minister of Health then: Why all of these years have they been covering deficits for a number of the RHAs?

* (17:20)

Mr. Chomiak: I am glad the member asked that question because it affords me the opportunity to talk about the fact that we have reduced by 80 percent the deficits of the RHAs.

More importantly, Mr. Chairperson, the member makes the point about a specific region

and I did not catch which region the member was referring to, but if the member was referring, for example, to the South Eastman region—*[interjection]* Central region, another good region where we have invested additional dollars in additional programming. We have returned surgery to rural Manitoba when members had abandoned it. We have returned surgery to Ste. Anne. We have returned surgery to Steinbach. We have returned surgery to Thompson.

The member was running around this committee last year at Estimates time showing us tooth caries and saying that we had to do more surgeries. We took those surgeries, moved them from Winnipeg, gave them to Thompson, where the children live, I might add, and in Steinbach where the people live. They do not have to come into Winnipeg all the time for surgery, as it was under the Tory years, the lean Tory years of cutbacks, laying off of nurses, closing of hospital beds, the reduction in programs, the elimination of nursing programs, the elimination of doctor programs. We have reinvested in rural health regions. We have reinvested in the North. If the member wants to call reinvestment in programs a bailout, she can call it whatever she wants. We call it reinvestment in people, reinvestment in resources.

In Steinbach, there was a study in 1995 under the previous Tory regime that said repatriate surgeries to Manitoba. They did nothing. When we came into office, we repatriated surgeries to rural Manitoba. In Steinbach, Ste. Anne, Thompson, Manitoba surgeries were not taking place. The last time I attended the Association of Manitoba Municipalities there were other hospitals lining up and saying, can we have additional resources there.

New hospitals all across the province. Is that a bailout? Putting a new personal care home in Steinbach or Boundary Trails. I do not apologize for that, and with that the commensurate operating dollars that go with those additional programs. Some of the early childhood recognition programs that have gone in for hearing that has gone on in rural Manitoba, that has been piloted by rural Manitoba and has been taken across the province, that is additional money and resources we put in. The member might call it bailout. We call it investing in people, investing

in programs, investing in services, not just in Winnipeg but outside of Winnipeg. We have expanded it and we continue to do that right across the province of Manitoba.

Mrs. Driedger: Good speech, but way off track from what the question was that had been asked.

The question was, and it was, again, pretty straightforward, the Premier (Mr. Doer) and this Health minister made statements: no more deficits, and then have basically offered grants and bailed out a number of RHAs who did have deficits. In fact the flip side of that is deficits were created in Manitoba Health, but it has at least made the RHAs' bottom line look better at the end of the year.

The question to the minister was: Why would you say things like that? Why would you make these kinds of statements and then not keep your word about them?

Mr. Chomiak: Mr. Chairperson, as we have gone through the course of these Estimates over the past four years, the deficits in every single region of the province of Manitoba have been reduced and have been reduced dramatically. Not only that but the overall deficit of the Department of Health has been reduced and reduced dramatically. Not only that but in spite of that investments in terms of nursing, doctors, technologists and human resources around the province have increased dramatically. Not just capital resources but human resources. We have done that over a period of four years.

Gone are the days when we were in a situation of uncontrollable deficits. I note that recently in Ontario, for example, the Ontario government had \$500 million in hospital deficits alone, and 120 of 160 Ontario hospitals were running deficits and were in danger of being insolvent. That is the way Manitoba was in 1999 after 11 years of Tory misrule. After 11 years of mismanagement, after 11 years of cuts, after 11 years of total neglect of human resources and infrastructure resources, that was the position we found ourselves in when we came to office in 1999. The member often wants to relive the '99 election campaign in this room, and I admonished her last Estimates that we should

not do it, and I find myself, unfortunately, slipping off, so I will leave that alone.

Let us go to the more recent events, Mr. Chairperson. Let us go more recently to when the people of Manitoba, when viewing our program, viewing the progress we had made, acknowledged the work that had been done over four years and gave us a mandate to continue similar work over the next four years. Part of that was not the hack-and-slash results that we had seen over such a long period of time.

We made it very clear that we did not want hospital deficits to be a way of life. We have reduced them by 80 per cent. Mr. Chairperson, I can tell you that the Winnipeg deficits alone were in excess of the total deficit of all of the regions in the province now.

Mr. Chairperson, Winnipeg Regional Health Authority, the largest health authority in Winnipeg, has balanced its budget in several years. That is a feat that has not been repeated by any other health region as far as I know in western Canada for a region that size. I would think that members opposite would applaud the fact that the largest region in the province of Manitoba has balanced its budget for the past several years. I would think that members opposite would be pleased that we have been able to do that, and for the most part deficits in rural and northern RHAs have been reduced dramatically, dramatically from \$70 million in 1999 to only in the millions of dollars, in fact, as I understand it, and as I indicated to the member earlier, I will get the specific figures to her when we next have occasion to meet.

As well, I will get to the member, when we next have occasion to meet, copies of the 2000 Health Accord and the 2003 health accord, so we can go through the various funds that are allocated to the province of Manitoba, so that I can explain to the member where the various funds are and how the money is allocated to each of the programs, so that the member can be assured of the transparency and the public nature of the information that we will be providing.

Having said that, does the member want to indicate, are we going to continue on general questions? Should I continue to have people

here, or should I have line-by-line people here on the next occasion or any other particular group of people?

Mrs. Driedger: Tomorrow, certainly, we will be on global issues, and they will be general policy issues. We will not be getting into line by line.

Just in ending the minister's comments, I would ask and I wonder why there are a number of RHAs that have set deficit budgets for this year then. If he is saying that all of them are going to be deficit free, or they are hoping, are anticipating that all of the RHAs will be deficit free by the end of the year, why have a number of them been allowed to set deficit budgets this year? Also, Health Sciences is running a \$7-million deficit right now too.

Mr. Chomiak: Mr. Chairperson, I remind the member of the time when she ran around with her release saying there is a \$10-million deficit at the WRHA and was then forced to recant on that one at the year end. I remind the member to be accurate in terms of year-end figures when she provides those particular—

An Honourable Member: You gave them more money. I helped them. They got their money. That is what happened.

Mr. Chomiak: The member just said she helped them; they got their money. Now, let me get this straight. The member just said to me that we should not be bailing out regions but just suggested it was her intervention and intercession that helped to deal with a supposed \$10-million deficit at WRHA.

An Honourable Member: Nine million.

Mr. Chomiak: Oh, \$9 million, the member corrects me, which was wrong, and year-end audited statements did not show that, which is why this whole issue of flowing money, why I am very cautious in terms of the use of the words "flow the money" by the member for Charleswood, because there has been some inaccuracies in the past in that regard, Mr. Chairperson.

But I look forward to continuing this discussion tomorrow, including the 2000 accord,

the 2003 accord, as well as providing some of the specific numbers that the member asked for today. I will provide that to the member tomorrow.

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

AGRICULTURE AND FOOD

* (14:50)

Madam Chairperson (Bonnie Korzeniowski): Order, please. Will the Committee of Supply please come to order? This afternoon this section of the Committee of Supply meeting in Room 255 will resume consideration of the Estimates of the Department of Agriculture and Food.

When the committee met last it had been considering items contained in Resolution 3.2: Risk Management and Income Support Programs. At the conclusion of yesterday's sitting, it had been agreed to come back and pass this section at a later date.

We are now on Resolution 3.1: Administration and Finance on page 35 of the main Estimates book. The floor is now open for questions.

Hon. Rosann Wowchuk (Minister of Agriculture and Food): As we agreed yesterday, we would start with the Agricultural Credit Corporation. Joining us at the table are two representatives from the Agricultural Credit Corporation, Charlene Kibbins, acting chief executive officer, and Karen McEachen, chief financial officer. We also have Don Zasada, who is the Deputy Minister, and Mr. Barry Todd, who is the ADM responsible for Management and Regional Services.

Madam Chairperson: Is it agreed that we will skip ahead to and ask questions on 3.3: Manitoba Agricultural Credit Corporation? *[Agreed]*

Mr. Jack Penner (Emerson): I wonder, Madam Chairperson, whether I could ask the minister to give us a bit of an overview as to the administration of the loans program that she has touted as the saviour of the livestock industry in the province of Manitoba, and whether she could, in

doing so, table the application forms and also the criteria for the application of the loans and how they will be delivered.

Ms. Wowchuk: Madam Chairperson, could the member clarify, when he talks about administration, is he looking for activity numbers or what type of information are you looking for in the administration?

Mr. Penner: What I am looking for is the general provisions for the delivery of the loans. I will get into the application forms, if I can get a copy of an application form. I do not know whether you have them with you—whether I could have one. I have some questions around that, but I would like to know what the general criteria of the loan are, of how a loan will be, first of all, approved, on what basis it will be approved. Maybe I should just leave it there if you could answer that question.

Ms. Wowchuk: I would like to provide the member with a copy of the application form that is being used right now, and I would like to tell the member that the application form is very much the same application form that was used under the Producer Recovery Loan that his government had implemented.

Mr. Penner: Could I ask the minister what the criteria are for the approval of a given loan?

Ms. Wowchuk: Generally, the person who is interested in the loan will call the field rep or visit the field rep. The field rep will then advise the individual on the program, supply them with the package that I have just supplied the member with. In most cases, the member would take that package home, go through it, do the preliminary information, and then come back and work with the field rep to fill in further details on the program.

Once it is completed, Madam Chairperson, the application is reviewed by the field rep who reviews and does an assessment. They are required to fill out the document with the GSA. That is then forwarded to the regional credit office. Then a decision is made on approval. Sometimes there might have to be some additional work done on the application and after

that approval arrangements are made for the disbursement of funds.

It is the same process that is used for general loans, and it is the same process that was used in the previous Producer Recovery Loan, but what we have tried to do in this process is to speed up the process. It is a much shorter time frame. We are taking a much shorter time than under the previous program to get funds into the producer's hands.

Mr. Penner: Madam Chairperson, could the minister advise the committee as to how many loan applications she has received, and how many direct mailings have been done to individuals without application?

Ms. Wowchuk: The only applications that go out are those that are requested. They have to be requested in person or by phone, and the applications being processed are in excess of 900. As of September 5, there were applications of 896 that had been distributed that are in the process of being completed.

Mr. Penner: Madam Chair, you say 896 had been either distributed or completed?

Ms. Wowchuk: As of September 5, 896 were in the process of being dealt with; 896 people had applications and were at some stage in their application. Right now there are 131 that are in the office and 102—as of today, 113 have been approved. So there are 131 plus 113 and the others are at some stage in the process because they have made application. They have had discussion with a field rep and are in different stages of filling out their application.

Mr. Penner: Just so I am clear, you are talking about 113 plus 30?

Ms. Wowchuk: A hundred and thirteen plus 131 for a total of 244 that are in the process of being approved. The other 700—some are at different levels because they are still at the regional level where the individual is working with the field rep or on their own completing their application.

Mr. Penner: Madam Chair, I am a bit slow at times—113 have been approved as of today?

Ms. Wowchuk: That is right.

Mr. Penner: A hundred and thirty-four are in process?

Ms. Wowchuk: A hundred and thirty-one more.

Mr. Penner: In process?

Ms. Wowchuk: Yes.

Mr. Penner: And the other balance is what?

Ms. Wowchuk: The balance is still at the field rep's level, where the field rep will be working with the producer or the producer might have his form at home, completing the application.

Mr. Penner: And those would be—if I deduct 244 from 896 that means that we would have 652 in the field reps' possession?

Ms. Wowchuk: Somewhere in that range, yes.

Mr. Penner: Could the minister tell this committee what the dollar amount is that has been approved so far?

Ms. Wowchuk: Right now the dollar amount is \$4.1 million that has been approved.

Mr. Penner: So that would mean, Madam Minister, that the average application would be somewhere in the neighbourhood of \$35,000–\$36,000?

Ms. Wowchuk: Yes, the average loan is averaging out right now at about \$36,443. As well, of those applications that are in process, there is \$5.2 million that is being looked at, in those that are in the process stage.

Mr. Penner: If we use that analogy, out of the 12 000 cattle producers in the province, so far we have approved less than 1 percent.

Ms. Wowchuk: Madam Chairperson, the amount that has been approved is just over 1 percent, but if you look at the application forms, we are over 8 percent of the producers who are in the process of filling out applications.

* (15:00)

Mr. Penner: If I do the analogy for all the cattle producers in the province, and use the \$100 million and assume that the average loan will be relatively the same throughout this program, that would mean then that you have, in my view, less than a quarter of the cattle producers that would be able to qualify based on the amount of money that has been put forward.

Ms. Wowchuk: If I am hearing the member correctly, he is implying that there is not going to be enough money in the package for the producers—*[interjection]* I am sorry, then I did not hear your question.

Mr. Penner: I just made a statement assuming that if the average loans would be of a similar nature right through the process, it would require less than a quarter of the producers to take up the hundred million dollars. That is what I am saying. So in total, one could not assume at this stage that more than a quarter of the cattle producers would be able to qualify under the current loans program if the rate of application remains the same, and if the percentage of loan would remain the same. It would mean that less than a quarter of the beef producers would be able to qualify for the program.

Ms. Wowchuk: I want the member to understand that when we were starting this program, we said we were putting a hundred million dollars in place. If the demand is greater than that, we will revisit. The credit corporation is there to provide services for the producers. We have put in place a program that will help producers bridge their financial needs until other money comes in. If there are more applications, we will find a way to deal with them. I would not want the member to go away thinking that if there are more applications we are not going to be able to meet that need.

Mr. Penner: I certainly was not trying to imply that. What I was really trying to point out, and I think others have, is that not all producers will apply for the loan. Never have all the producers in the grains cash advance program ever applied for the cash advances that they could apply for. Some people simply do not operate that way. It is part of their management scheme, as it is in the cattle business part of their management scheme in how they operate. I want to make that

very clear for those that do not understand how the business of farming operates and how different management strategies are from farm to farm in how they finance their operation, whether it is through cash on hand. Some will obviously be able to afford to get over a crisis on their own. We know that. There are those kind of producers around. We know that there are those who simply cannot.

The point I want to make is that in all likelihood the people that are applying for the loans program are probably the ones that are the most cash strapped at this time. That a government would try and make money on the backs of those producers, applying interest rates to them, is foreign to me.

When the grains industry program—the cash advance—was initiated many years ago, it was in recognition of that, and that is why the cash advance program was put in place without cost to the producers, other than the administration which was done through their own board.

Madam Chairperson, I have had discussions with the cattle producers that we could develop a scenario whereby a government could put in place a cash advance and ask the cattle producers to administer it, same as the Canadian Wheat Board does for the grain growers in the province of Manitoba and other western provinces, and I think that could function. What it really does then is it provides a scenario where governments incur very little cost, hardly any cost, and the farmer incurs no additional cost, and the association administering it is only required to bear the cost of the administration.

Whether that could be negotiated with the cattle producers is not for me to say, but, certainly, I would suggest very strongly that the minister should ask her staff to initiate those discussions with the cattle producers, because I believe that this Government could, in fact, demonstrate to other jurisdictions how you deal with financial crises from time to time—that you could advance money based on the inventories held, whether they be live inventories or dormant inventories, such as grain. It could be programmed into a situation such as this for the long term to add more cash flow stability to the industry on an ongoing basis.

I think we should really explore that one. I think you have an opportunity, Madam Minister, to be a leader in that respect. I think your Government could demonstrate that to other provincial governments in this country and might even design a program that the federal government might want to use from time to time to add stability to the agricultural sector and, indeed, the livestock sector.

We have talked about an insurance scheme for livestock under the new APF program, and I wonder whether a cash advance scheme under the APF program would not serve much better than an insurance scheme and maybe at a much lower cost than an insurance scheme. So I think we really need to give that some strong consideration.

I hope that the minister takes that advice and has that discussion with her staff at some future date and maybe enters into a discussion with the livestock industry on that. It could even be applied, for lack of better terminology, when the hog industry was in a significant downturn, it could have even been applied then as an option because it did not take very long. That dip was filled, that void was filled, and the advance could have been returned back to government. It would have been in and out, but what it does, it stabilizes cash flow. That is what the main problem is out there now. It is the cash flow because they cannot pay the fuel supplier; they cannot pay the feed supplier; they cannot pay the banker, and, therefore, we have said use the rainy day fund.

The rainy day fund need not incur any deficits at all because of this. It would be an in-and-out kind of thing. You take the money out. When the cattle are sold you put the money back in, and away you go. It is so simple if one would only allow oneself to be less restrictive in one's own thinking to make the application of this and deliver it. It is a very simple process and it works well. It has been demonstrated so many times how well it works, and I think it needs some forward thinking, that is all.

I think the minister should allow herself that latitude to really think this through and have that debate with her staff and maybe even meet with the Wheat Board and some others and ask them

how this functions and works, how they have dealt with this over the years and what the ongoing costs have been. I think she will be quite surprised that what she might devise over a long-term policy position and programming position might, in fact, be beneficial over the long term.

So I leave that to you, Madam Minister, as advice having been given for free by somebody that is paid well by the general public. I ask the minister, though, in terms of the loans program, have you had many calls from people that have not qualified for the program? Or has your staff had many calls from people that have not qualified for the program?

* (15:10)

Ms. Wowchuk: The member made quite a few comments there that I want to respond to, but specifically to the last question I can tell the member that so far we have not issued any decline letters. We are hoping that the declines will stay very low.

The member began his comments by talking about how we were taking advantage of farmers by putting interest on these loans. I wonder whether the member was such a strong spokesperson for the farming community when his government put in place the Producer Recovery Loan, and that was at prevailing lending rates, a loan at a time when producers were facing great difficulty to have some cash flow. His government put in place a program that was at prevailing lending rates.

I can tell the member that when he looks at the number of loans that have come in, I think that there has been significant uptake in this program in comparison to the Producer Recovery Loan. In the first seven months of the Producer Recovery Loan there were 643 applications for funds. In this program there is around the 900 mark, and we have only had the program in place for one month. So you look at the comparison of where we have put interest rates at 3.25 percent, 2.25 for young producers, and we have told the cattle producers that we are prepared, we will see how long this loan is going to have to be in place. We all hope that the border is going to be opened and these will not have to be in long term.

We will certainly consider the interest rate. We are not putting high interest rates in place as was put in place under the previous administration at 6.5 percent. So it was much higher. Those were producers that were in need.

The member talks about suggestions about cash advance and those kinds of issues. In all of it, when you take a cash advance on cattle, it requires livestock as first charge interest. These cattle are frequently covered by a lender's GSA right now. So we would need a process to ensure the interest in the cattle, that you could get some charge against those cattle.

So it is not as easy as the member is implying to put in place a cash advance against the cattle already, because in many cases those people who are in need of the cash advance already have a first charge against them. But I welcome the member's suggestions and we will certainly consider those kinds of things as we move forward.

I also want to provide the member with some additional information and to tell him that producers are taking advantage of the other programs. One of the programs that is very valuable for the producers is the stocker program. When you look at from May 20 to September 9, 2002, there were 32 stocker loans that were put out for about \$1.9 million. From May 20 to September 9, 2003, there have been 51 loans for the amount of approximately \$2.4 million. So people are taking advantage of the programs and there is activity. So people are making other arrangements to use the programs that are available at the corporation.

Mr. Penner: Madam Chairperson, obviously either the minister fails to understand or she does not want to admit that the similarity between the grains cash advance program and the cattle cash advance program are very similar in many respects that we have proposed, because the charge against the cattle, the live cattle, is similar to the charge against the inventory of grains.

Many of the inventories of grains that receive cash advances are secured by operating loans and other loans. That is the only way you get operating loans in most cases. So they take a

security on your inventory. What the minister should realize, the cash advance allows the people to pay out the security on the operating loans much sooner and therefore incur a lot less interest than they would otherwise. It is a cost-saving item to them.

That is why we have said continually, put out the cash advance, leave the management to the farm operator. Most of them are very capable in this day and age. If you are not capable in this day and age you are just not around. That is as simple as it is these days. We have seen this time and time again. These people have good managerial abilities.

I have every faith in the world of the management ability of our cattle producers and our livestock producers and also our general farm population, because the economic situation as it is today has weeded out those that are not. I have high regard for the general population of the people that we would serve through this cash advance program. It would allow them to go to the bank and say here is your money. We will pay off our debts and here is the money to pay my hydro bill. It allows them to get a portion of the value of their livestock to go and do their normal business. It reduces their operating cost. It reduces their interest cost to the bank and all those kinds of things. This minister seems not to be able to understand. Maybe that indicates why she is not on the farm, but maybe it does not.

Ms. Wowchuk: I beg your pardon.

Mr. Penner: I only said maybe that indicates why she is not on the farm and a politician. Put it that way. Maybe that is a better way to put it.

Ms. Wowchuk: Madam Chairperson, I think that when the member starts to stoop to personal issues, I think that is a little degrading for this whole process, but just for the record I would like the member to know that I do still live on the farm and we do run a farming operation. It may not be as significant as the member's operation. I am not even sure about the details of his operation, but I have respect for all farmers, whether they are small operators or large operators. I think by making those comments it shows disrespect for farmers. I am disappointed in the member that he would make comments

that would imply that people who run smaller operations are not as important to Manitoba society as he, who might run a large operation, but of course I do not know very many details about his operation, but I take offence to his comment where he would imply that smaller operators are not important.

However, getting back to the topic that the member raised and about the need for cash flow and cash advances, I am afraid that the member does not understand the program that we have put in place, because that is exactly what this program does. It allows for cash flow for people to make decisions whether to pay down their loan, whether to pay their hydro bill, whether to buy groceries or whether to buy clothes for their children. This is a cash advance on their livestock and it is put through a loan program. I have to wonder why in 1997, when there were financial difficulties at that time, the member did not think about cash advances, and, instead, put in a loan program at a much higher interest rate than we have put in place. I am afraid that if you do some comparisons of the two programs, you will see they are very similar and you will see that, indeed, the program is working for producers.

I think it would be very helpful for producers if the member would talk more about how they might use this program rather than spending all of his time being critical and offering suggestions that we drain the rainy day fund, which is not very fiscally responsible. We have a responsibility to use the money within the rainy day fund in a prudent way, not drain it and then hit another crisis down the road and not have anything to deal with it.

* (15:20)

Mr. Penner: First of all, I want to apologize to the minister if I offended her. I really meant that as a compliment because being the Minister of Agriculture for the province of Manitoba, that office I have always held in high regard. I said that is why I thought she might be here instead of on the farm, and I sincerely mean that.

Whether I agree with the policy decisions you have made or the direction you are taking at this time or not, or the application of it is totally

immaterial. Whether I think you are competent to do this job or not is also totally immaterial. I still hold you in high regard because your Government has appointed you as the minister and the people of Manitoba have to work with you and your staff and you direct, I think, a very important portfolio in this Government. So I did not mean that to be derogatory and I sincerely apologize, because it was not intended.

I want to say this to you, however, that you must accept the responsibility of ensuring there will be a cash flow in time of a crisis which we have never seen before. We have never yet seen in any of the commodities that I am aware the borders of our neighbouring countries and 33 other countries locked to us and not being able to sell to them. That is a precedent-setting kind of issue. I respect what the Premier (Mr. Doer) has said, and you have said on a number of occasions. You expect it to be short-lived. If we believe that, and I hope I can believe that, that it will be short-lived, that we will be able to ship live cattle again across the border, then to make the investment. It is really not even an investment, it is just an extension of funds to carry through an industry in time of severe need without foisting additional cost on their backs.

That is all we have said so far, and that is all I have said. I intend to keep on saying that because I strongly believe it is an entirely different situation than what we had in 1997. In 1997 we had a downturn in the marketplace that caused severe hardships. That is totally different than having the borders closed on you, not being able to market your commodities whether they are dry or live commodities. In this case they are live commodities and surely we must have the compassion to be able to allow those people enough money to put feedstocks in place so those cattle do not starve over winter. Surely we all realize that. Are we now going to say, well, we are going to cause extra costs to you to do that?

We know the feed costs are going to be high. I was told today that baled straw was \$12 a bale and transportation was another \$12 to get it down to the north of the Interlake from southern Manitoba. That is \$24 a bale for straw laid into your farmyard which I have never ever seen before in the history of this province, but it is

because it is the first time that I am aware that we have had to transport straw from distances farther than 5 or 10 miles from the farm. Now they are having to transport it up to hundreds of miles sometimes to get it to those farms.

I commend the Mennonite Central Committee for having put in place the program they put in place. They have been a tremendous help to many of the farmers that I have been talking to, to first of all acquire straw and hay supplies and find out where they are and then even have them negotiate on their behalf.

I know that many farmers in southern Manitoba have given their straw away but the people that are acquiring these straw supplies are going to have to have them baled. That is the only way you can transport straw. They are going to have to have it hauled. You do not load it on the back of a trailer and put a tractor in front of it, as we do in our area now. We have, I think, adequate feed supplies and we have adequate straw supplies. We put two trailers behind a tractor and away we go. We can transport up to 10 miles doing that, relatively simply, but once you get beyond that you are going to have to load them on semitrucks and that is when you incur very high costs. I know that the kind of costs that are being incurred by these farmers are, I believe, not affordable. Maybe that would even require a greater deal of assistance and should require a greater deal of assistance than just a simple cash advance. That should be a drought disaster payment.

I totally agree with the minister that the federal government has totally reneged on its responsibility in this matter. Any drought situation such as the north Interlake, the western part of the province and the cattle industry that are there, the livestock industry have experienced this year, when you saw the devastation that the minister and I saw in the Hartney area where the cattle had grazed all the grass off the pastures and the grasshoppers took the rest of what was green, it was really devastating to see that.

When you saw the little calves at heel trying to get a drink of milk out of the mother, the calves were thin and the mothers were thin. I mean certainly somebody must have compassion. I would hope that this Government would

have compassion, other than just putting a loans program out there, to provide assistance to those farmers, to provide feed for those animals. I believe we are going to have some of them starve this winter.

I do not know what the role of the humane society would be in that respect, but maybe they will get involved and try and put government on notice that that is not acceptable in this day and age and that other actions must be taken.

Having said that, I want to go back to the loans program and I want to ask the minister: What requirements has she put on these loans that would require a farmer and/or a livestock producer to have to demonstrate through the presentation of bills before money will be extended or advanced to those farms? What are the criteria? Are there any written criteria for this? If so, could I have those written criteria? I wonder if the minister could pass that on to us.

Mr. Stan Struthers, Acting Chairperson, in the Chair

Ms. Wowchuk: The member talked about how funds will be disbursed. The funds can be put into the producers' line of credit. If they have a line of credit the funds go there and then they can pay their bills out that way. They can get funds, say, if they want to buy feed for a few months ahead. They do not need to bill, they can get money to pay in advance to set up an account for paying for feed, and, in some cases, in the cases where an individual has a line of credit, it would go into their line of credit and they would pay their bills that way.

If the individual does not have a line of credit, then there would have to be some bills that you would show where you are going to be using the money and those funds. If you had paid a bill since May 20, if there were things that you needed to recover cash for that way, then that is how the cash would flow.

* (15:30)

Mr. Penner: Could the minister tell me then whether she has through MACC directed the corporation to allow or to ask for the submission of the bills and that MACC could pay those bills directly? Has that been done?

Ms. Wowchuk: In some instances that is what would be happening, yes.

Mr. Penner: Is it the Government's intention to get into the micromanagement of the livestock industry now through its lending agency, through MACC?

Ms. Wowchuk: No, but I would like to remind the member that under the producer recovery loan, many bills were paid directly as well. That is the kind of program that has been designed by the corporation. It is not intended to micro-manage the cattle industry. It is meant to help producers with their cash flow and to pay their bills.

Mr. Penner: First of all, I suspect that the Manitoba Agricultural Credit Corporation would have to put in an additional bureaucracy in order to be able to deal with the many bills that could come in to the Agricultural Credit Corporation. I wonder whether the minister might not want to instruct her corporation to have enough trust in the managerial abilities of our cattle producers and our livestock producers and to be able to allow them to assess when bills and how bills should be paid.

I find it interesting, because many people that I deal with do not extend credit. So when I go buy something I use my credit card or I use my chequebook to write the cheques. I find it interesting that she will now require bills. That means that she is going to have to have a credit slip from somebody to be able to submit. I understand many dealers now are very hesitant to provide credit slips unless you sign a credit agreement with some large credit corporation, credit extension corporation, as many farm implement dealers do now and many other retailers do now, and that, of course, demands some fairly high interest costs once you start doing that. Those interest rates are applied from the time you issue the bill till the time the bill is paid again. I find it interesting that once the minister would not have directed the corporation once a loan is approved to extend the money, and if it should happen that the money is not used of the loan, it could be paid back relatively immediately, especially if you are paying interest on it you would not want use it longer than what you absolutely had to.

I find it very interesting that we are now into a process of micromanagement under this process that I think is somewhat precedent setting. The other thing I find interesting, we visited the Ukraine and visited a collective farm about five years ago and spent the whole day with the manager of the collective farm. He gave us a pretty good overview as to how they operated. This seems somewhat like, not only somewhat, almost identical to what they did over there. They incurred the bills and then they applied to government to have the bills paid. That we would allow ourselves to operate in that manner is somewhat interesting to me. I think the minister should seriously reconsider her policy in that respect.

Ms. Wowchuk: Mr. Chairman, when the member was speaking on CBC Radio today, he talked about our loan program looking like something that came out of the Soviet Union and now he is comparing this to collective farms.

I have to just chuckle with these kinds of comments. I can tell the member that we are looking at giving producers as many options as we possibly can in order for them to have a cash flow. By putting the money into their line of credit, farmers can write cheques.

If farmers put down something on their credit card, we have, through the corporation, if that is the bill that they need to pay down, we have paid off their credit cards as well through this program. So it is giving as many options as possible in order to have some cash flow to help producers with their bills. Surely the member is not saying that there should not be accountability in how money is being spent. I am sure that the member would expect more of the corporation than just to let money flow without any accountability. There is money available, producers are applying for it. Some of them are using their line of credit, some of them are writing their cheques as they have been in the past because some of them still have bank accounts. When there are unique situations, the corporation deals with them in a compassionate and unique way as well.

Mr. Penner: Mr. Chairman, going back to the applications. Of the 113 applications that were approved, 131 still in process and the 896

applications that have gone out, how many have been denied—totally denied?

Ms. Wowchuk: I think I have told the member once there have been no official declines yet. No applicant has received a letter that indicates that they have been denied a loan.

Mr. Penner: Mr. Chairman, how many of those loans that are currently in a suspended form, let us put it that way—in other words, that are being reviewed and have not been approved and that further information is required on, how many of those loans?

Ms. Wowchuk: There are some the producer may have to file additional information, but there are none that are in the category that we're waiting—that will get a letter of decline.

Mr. Penner: So how long do you expect that it will take for these loans that will obviously be approved, if there is no intention of writing any letters of decline? So they must be approved for whatever purposes and for whatever amounts.

Can the minister tell me what the criteria for approval are? Would they be approved for a very minimal amount, or are applications made specifically by farmers for amounts they need and the approval is based on those needs? Or does the corporation approve or suggest to farmers they would approve a lesser amount?

* (15:40)

Ms. Wowchuk: The producer will, in most cases, indicate the amount of money that they need, and then the corporation and the field staff will work with them to get them to the amount that they need.

Mr. Penner: How many have been told, then, that if they applied for a lesser amount they could be approved who have not been approved now?

Ms. Wowchuk: The member is getting into details of the application that we would not have here. A field officer will work with the applicant, go through the application. They will tell them the amount they need. Then the field rep will work with them to try to get to that amount,

and I am sure that there must be some cases that there is discussion where you might say, well, are you sure that is enough money? You have the ability to get more money than you have applied for here.

The member also asked about the average turnaround time. The average turnaround time for an application is a range from 13 days to somewhere in the range of 20-some days. I have asked for some numbers on how the producer recovery loan turned around, and those were averaging from 21 days as high as 60 days, and in one case, there was one application that took 139 days.

So we have asked staff to work diligently at this, and try to get this money turned around as quickly as possible in order to ensure that the funds are available for the producers, but each one is handled on an individual basis, and we try to get them the funds that they have identified that they need.

Mr. Penner: What is the total amount of liability that is currently held by MACC in total, of its total loan portfolio?

Ms. Wowchuk: Are you asking for the total portfolio? The total portfolio is 505.9 million.

Mr. Penner: What portion of that would be loan guarantees?

Ms. Wowchuk: Mr. Chairperson, 216.6, which is a little under 50 percent.

Mr. Penner: Could the minister give me an overview as to what kind of corporations and/or individual operations most of these loan guarantees would have been issued to, or have many of those loan guarantees been issued to processors, or have some of them been issued to processors, because this department is now responsible for agrifood as well as agriculture production?

Madam Chairperson in the Chair

Ms. Wowchuk: This is a mixture of both. We will get you a breakdown of what is in agrifood.

Under the diversification loan guarantee, there is \$194.2 million. There is a total of 183

loans. For the processing, there is about 9 processing loans out of that amount.

Mr. Penner: You are saying, Madam Chairperson, there would only be nine processing loans.

Ms. Wowchuk: Yes, I had indicated for the processing there are nine DLG loans.

Mr. Penner: That means the average loan could be about \$19.5 million?

Ms. Wowchuk: I am sorry, maybe I am not explaining this properly. Of the total of the DLGs, there are 183 loans under the DLG, 183 for the total amount of 194.2. Of those, 9 of them are loans that are related to processing. The average loan is a little over a million dollars, of the total 183 loans.

Mr. Penner: But the loan to the processors, the loan guarantees to the nine processors, how much money in total would we have broken down? You do not have those breakdowns?

Ms. Wowchuk: I do not have that breakdown. What I have is of the total package of the DLGs, the number of loans and the number that are related to processing, but the average loan is a little bit over a million dollars. They may vary in size depending on the operation.

Mr. Penner: I wonder if the minister could give me then a bit of an overview as to what aspects of the diversification would all be included in the diversification loans portfolio, what sort of businesses, and are there primary production units involved in the diversification loans?

Ms. Wowchuk: Yes, there are. There are a wide variety of loans. There are dairy operations. There are field crops such as potato production, hog operations, poultry, PMU, beef cattle, feedlot operations. So there is a wide variety of primary production that is also covered under the diversification loan guarantees.

Mr. Penner: Then the other part of the portfolio that he had, Agriculture. But these are all loan guarantees that we are talking about, right? The 216 million? They would all be part of the 194-million loan diversification portfolio.

What would the balance then be of the 22 million, 22.8 million, that would be left in that balance of the rest of the agricultural guarantee program. Do you know that? Because there is 22.8 million that is left there.

* (15:50)

Ms. Wowchuk: There is money in the feeder association and there is the money also in the guaranteed operating loans that is included in that amount. The feeder association's is 24.4 and the guaranteed operating loans are 9.8.

Mr. Penner: How much do we have outstanding in the feeder association loans?

Ms. Wowchuk: Their borrowing limit is 24.4 and it fluctuates up and down underneath that, 24.4. Are you looking for a more precise number? As of March 31, when the Estimates were printed, it was 13.3 million in outstanding principal and interest.

As of March 31, it was 13.3 million.

There are 10 feeder associations. All of them could go up to 24.4. That is where they could go, but as of March 31, they were at 13.3, about 50 percent.

Mr. Penner: Madam Chairperson, the reason I am on this line of questioning is I am trying to determine what kind of investment we have made in the agricultural portfolio through Manitoba Agricultural Credit Corporation. How much the loan guarantees are, and how much the agrifood industry had a loan guarantee on them, and then what the agriculture production is and what the feeder associations currently are investing or how much they have invested through MACC in their operations?

I want to ask the minister whether she recognizes the importance of the primary sector in her department compared to the processing and/or the diversity of her portfolio through MACC. Then has she done any calculations as to what the total economic impact, or the total economic value is, of, No. 1, the diversified sector of the foods side of her department, and what that contribution is to the economy. Then I would like to know whether she has done any

calculation on what the primary sector's contribution is to the economy, and what that means to her bottom line in her government calculation of what they should be budgeting for.

Madam Chairperson, the reason I ask those questions is I am deeply concerned when I listen to what the cattle feeder association, and I am talking about the feeder association, that part of the industry that we have just terminated a program on, where we had originally said we were delivering \$15 million and then only delivered \$4 million and then put a stop to it because we think we could approach \$10 million.

That is really what the minister said yesterday: We have paid \$4.5-some-odd million, and we think that there will be an initial requirement for another roughly \$6 million in the balance. Therefore, we terminated the program.

The feeders have said this will kill their industry. Now, if it does, what then happens to the feeder association and the \$13.3 million that is currently invested by MACC in that feeder association?

Ms. Wowchuk: I would like to clarify the numbers. Because maybe I did not state them clearly, I would like to restate the numbers that I gave yesterday.

We talked about the \$15-million package that we had. Of that \$15-million package, just under \$10 million went to the slaughter program. That slaughter program is split 60-40. The federal share of that will be \$6 million; the provincial share will be about \$4 million. *[interjection]* Yes, that is right. That is part of it.

So then, the balance of that is about \$10 million. That \$10 million was the money that the Manitoba Cattle Producers asked us to reorganize into a feeder program, and that \$10 million, or in that range, is flowing as a feed assistance program. We talked to the Cattle Producers about it and we have said this is one program.

The other program is the APF program. There is supposed to be money flowing there, and if there are gaps in the program, we will

make adjustments just as we made an adjustment in June to change it to a feeder program. We will work with the industry and see what kind of adjustments we have to make.

This is not putting less money into the program. It is using the money that was in the program that the producers asked us to change. I think one of the things that we have found is that there are a larger number of animals being fed in this province than we had thought there was, and that the Cattle Producers thought we had.

As soon as I state that, the member is going to say that I am blaming the Cattle Producers. I think what we have recognized is that there is a much larger feeder program, and there has not been an accounting of many of the smaller operations that are in this province, that may not be part of the Manitoba Cattle Producers.

People who are feeding several animals on their own farm are much smaller numbers. These are important numbers whether they are on large or small operations, and it is one we have to revisit. We are working with the Cattle Producers, and as a government, we will continue to work with them because we certainly value finishing animals in this province.

It is something that we have seen changed, and the numbers, I think that is a pretty significant number to see that kind of growth in the feeder industry in this province, and that is promising. We will continue to work with them. This is not about putting less money in. It is working within the program that we put in place and considering what else we might have to do. As I say this goes on, on an ongoing basis and we will always continue to make adjustments to programs as they are needed.

* (16:00)

Mr. Penner: Let me just remind the minister that yesterday you said that \$4 million had been extended under the newly announced July 15 feed assistance program; \$4 million had been extended. You believed that there were enough applications in now that would require another 5.935 million, which would bring you to \$9.9 million, almost 10 million, and therefore you had terminated the program.

Ms. Wowchuk: I guess the member has added up the numbers that I gave yesterday. What I said, the first payment was 2.6 that was paid out already. There is an additional 2.1 that is ready to go and there are a lot of applications in the works.

An Honourable Member: Which you estimated were about 5.935 is the number that you gave me yesterday.

Ms. Wowchuk: Somewhere in that range, and we will expend all of the money that was allocated under the program, first of all under the slaughter program, then changed to a feed assistance program. We will expend all of the money that was allocated, four for slaughter and around 10, so the \$14.7 million will be expended. We continue to have ongoing discussions with the industry.

I feel that with the loan program that is there, where producers can get some cash to start to make some of their decisions on feed, on how they want to winter their animals, the feed program that we have put in and the money that is anticipated under the APF, along with movement to open the borders, there is, I believe, some hope for producers. I do not want to minimize how serious the situation is. I can tell you that this is an issue that we continue to work on, on an ongoing basis to look at ways that we can support the cattle industry.

Mr. Penner: Let me remind the minister, and this is of recent record, this is a newspaper article of September 7, that is just a few days ago, and this newspaper article says at the end of July Premier Gary Doer promised Manitoba cattle feedlot operators that they, feedlot operators, would get \$60 per head per month from June 15 to October 15, a promise. Are you going to keep that promise?

Ms. Wowchuk: I just said to the member that we are using the funds that we have within the program and we will continue to make adjustments to programs that we have to make, to make sure that this industry is supported.

Madam Chair, we also on Friday announced that we were signing the Agricultural Policy Framework agreement where we have a

commitment from the federal minister that there are going to be interim payments that are going to flow. We are looking at one program, we are looking at other programs and we are continuing to work with the industry to ensure that we continue to have a viable beef industry in this province.

I have to remind the member as well that this is not only about the beef industry. It is about all ruminants. It is about the sheep industry. It is about goats. It is about all ruminants. Last night I had a meeting where people raised the same issue, that we tend to focus on the beef industry, but there are a lot of other industries that are impacted as well by this situation and we have to work with all of them.

Mr. Penner: The headline in the September 9 paper was: Government roasted over BSE. The headline in the September 4 paper was: Alberta towns told to prepare cattle graves. The statement that the feedlot operators made after the Government reneged on its promise to the feeder cattle industry of this province at \$60 a head from June 15 to October 15: It was a promise that the Premier made and the Premier has not kept.

Will the minister now tell this province and the feedlot operators that they will probably have to build a grave for their total industry, because the feedlot industry has said this industry will die in the province of Manitoba if the Province does not keep its word? Does that mean that we will now have to build a grave for the whole industry, the feedlot industry in this province?

Ms. Wowchuk: I want to tell the member that we worked very closely with the Manitoba Cattle Producers. The Manitoba Cattle Producers said to us: We do not need additional money. We can work out a feed program within the \$14.7 million, and they gave us a formula that would work for the feedlot industry within the numbers of 40 000 animals.

Since that time, we have found that there are a lot more animals on feed, and we continue to work with the industry to ensure that the industry has grown in this province substantially since the member left office, it would appear, because the numbers are much greater now. We

will continue to work with them to ensure that we have a viable feedlot industry in this province, but I have to continue to say, the most important thing that we can work at is on issues related to the opening of the border because if that border does not open, if we do not get live animals moving, we are going to see a restructuring of the beef and the ruminant industry not only in Manitoba but across the country.

What we have to have here is we need a little bit more federal leadership than we have. The member will say, oh, you are just passing it off to the federal government right now, but this is a national disaster, and it needs a national strategy and it is unfortunate that we do not have the leadership from the federal government where we have provinces trying to adjust programs to meet the needs of their producers.

That is what we did. In consultation with the industry, we made changes to the program. They said they could work within the amount of money that had been budgeted. There are more animals now, and we will continue to work with the industry as we have in the past.

Mr. Penner: No, I am not going to say what the minister suggested I would, that I would blame the federal government or the provincial government. I will say, however, to the cattle industry in the province of Manitoba, what the minister has just done is given notice to them that they better prepare themselves to build large graveyards for cattle in this province because this Province has just indicated to them that they are on their own.

What I reflect on is the dramatic impact that almost \$400 million worth of expenditures were incurred during the 1997 flood and there was never a blame cast from one government to another. They did, however, at the end of the day have many outstanding issues, and I understand there are still a few.

But the same thing happened in 1988 when we saw the flood in Swan River, and we had to change the disaster program to cover the repairing of the damaged farmlands there. It was only fair that that be done, but it took seven years to get the federal government to agree, No.

One, to make the changes in disaster programming and, secondly, for them to participate as they should have in the first place, but it took a government with some stamina to argue for the landowners of the Swan Valley.

I believe we have not seen that kind of stamina that is required to, first of all, negotiate agreements with Ottawa to the extent where they would benefit and protect the farmers of Manitoba. We have not seen that. Secondly, we have not seen a great deal of federal participation from our federally elected Liberal members in Manitoba, nor have we seen a great deal of noise made by our federally elected NDP members in Manitoba. It is as if they have all died and gone to heaven. Maybe they did, I do not know, or maybe they were just away on holidays and could not be bothered by the crisis that was facing this province while they were away.

* (16:10)

I want to say this to you, Madam Minister, because you made a big to-do and a huge promise to the feedlot operators in Manitoba by promising them \$60 a head from June 15 to October 15, your Premier (Mr. Doer) broke a promise when he quietly, without any fanfare, ended the program. Nobody even knew about it. I think that is a demonstration of the ethical approach that this Government has demonstrated on more than one occasion.

I say to the people of Manitoba they were just extremely fortunate that this NDP administration was not in power during the 1997 flood and they were just extremely fortunate that they were not in power when the 1999 flood in western Manitoba did not allow them to seed, because at that time they had people in governance that did not hesitate to make decisions, as you have to in times of crisis.

Madam Chairperson, for this Government to take and put into place a cash advance program that could be funded by this Province like that if they wanted to. It could be very easily done. Out of a \$7-billion Budget you could not find \$200 million? You could not find \$300 million to support the cattle industry in its dire time of need? I find that incomprehensible.

It is certainly not the staff's fault because when we were in power we found this same staff sitting around these tables to be the most capable people that I have ever met in my life. They were capable and they were willing to find dollars when we asked them to. So you cannot blame your staff, you cannot blame the federal government and you cannot blame the federal politicians. You have to point at yourself and say: we did not do the job. When the feedlot industry says—

Madam Chairperson: Order, please. May I remind all members of the committee that private conversations [*inaudible*]

Mr. Penner: Thank you, Madam Chairperson, but I just want to conclude by saying that I find it most interesting that a premier can with great fanfare promise \$60 a head from June 15 to October 15 and then turn around and say, whoops, now it is over. Not even say it publicly but quietly behind the scenes instruct the minister to say now it is over. Then the cattle producers have to find out through second-hand information, have to find out that their program has ended.

As Mr. Hird said in this same article—I will read this to you. Mr. Hird, Jim Hird, a feedlot operator from Treherne, said: I am disappointed they did not make it more public or have consultations or anything.

He said: I have no idea why it has happened. No one knows anything. It would have been nice to have it in place until it was not needed anymore. These people did not know that the program had ended, because the promise was until October 15.

I say to the minister that she will have some answering to do to the farm community. I just hope, I hope and pray that we do not have to have this kind of a headline in Manitoba: Alberta towns told to prepare cattle graves. I suspect that if this is longer than December before the American border opens, then I suspect we might face some significance in that area.

Having said that, I want to ask the minister: Can the minister tell us whether she has any plans in place to deal with the cull cow situation,

or whether there have been any discussions with MACC or any other government agencies to prepare some kind of an analogy first of all, and to put programming in place to deal with the cull cow situation in the province of Manitoba?

Ms. Wowchuk: I want to go back to the member's earlier comments that he made with regard to the slaughter program changing into a feed program. The discussions were ongoing with the Manitoba Cattle Producers. I met with them last week and we shared the numbers on an ongoing basis. The Cattle Producers were aware that within the numbers and the number of cattle and within the numbers that we had available that the numbers were getting close. They were made aware of and they knew that the dollars were tight and we were not quite sure how long we would be able to carry on the program.

But we have said, as the Premier said in the House today, we have put in another program, but we are looking at, there is still money to be paid out of this program, there are still applications going there, and we continue to work with the industry.

With respect to the cull cows, I have not seen the article that the member is referring to from Alberta, but there is a lot of concern right across the country as to what is going to happen to cull cows. Our market, in Manitoba in particular, is to the U.S. We do not have the slaughter capacity in this province and our slaughter capacity has not grown for many years in this province. In fact it has gone downhill. We are making efforts to increase that slaughter capacity, but that takes a long time. There will be some increase with added shifts, with some new equipment, with some increased refrigeration, but even with that we will not be able to slaughter within Manitoba all of the cull cows that we have here.

There is some increased movement to the Moose Jaw plant; there is some increased movement to Québec; but those movements are minimal. There was a meeting here in Winnipeg where the animal health coalition and a veterinarians group met and talked about what we would do with cull cows. There was the beef round table, which is a committee of the federal

minister, that met in Edmonton last week to talk about how cull cows would be handled.

I wrote to the minister probably about a month ago asking him to put in place a national committee to decide on how we were going to deal with cull cows, because I think we need a national plan here. We can not have one province dealing with cull cows and another province maintaining all of their herds, but we have not had much of a response from the federal government. However, last week there was an indication that the federal minister is going to be calling for a provincial-federal ministers meeting to talk about a cull cow strategy. I really believe we have to do it. It is a very pressing issue for many producers.

Mr. Penner: Can the minister explain then how she would deal in her province with the cull cows if it was left up to her alone—if Ottawa refuses to participate?

Ms. Wowchuk: That is a very hypothetical question, and I have said that I believe we need a national strategy. I do not believe that one province should be going off on their own making a plan. We should be working in concert with other provinces and looking at ways that we can use resources, facilities in other provinces.

You know that here in Manitoba we do not have enough slaughter capacity, but there is surplus slaughter capacity in other provinces. That is why I think that it is very important that we have a national plan, a national strategy. That is why I have been asking for some time to have a meeting to have this issue on the table to be talked about with the federal government. I believe that is finally happening.

One province should not be putting in place a plan without looking at all of the facilities that are available and the opportunities that are available across the country. If there is a cull, you have to look at how you are going to handle a cull for everyone.

Mr. Penner: Having heard the minister say that, Madam Chairperson, I have to wonder what the cattle producers out there are thinking.

We have a minister and we have a government that is the Government of Manitoba and

the Minister of Agriculture for the Province of Manitoba, and it appears that we are really not giving a lot of consideration to the whole situation. We are not totally recognizing that we are dealing with live animals. We have a winter coming up. Within a few months, there will be snow flying. It could be as soon as within a month, and these cattle producers are going to have to make decisions as to what they are going to do with their cull cows, what they are going to do with their cull bulls, what they are going to do with their feeder cattle, what they are going to do with their backgrounders, what they are going to do with their calves coming off of grass and the breeding stock that they have coming off of pastures in most cases.

There is no answer from this Government as to what kind of support and support mechanism will be put in place to ensure that those cattle can, in fact, survive the winter. We do not even know whether we have a closely adequate feed supply in this province. We do not know that because nobody has done the analysis or assessment, and nobody has paid any attention to making sure that those feed supplies get to where they should be going.

I am amazed that this minister will seat here and blithely say, well, yeah, that is the federal government's program. We know that the federal Liberals have not even come close to recognizing that we in western Canada exist over the last decade or two. We have only seen our Prime Minister make blithe comments about the economic situation across the line, not having made any recognition of the economic situation that exists in the line that he has to cross from Ottawa to Winnipeg.

So, Madam Minister, I say this to you. If you are going to hang your hat on a huge amount of federal government action to care for this herd of cattle that we are going to have in this province over winter, I would suggest to you to think again. I would suggest to you that it is time that you recognize the dilemma that you are in and that your Government is in, because you will be blamed for the calamity that could occur if we do not put proper feedstocks in place.

Those cows have to eat, and if they do not eat, they die. That is called starvation. I do not

think that we want to see headlines like this in the newspapers—as black as this—saying cattle starving on Manitoba farms.

So I am suggesting to you, Madam Minister, that you do the right thing for Manitoba cattle producers, and that is flow enough money into their hands that they can manage their operations as if their cattle had true value in the marketplace today, that they were able to market those cattle in the marketplace as normal; be able to buy the feedstocks, be able to put those feeder cattle into the feedlots and to be able to put those calves into the back line of feeding programs.

That all seems to be in limbo right now. Nobody knows. Only you, Madam Minister, have the power to direct this, and you must make those decisions. If you have not got the ability to make those decisions, then, as I said this afternoon in the House, step aside and let somebody else do it. We would make those decisions.

* (16:20)

Ms. Wowchuk: I want to give a little bit more credit to the Manitoba cattle producers than the member is giving right now. The member is saying that nobody is making any plans about how they are going to feed their cattle, how they are going to manage their herds. I am not sure whether—

Madam Chairperson: On a point of order, Member for Emerson.

Point of Order

Mr. Penner: I want to make it very clear that the minister is being frivolous with her application of the terminology she is using. I said it was her Government that was not planning, and their minister was not making any plans. I did not say the cattle producers were not. The cattle producers, in some instances, are not able to be because they have not got any money. That is what I said.

Madam Chairperson: On the point of order, this is clearly a dispute over the facts.

* * *

Ms. Wowchuk: This is a very difficult situation for producers across the province. Producers

right across the province are making plans. Yes, some of them are having a very difficult time and that is why we have put in place \$100 million—\$100 million that the federal government has not even given any credit for.

Madam Chairperson, the federal government has not given any consideration about how they could help producers here, but there is \$100 million that is available in loans. Some people are taking advantage of that. Some are making other decisions. I can tell you that there is a tremendous amount of hay that is being rolled up. There are animals moving to different parts of the province where there is a feed supply.

I want to commend the staff of the department right now who is working very closely with people in the regions, helping them find their feed supply, working out rations for them, because this is going to be a tough winter for producers who normally feed their cattle hay, who this year are going to have to think about grain and straw. The staff has worked very closely with them. The hay and straw line is working well to connect people.

The member earlier mentioned the Mennonite Central Committee, and I also want to commend the Mennonite Central Committee for the work that they have been doing to help producers.

I want the member to recognize, he said the producers are not aware of what is going on. Well, the cattle producers are part of the Canadian Animal Health Coalition. The cattle producers are part of the beef round table. So they are part of the process that is going on to decide what is going to happen with cull cows.

Cattle producers are also making some decisions. I know that, as difficult as the market is, there are some animals that are moving to the market in Saskatchewan at Moose Jaw. There are some animals that are moving to Québec. Is it enough? No. We still need more animals to move. We need the border opened for boxed beef so that would open up more spaces. And we need animals to move so that people can make decisions on how many animals they are going to put into feedlots. Farmers are making those decisions now. It is a difficult time, but I do not

believe, as the member says, that nothing is happening. There are plans being made everywhere. I am looking for national leadership so that there is a strategy across the country. The beef round table has made some recommendations. The Canadian Animal Health Coalition has made some recommendations. We have to look at those recommendations on a national level and come forward with suggestions of how we will handle culled cows.

The beef round table just met last week. We will be seeing those recommendations. I believe, if I am accurate, there is going to be a conference call tomorrow where we will be talking about some of these recommendations. I would not want the member to imply that nothing is happening. There is a lot of work going on, and producers are involved in the process. In fact, the Manitoba Cattle Producers are part of the Canadian Animal Health Coalition, and the Canadian Cattlemen's Association, of whom they are part of, is part of the beef round table, so Manitoba's issues are flowing to the table. Manitoba's suggestions are flowing to the table.

Mr. Penner: Madam Chairperson, the minister has just said that there is a lot going on in the cattle industry and in her government's program. I want to read to her a statement made on September 8 by the executive director of the Manitoba Cattle Producers Association. He said that Manitoba's 250 feedlot operators are now at a serious disadvantage because other provinces are providing help. This is in regard to the reference to the closure of the \$60 a month per head assistance program that the Premier very quietly ended. Mr. Robertson goes on to say that some Manitoba feedlot operators will likely abandon the business unless the Province reverses its decision.

I would strongly suggest that the minister go back to her Premier and say to the Premier that you made a promise of \$60 a month per head from June 15 to October 15. The cattle producers and all people of Manitoba are asking you to honour that commitment. In other words, to keep your promise, because if you do not, you are likely to lose a fairly significant percentage of that feedlot business.

For the past 12 years that we were in government, we worked very diligently with the cattle industry to encourage them to enter into

feeding cattle to finish stature so that we could, in fact, convince a major packer to come in here and set up a packing industry. What I am seeing now is the degradation by inaction of this minister and her Premier, and then quietly trying to hide that they have ended the program that supported the industry and gave it some competitiveness at least in the western Canadian marketplace.

I am suggesting to you, Madam Minister, please go to your Premier, and say honour your commitment, honour your promises. We would like our children to be able to say that our Premier likes to keep his word. He is not now.

Mr. Tom Nevakshonoff, Acting Chairperson, in the Chair

Ms. Wowchuk: Mr. Chairperson, I just want to say to the member that we worked with the cattle industry. They asked us to change the program. We changed the program. We will continue to work with them to ensure that there is not an unfair advantage. There is still money flowing from the program and will flow for some time until all that money is paid out, so we are continuing to recognize the importance of the industry and will continue to work with them.

* (16:30)

Mr. Penner: Madam Minister, you have said that you are going to sign on to the working agreement of the APF and make it functional in Manitoba. I understand that it will require the additional signature of some of the other provinces. Can you tell me how many other provinces would be required to sign the agreement before it would become functional?

Ms. Wowchuk: It will either need six provinces to sign, or 50 percent of the producers, so, if one of the smaller provinces signs on and becomes the sixth province, that may not be enough. It would take one of the larger provinces, such as Saskatchewan or Alberta or Ontario, to sign—no, I am sorry, it is six provinces and 50 percent of eligible next net sales, or both, so that will still need one of the larger provinces to sign on to get to that 50 percent of eligible net sales.

Mr. Penner: Could you repeat for me which provinces have so far signed on?

Ms. Wowchuk: British Columbia, Alberta, Newfoundland and New Brunswick have signed on. So, with Manitoba signing on, that would become the fifth province, so we would still need a larger province to sign on.

Mr. Penner: Basically, what you are telling me is that the main powerhouse in Ottawa has not signed on, and that is Ontario and Québec. Do you have any reason to believe that Québec will ever sign onto the APF agreement?

Ms. Wowchuk: Yes, I do have a reason to believe that they will sign on. I am not sure at what time frame. They still have—just as Manitoba had issues that they were working through, Québec is working through issues, but I believe at some point, they signed on to the framework, so I believe that they will sign a bilateral agreement. I am not sure how soon that will happen.

Mr. Penner: I find that statement interesting, because everything I have read so far would lead me to believe that that is the farthest thing in the minds of Québec politicians and/or agricultural organization leaders, at least that I have talked to. When I look at the amount of money that was just extended to agricultural producers in Québec—I think \$228 million over the last couple of weeks or so, at least was identified by the provinces going out to producers, just demonstrates how much more significant farm support has been.

In Québec, as in other provinces, that would lead me to believe, unless Ottawa is going to put significantly more money in the pot than they have, and should make some significant design changes in the program, Québec is not going to come on board in Toronto, but I am not sure about Ontario. I have not had those discussions with some of my friends in Ontario, but I intend to, and I am going to try and find out what their views are. It is not quite as easy to talk to the Ontario organized farmers as it is the Québec organized farmers.

Be that as it may, can the minister tell me what advantages other than the current beef program the minister sees in the APF with the general farm organization and what advantages she sees in a basket approach to income levels with no recognition of the negative margins?

Ms. Wowchuk: Mr. Chairperson, if you look at the program, and I can certainly tell you there has been a lot of work that has been done on it, but I guess some of the things that I look at as positive that we did not have before is that the entire positive margin is covered. The programs provide deeper coverage than we had under previous programs. There is one program for all producers.

One of the things we were worried about was the integrity of crop insurance. With the linkages that we have the integrity of crop insurance is protected because that is a very important program for us.

There is also a lot of money that is flowing under the other pillars. In areas where we have been putting provincial money in we now have federal money coming in under other pillars that we did not have before.

So there will be the ability to do work in those areas with federal money that we did not necessarily have before. If you look at the program and the kind of coverage that is being offered under this program, I see that as an advantage for producers.

Mr. Penner: I wonder if the minister could articulate for me under each of the pillars what advantage there might be.

Ms. Wowchuk: The business risk management pillar of the APF that we have been talking about for some time contains the program of crop insurance and the CAIS program. There are four other pillars.

The first pillar is the food safety and food quality. Under this pillar there are increased resources at the national level and also increased resources at the provincial level for on-farm food safety development. The member is well aware that many commodity groups have been talking about food safety and implementing plans. Really, this pillar is to deal with consumer confidence. Certainly, we have a very safe food supply in this country, but there is always the issue of consumer confidence and more and more demands by the public for safe food supply. There will be increased resources from the federal level to help us with that.

* (16:40)

Madam Chairperson in the Chair

Madam Chairperson, the second pillar is the environmental chapter. There will be resources to implement changes on farm environmental practices. I know we have had a lot of discussion about development of farm plans. There will be funding for supporting development of farm plans. These will be developed in co-operation with the various farm groups. That is the second pillar where there will be additional resources.

Madam Chairperson, the other one is renewal. There will be funding to assist producers in development and implementation of farm plans. This is a broad range of farm plans where there will be resources and staff to work with producers. Under this pillar, there will also be programs that producers can access for skill development. There is a variety of areas where producers may want to develop different skills and there will be some resources available for that.

Under the final pillar, which is science and innovation, there will be funding available to develop supports for agriculture development. That is a pillar where there is some refining as to how those resources will be used. Those will be ongoing, but certainly we know that we have to do more work in science and innovation. Agriculture continues to change. There is need for research and development in this area. There will be some additional resources under that pillar for that area.

Mr. Penner: My greatest concern, and this is one of the reasons I said yesterday I did not want to finish on crop insurance, and I am not going to ask any specific questions regarding crop insurance, but my greatest concern is that we have spent numerous years developing some form of income security, although it has had a significant cost to the farm community. Through crop insurance that has served well.

I am not yet convinced, having read the document once. I understand there have been some changes made to the document since it was originally published, and I understand that there have been some program changes negotiated

under the terms of the agreement. Am I correct in that so far?

Ms. Wowchuk: Yes, there have been many changes since that first document was put out, yes.

Mr. Penner: Can the minister then tell me how she believes that there will be a secure position for our Crop Insurance Corporation to function in such a way under the APF that will, in fact, not increase the cost to the producers significantly without impeding the insurance scheme income? "Impeding" might not be the right word, but "including" may be, the insurance scheme income into a bottom line without causing a decline in revenues under the APF?

See, here is my problem: We buy on our farm and have forever—we buy income security through two mechanisms, one hail insurance, one general crop insurance. I think if you go back in the records, if Manitoba Crop Insurance would go back in their records they would find that Jack Penner has been a member in crop insurance since they started, and I have been a strong believer in the crop insurance program. It has been awhile.

I believe that that has served the general farm community well. We also buy, in most years, maybe not every year, but significant hail insurance and that costs money some years, but in general it gives you a security of income. Under the APF, as I understand it, all revenues will be dropped into a bottom line, including private insurance incomes and public insurance incomes and/or even interest incomes and all those kinds of things will be contributors to the bottom line in the calculation of whether a person would qualify for a program.

You could have huge losses in your cattle industry, for instance, or your hog industry, and if your grain side of your operation were significant, it would balance out, and at the end of the day there would be no significance to the bottom line. So what would the encouraging factor then be for me to even contemplate buying crop insurance? What incentive would I have to want to spend an extra \$8 or \$10 an acre, and why would I not want to save that money if I

knew that my bottom line would be covered, not on the negative side but at least to the equal balance side?

Ms. Wowchuk: There are a couple of reasons. The member raises an issue that was very important for Manitoba when we were negotiating this. We wanted to be sure that crop insurance was protected because it is a very good program in this province.

Madam Chairperson, there are a couple of things. Crop insurance protects your margins. It helps you maintain your margins. It covers negative margins. It gives you the ability to have individual coverage for crops. It also is a better cash flow. You know what the time frame is. I should say the member knows what the time frame is to have a payment out of CFIP or AIDA. It is a long time frame. In fact, this year the applications are not complete. By staying in crop insurance, you guarantee yourself, should you have a loss, that you are going to have a quicker cash flow.

The other point that was very important for us was linkage. The linkage mechanism will offset any disadvantage a farmer might have for participating in crop insurance. That will offset your disadvantage.

*(16:50)

Mr. Penner: Two things. Can you explain that one to me? Can you explain the linkage to me?

Ms. Wowchuk: What it means is that you will be no worse off. Supposing you had paid a premium on one program and then had a payment on another program, you are not going to have a negative impact. That will be taken into consideration in the payment. You are protecting yourself by crop insurance by having those, by maintaining your margin, by having individual crop coverage, but then your payment, if you benefit more from—you will not be negatively impacted so that one payment program drops because of an insurance in another program.

The member is raising very good points. These are all the points that Manitoba raised at the discussion table to ensure we have linkages and that there is an insurance that we are not putting the crop insurance program in jeopardy.

Mr. Penner: I will get back to that one. I want some clarification on that by the minister. I am not sure that the minister quite understands this.

Ms. Wowchuk: What is going to happen with this linkage is a calculation will be done on what your case payment would be. Then a calculation would be done if you had crop insurance, what your payment would be there. You would actually get a refund on your crop insurance premium if you were worse off by taking crop insurance. You will not be worse off but you have the benefits of the cash flow and keeping your margins up. That is how the linkage will work.

Mr. Penner: Well, Madam Chairperson, I find that extremely interesting. You are saying that if I buy crop insurance and there is a payment on crop insurance. They will contribute to my bottom line and determine what the level of payment would be if there was a payment, whether it would be greater, and it would obviously be less out of the APF if you had crop insurance contribution. Then I will get a credit from Manitoba Crop Insurance or from the APF to cover my crop insurance premiums.

Ms. Wowchuk: Madam Chairperson, the member is right. You would then get a refund from the APF because you had protected yourself through crop insurance.

Mr. Penner: That would get the APF fund off the hook, or could in many instances, because your contribution out of the Manitoba Crop Insurance fund could be that much greater and contribute to the bottom line and bring you into a higher level and therefore not trigger a payment, and therefore the credit could come out of the—*[interjection]* Sure. That is how it would work, exactly how it would work. The question I have then is what would encourage a farmer to buy crop insurance?

I will explain why I am so concerned about this. We have had in this province, during the 12 years that we were in government, a tremendous amount of effort directed toward diversification, to encourage people to diversify, whether it is to get into the potato industry, to get into the bean industry and the cattle industry and the hog industry, and you can go on and on, spent a

tremendous amount of time, the department did, I think, and I think they did a great job, as some of the other departments did.

Madam Chairperson, why would anybody now want to invest in diversification under a global amount of income kind of a scheme, or why would anybody want to pay \$22,000 to protect themselves for \$100,000 of income, because that is what is going to be required? For every \$100,000, you are going to want to protect, you are going to pay \$22,000, up to almost 200-and-some-odd thousand dollars if you are going to protect yourself to that 900-and-some-odd dollar ceiling. Now, that is 200-and-some-odd thousand dollars.

Do you know what I could buy for 220-some-odd thousand dollars? I could buy two new semitrailers for that, and I could almost buy a new combine for that, almost, not quite, not anymore. It used to be. Or I could build a small workshop for that, or I could set up about 30 grain bins. Mr. Chairperson, \$220,000 sitting there doing nothing, absolutely nothing, no benefit, to protect yourself for less than a million dollars of revenue income fluctuation, and yet our crop insurance program, the bottom line will only be enhanced by any payout I get from crop insurance. So why pay the premium? Why spend that \$10,000 or \$20,000 to buy crop insurance for my farm, and it is probably better than \$20,000, but why spend that amount of money every year on top of that? I mean, there is no sense to that.

For a period of 10 years, I have spent \$200,000 on crop insurance and not received any benefit on my negative margin, have not changed my negative margin application at all, because it does not qualify, and, secondly, I have not changed my income ability from the global agricultural operation that we have one iota, and I have had \$220,000 sitting in an account not drawing any interest, doing nothing for me.

I mean, why? Who has been smart enough to design this? From a federal government standpoint this is one of the best programs I have ever seen to get government to spend money on agriculture. I mean, this gets them right out of it. We will have the New Zealand model, and you know what that will do. That will consolidate

our dairy industry into one company, as New Zealand has. That will get rid of our mainstay livestock industry, the smaller ones, as we have done in New Zealand to the sheep industry. It might force us to plant our prairies to trees as New Zealand is now doing with their north island, if you go there and take a look. It will not take many years, that whole north island will be covered in trees, and you know what they will do? They will be the biggest competitor to our pulp industry in Canada than what you have seen so far, because they can grow pulpable size trees every 12 years. Go check it out. It is an interesting scenario they are into. They are going to change what they do, and they are, but they have the climate to do it in. We are limited by our climate. So where are we going to be?

* (17:00)

The Americans are going to keep on pumping money into their agriculture system as they have done until now. My neighbour got \$3.2 million last year in government support payments. He said: I got so much money I am finding it difficult to spend it all—just from government. He said it is hard to spend it all.

Here we are designing programs that will get us right out of it. I find it interesting that politicians will allow themselves to be coerced into signing these kind of arrangements. It just boggles my mind. I do not know whether the minister has signed on yet or not, whether she has made that commitment or not. I would have long second thoughts before I would move into this.

There are many aspects of the program which might have some benefit to the farm community, but I see significant additional expenditures incurred in the science and innovation side and in the renewal side of agriculture.

I saw the federal program the other day—as a matter of fact I have it at home. I should have brought it along—for the energy storage renewal on farms. You are going to replace every farm storage tank in this province. Did you know that? That is part of the federal plan under this program. You sign on to that, that is what you are going to force.

You know what it is going to cost us on our farm to replace our fuel tanks? It will cost us

anywhere between \$30,000 and \$50,000. If you apply that across this province, just imagine the bill that you are forcing on people by signing onto this agreement. Did you know that, minister?

An Honourable Member: It is voluntary.

Mr. Penner: It is voluntary? Do not say that, because what I saw in that program is not even close to being voluntary. I should have brought it along and read to you the section that concerned me in that bill. Do I say we should provide farm fuel safety? Have any of you in this room today identified for me the last fuel spill you read about, a farm fuel spill? When have you read in the front-line papers that we had a farm fuel spill on the farm? Where have we identified major leaks on the farm of fuel tanks? Farmers cannot afford to have their fuel leak into the ground.

What are we doing? Where are we going with this? I can go on. I know the minister has made up her mind and the farmers will bear the cost of much of this, but that we will have a significant advantage on the APF over what we have seen in the past, I have yet to be convinced of it.

I can very easily say I, as a farmer, never had one cent of contribution from CFIP nor AIDA. We diversified our farm operation so that we have not had any use to apply to AIDA nor CFIP. I think that is the kind of encouragement we should provide to the agricultural sector, to get ourselves into that kind of productive mode. I felt we had done that in many cases, but I am not sure that this is not going to reverse much of that. I just have not yet been convinced that this will not reverse much of that or it will force my operation to set up, as I said the other day, seven corporations. I have been told by a federal bureaucrat, well, you cannot do that because you cannot use your tractor from this corporation to operate whatever you do in this corporation. How silly will that be? Think about what you are signing on to.

I am not sure that the minister has any idea of what the program really is all about. I think the minister needs to really apprise herself of the contents of this program and the implications it has for her farm sector. I really think she needs to take a long, hard look at it.

The question I want to ask the minister, she announced today in the House again that she was signing on to the APF because this would flow money to the cattle producers. We have no idea when that sixth or seventh or eighth province will sign on and when cash will flow. We have no guarantee of that. We know that under the terms of the program the forms will not come out probably until March. When would money flow after the forms have all been filled out, the applications have all been done? Maybe by April or May. So we know that the livestock sector has, under the normal process, I am just saying under the normal process of CFIP or AIDA and under this program, the APF, or CAIS, as we want to call it now, I do not see much change in the application process and the verification processes.

So how can the minister say that the federal government is going to flow any money to the cattle producers under the terms of the new agreement that she wants to sign? Or is this simply an excuse for her to duck out under and blame the feds for not flowing money to the cattle farmers?

Ms. Wowchuk: The member has raised a lot of issues that we raised while in the discussions, issues of diversification. There is also a very large trade issue here that has to be dealt with. We have to ensure that programs that are put in place fall within the trade rules that we live by.

Before this process started, Ottawa said they wanted a predictable program that they could tell how much money would be needed, that they would not have to be going back for ad hoc programs. That is not something that the provinces were asking for, but it is something that the federal government wanted. The federal government has been working in this direction.

The member is saying you should not sign on to the agreement, but we have to remember that programs like NISA and CFIP are gone. Those programs do not exist anymore. They ended with the federal budget this year. They are gone. We need a framework to put new programs into place. That is the discussion that has been taking place. Manitoba has raised many of the issues that the member has put forward. We have not had very much support from other

provinces at the negotiating table on some of these issues. We negotiate as long as we can. We have got some changes and I think we have got some good changes.

The member talks about crop insurance. I can tell the member that we wanted a much stronger linkage between crop insurance and the program, but this is what is in place. The program will start, just as other programs have, and when they have to be reviewed. There was an issue with AIDA. It went back to the drawing board. There was an issue with CFIP. It has been at the drawing board. Now we have a new program, a CAIS program. We will see how that program works. I think there are good parts to the program, but there are also going to be areas that we have to refine again.

The member talked about the payments. The federal government has told us that they are establishing a process to ensure that money will flow quickly. They have said within a month, we anticipate, when the agreements are signed.

We are working toward having those. The federal government has given us a commitment that they can make the interim payments. The federal government gave us their word on that, that there will be interim payments, and we will hold them to their word on that.

* (17:10)

Mr. Penner: My colleague from Portage would like to ask a question or two on irrigation. Have you got somebody here that might talk on irrigation? I will tell you why. The Simplot opening is tomorrow in Portage, and he would like some information on this before he goes to that opening.

Mr. David Faurshou (Portage la Prairie): It is an occasion in Portage tomorrow with the dedication of the new \$150-million Simplot corporation potato-processing plant. I believe the family-owned corporation is going to be represented by Mr. J.R. Simplot himself, 94 years young. He will be participating in the dedication, as I believe our First Minister (Mr. Doer), will be there. I believe also, too, the Minister of Industry, Trade and Mines (Ms. Mihychuk) will be in attendance.

In light of the official dedication tomorrow, September 10 at 1:30 p.m. in Portage la Prairie, this plant came into being on the basis of negotiations that started with the previous administration and carried on through the current administration, with the promise that Manitoba was a place to do business in the potato-processing industry. One of the key components within the development of the potato-processing industry in Manitoba is that of potato production proper.

Involved now with potato production is a key component, that being irrigation. Some producers this year in the hot and dry weather pattern that we are currently experiencing have put upward to nine inches of irrigated water per acre. We are all aware that we are now experiencing water levels in our rivers, streams and lakes at historic lows. Right now, I understand that more than sixty years have lapsed since we have last seen Lake Manitoba as low as it is right at the present time. So there is grave concern in the communities that water will be in short supply not only for domestic purposes and industrial and recreational, but the last on the priority list is that of irrigation.

I would like to ask the question of the minister because part of the development plans for irrigation in the province involved an interdepartmental committee, involving Agriculture and Conservation, Industry and Trade. This committee for almost three years now has the mandate to map out a plan that is critical to add approximately 20 000 acres of irrigation requirement on an annual basis and the preferred rotation is a four-year rotation which this plant will require, 20 000 times four, which effectively is 80 000 acres of additional irrigated crop land for potato production. On the eve of the dedication ceremonies I would like if the minister can give us an update as to the progress made by the interdepartmental committee towards adding that kind of irrigated capacity here in the province.

Ms. Wowchuk: This is a very important project. I am very pleased that the dedication is taking place tomorrow and look forward to continued potato production in this province. Three years ago, as this project was being developed I went to the federal government and put forward a ten-

year plan and asked them to participate with Manitoba in the four-year plan of developing an irrigation program. They did not agree with us on that plan, so we have been moving forward with ours.

In our Budget, we have \$1.07 million under the Agricultural Policy Framework and national water supply. There is another million dollars that is going to be available there. That will give us a larger pool of money that will be available for irrigation.

Last year, there were about a thousand acres that were irrigated. This year there are plans to irrigate about 1290 acres, but the applications and uptake have been very slow by the producers, and we are concerned about the kind of uptake.

The year after that it is anticipated there will be about 4470 acres. So there is a plan and a group is working to increase the amount of irrigated acres in this province. I would certainly like to have seen a bigger uptake this year on the funds that are available and would have liked to have seen more, but perhaps there is still some time, but I do not think that there is enough planning that has been done or enough interest by the producers this year to meet what we had hoped would be in place for this year.

* (17:20)

Mr. Faurshou: I do appreciate the minister's response in this. Yes, there has not been a lot of progress made in adding additional irrigated acres here in the province, but there is significant concern by the producers that are definitely trying to add more irrigated acres for potato production, but there are significant regulatory hurdles to be overcome.

I will say very specifically from my own personal experience that Fisheries and Oceans is one hurdle that encumbers a lot of additional acres being developed, for one thing. The other is the streams and rivers, there does have to be pools of water available, and right now the level of, say, the Assiniboine River here at Portage la Prairie, you do not get your kneecaps wet when you walk right across the river. To effectively draw water you need a depth of water in order to not take in air and stop your pumping operations.

So what has been proposed from Fisheries and Oceans through Environment is that off-stream storage be created. Well, then there are a lot of environmental concerns in not only the pumping process but the development of the off-stream storage. This is much, much more costly than drawing from the existing natural waterway which has to date been a traditional way of irrigating right out of the Assiniboine River or right out of other river sources here in the province.

So, Madam Minister, I know that the progress is slow, but I would hope that you would take the perspective of the producer and look within your own department and other departments within government as to see and appreciate the hurdles which would give an explanation as to why the producers are slow in adding additional irrigated acres. So that is why this interdepartmental committee is so vital to the whole process, because you do need Conservation and Environment and you do need Intergovernmental Affairs to try to bridge the gap that the communication is obviously not there with the federal government and Fisheries and Oceans.

So these are grave concerns that we have. I am afraid that we will not seek the additional acres under irrigation that will fulfill the agreement that we had as a government in the initial stages and now your administration has with Simplot.

Ms. Wowchuk: I am not sure what the member is referring to, but the agreement that Manitoba had with Simplot was to make its best efforts. There was not a commitment to do a specific number of acres, and it is going to take co-operation between government departments and the producers. There is no doubt the member raises very serious issues. The issues of Fisheries and Oceans are very challenging for the Department of Conservation, and for everybody who is working on this to get the number of irrigated acres increased in this province.

Mr. Faurchou: Well, I thank the minister for acknowledging that the difficulties that do exist between federal and provincial departments end up being significant hurdles to producers adding additional acres. Nevertheless, it has to get done.

We are looking at 20 000 acres annually, four-year rotation. That is 80 000. Simplot is hoping to add a second shift which will require an additional 20 000 acres of production. So we are talking 160 000 acres of irrigated acres here in the province additional to what we have. You have acknowledged that perhaps potentially we have added about 2500 acres in a couple of years. That is not going to cover. So I really stress the importance of this project. Whatever the impediment is that we are facing right now, let us acknowledge it, and let us get on with things.

Ms. Wowchuk: I can tell the member that we are working with Simplot on this. Simplot is aware of the situation, and we are working with them. We are trying to get them to encourage the producers to take advantage of the programs that are there, but certainly the issues with Fisheries and Oceans are one issue. The member talks about the water in the river. I do not know what we can do about that. We are in a drought cycle right now, and those are challenges that any area faces when they are in a drought cycle. But we continue to work on this. The member knows well that we did a study of the Assiniboine River and came up with some options of things we might be able to do on that river. This is an important issue and one that the department and the Department of Intergovernmental Affairs and others are working on as well. But I can tell the member that we are in close discussion with Simplot on this issue, and they are aware of what is happening in this province.

Mr. Faurchou: Well, again I appreciate the minister's acknowledgment of the situation, but that still is not addressing the situation. If we think we are in a drought cycle right now, there was an article published in the *Journal of the American Water Resources Association* that draws upon the latest technology in cycles of excess moisture and drought. This journal states that the cycle that we are entering into at the present time is definitely a drought cycle and one that will make the Dirty Thirties, as it has now come to be known, a minor drought. We are entering into a mega drought cycle; and, according to the 500 years-now-plus that have been mapped and using the latest sciences and the tree ring studies as to the growth patterns of foliage and vegetation that has long life cycles,

they are expecting a mega drought in the next decade.

So I really truly encourage that a water resource strategy be adopted in the shortest of time frame, and we must enact a plan.

Madam Chairperson: The hour being 5:30, committee rise.

EXECUTIVE COUNCIL

* (14:50)

Mr. Chairperson (Conrad Santos): Will the Committee of Supply come to order, please? This section of the Committee of Supply has been dealing with the Estimates of the Executive Council.

Would the minister's staff please enter the Chamber?

We are on page 21 of the Estimates book, Resolution 2.1. Questions?

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Chair, I just wondered if the Premier could just, if there is any update he could offer to the House on, I believe it is called the Laredo project.

Hon. Gary Doer (Premier): The Laredo project in terms of border access to Canada, United States and Mexico. I will take that as notice. I do believe they are doing work in Highways. I mean obviously Laredo is the major border point between Manitoba, Texas and Mexico. I will have to take the question as notice. I know there is considerable congregation at the bridges, the two bridges. I also know the Mexican people want to see some changes in terms of the access to our border here. So I will take the question as notice.

Mr. Murray: I wonder if the First Minister, I appreciate he will take it on notice, could he give me a specific date when I might get a response? Will it be during this session of Estimates?

Mr. Doer: I will endeavour to have my staff check it now as we speak. Unless it is a code word for something else, I am looking for a note

here and I do not see one coming. Laredo is the border crossing for most Manitoba trucks. We have worked with the State of Texas because I believe Laredo, Texas is on the border with the route to Monterrey and, of course, that is north-south of the 35 which we are trying to enhance for north-south transportation and for buy-ins with the states along the Red River Valley route, the mid-continent route.

So, if this is part of the mid-continent route, I will certainly get back, we will ask, but it might be more appropriate in the Department of Transportation. I am assuming it is a transportation issue. I know it is a trucking issue.

We have raised with the State of Texas and the U.S. government some of the challenges on Canadian and Mexican trucks having to unload and reload on the way north. If that is the project, we have raised that. We do not obviously have the sovereignty over the U.S. customs, but we have raised that as one of the challenges on the mid-continent corridor.

If there is something more. Is the leader asking for something different? Is this a code name for something in health care or something I do not know about? Not that I am paranoid or anything.

An Honourable Member: No.

Mr. Doer: Okay. I will get an update from Mr. Norquay, who is the ADM responsible for Transportation, who is the Manitoba representative for the mid-continent corridor. I will get an update for the Leader of the Opposition within 24 hours and have that sent directly from Mr. Norquay to the Leader of the Opposition. I would like a copy of it myself so I can read it.

Mr. Murray: I would just pass to the member from Portage, please.

Mr. David Faurichou (Portage la Prairie): On the eve of the dedication ceremony of the new potato processing facility by J.R. Simplot just west of Portage la Prairie, I know the Premier has received an invitation to attend tomorrow those ceremonies. At the outset of this project there was a commitment by the Premier, recognizing that this development in Portage la

Prairie by J.R. Simplot corporation would impact on a number of areas within the Government. He had committed to put together an interdepartmental committee that would effectively address the major concern of Simplot corporation. That was to provide waters for irrigation that would see upwards to 80 000 acres of additional irrigated—correction, Mr. Chairperson, it was 40 000 acres of actual potato production and a minimum of 80 000 acres on a two-year rotation and preferably upwards to 160 000 acres of additional irrigated acres for the preferred four-year rotation.

I was just wondering how this interdepartmental committee is coming along with the mandate to address those concerns that Simplot raised at the outset.

Mr. Doer: Yes, we of course are happy to see the opening tomorrow. I think I am going to be a touch late for Estimates tomorrow but back on time, not too late though. Mr. Simplot, obviously, is the owner of the company and many plants, and changing the schedule to accommodate the Legislature, for a person who has dealt with presidents of companies and countries, is not always that easy to happen. So I will have to talk to the Leader of the Opposition at 5:30 about that.

Of course, the first agreement we had with the Simplot plant was that everything would have to be sustainable. It would be subject to a public environmental hearing. We would have also the work on the Assiniboine River and the nutrient level at the river on low-water years—the member would know that this is a pretty low-level year for the river—and that we would proceed with the federal-provincial diversification money for the gates to store water and to have strategies on infrastructure for the first shift and the first conditions that we have met with the Simplot plant.

I am aware that since that time the Clean Environment Commission has licensed the operation with some advice on nutrient levels, but the nutrient levels are more generic to the water quality issues in Portage, not just specific to the one plant. The plant has proceeded. The capital has proceeded. The member has been

through there, as I have. It is phenomenal how fast the French fries can be produced.

The last time I met with the Simplot executives, the concern they had was the rising dollar and the rapidity of the increase and how far it went up, the 17% increase in the dollar in the spring of 2003, just prior to their opening.

The other issues, perhaps Mr. Fisch will advise me tomorrow if I am there prior to the opening, because I know I have to come right back during the ceremony because of the imperatives of the Legislature. Every time I meet with him I get a status report on it.

Mr. Faurichou: Yes, being a little closer to the hub of activity, representing Portage la Prairie as I do, it has been mentioned on numerous occasions, as the Premier (Mr. Doer) has acknowledged, the low water levels, not only in the creeks and rivers but also in the major lakes here in the province.

Lake Manitoba is at this present time at a 60-year low as far as the water level is, and that is drawing significant concern toward the additional requirement that this new plant is going to have to see happen in potato production. This year, with the lack of rainfall as well, we are seeing many producers that are hitting 7, 8 and 9 inches of supplemental water required for production of a crop which is, again, at these low water levels placing an additional demand on them.

Mr. Chairperson, I personally will say that when I mentioned to persons that I spent a good portion of the summer assisting in an irrigation operation, I do get queries as to how we as irrigators expected to continue our operation placing additional demands on a water source that may jeopardize domestic, residential and industrial water supplies this year.

The reason I ask the question, I believe it is most important that this intergovernmental department that has been charged with responsibility to come up with a water strategy, the focal point being additional irrigation acres, is progressing in a very substantive way, and that is why I ask the question at this juncture of time.

Mr. Doer: Well, last year, the member would remember that we were dealing with high water levels. The last five years we have been dealing with excessive water levels in the Delta Marsh and other areas too, to the beautiful lake that he is adjacent to.

We know, I could be corrected, but my last recollection is that in the Assiniboine River study that we had preceding the decision on the Simplot plant, that one in nine to ten years was a low water level year that had a negative impact on both the capacity to treat waste materials prior to entering the water in Brandon at the Maple Leaf plant prior to us coming into office and to potentially impact on the capacity in Portage.

So we have initiated, we feel, some of the work that will eventually go on with the gates at the Shellmouth Dam to balance off the freshwater fishing, and the recreational components of that will help us both in terms of flood protection and in terms of storing water longer.

I know the member is interested in other projects, such as the Holland Dam, I believe it is called, and projects that have been on the drawing board for generations in south-central Manitoba, and I have nothing to report today because I think the members opposite would want us to put every resource into the cattle industry right now that needs the cash.

Mr. Faurshou: I wholeheartedly concur with what the leader has stated at this point in time. I am a proponent of additional structures being put in place for water storage purposes. I am most interested, though, in the progress that has been the mandate of this interdepartmental committee that I know is headed up by Dr. Barry Todd out of the Department of Agriculture.

I am wondering, the Premier has been a little elusive, I wonder is that indicative that there has been little progress by the committee on this mandate or this charge to which they have been delegated?

* (15:00)

Mr. Doer: Well, we would not have had the Simplot plant locate such a large investment in

competition with Alberta and many other American states and, quite frankly, jobs right adjacent to the owner of the operation, we would not have had those jobs located here without a long-term water strategy that made sense to the company for their major capital investment.

Secondly, when I met with Mr. Fisch last he did compliment us, us being the people of Manitoba, not this Government, on the quality of analysis that they received from the Water branch in the Department of Conservation.

Thirdly, one of the amendments we obtained in the APF agreement that we did not initially sign or agree to was in some areas that would improve in non-economic crisis years flows of money for diversification, including irrigation. So we are trying to co-ordinate not only our efforts inside our departments in terms of need and opportunity, but also the agreements we sign with Ottawa. We are trying to make sure that the advice we are getting is contained within the agreements that the Department of Agriculture is proceeding with the national government.

It is going to rain today, and I think hopefully most producers are off the fields with the crops. I think we all know that subject to harvest considerations, we need a lot of moisture throughout the whole region to the south of us, even east of us, where we have usually high amounts of water, especially last year, and west of us and even north of us.

Paint Lake is down a considerable amount. We have had one of the driest years on record. Obviously that is why we are going to have the second most numbers of forest fires in the history of the province. All these issues contribute to the low end of the margin for agriculture diversification.

Mr. Murray: I wondered if the Premier could update the House through the process on Devils Lake.

Mr. Doer: There are three issues dealing with Devils Lake. One has been that it has been delayed since the announcement of the North Dakota state governor in June of 1999 to proceed with the project unilaterally.

Secondly, we were able to get that scoped into the U.S. Corps of Engineers that predicted that the lake would need double the amount of money which was originally budgeted and would have significant questions to the economic viability of doing it. That report, I believe, is in the Corps of Engineers report coming out shortly in Washington from General Flowers.

The state has still maintained its view that they should proceed unilaterally. We viewed that a state or a province proceeding unilaterally with water projects is contrary to the International Joint Commission.

The Department of Health in North Dakota has issued a licence subject to appeal on the Devils Lake unilateral outlet. We appealed it within the 15-day period that we had to the Department of Health in North Dakota. Given that the Department of Health in North Dakota reports through the commissioner to the Governor, we feel that we have to keep our options and contingency plans available on legal and International Joint Commission action.

The other side of that is the lake is down a foot from a year ago. We are monitoring water levels. We suspect this fall, if weather conditions do not change dramatically, that we will be down even further than the peak. I believe the peak was August of 2001, but I am just going by memory.

Mr. Murray: I wonder if the First Minister could just confirm he will be raising any of these issues with Governor Hoeven when he sees him on Thursday.

Mr. Doer: I think that Governor Hoeven and I have discussed these issues. We have agreed to disagree. We certainly will be dealing with a number of issues, but I am sure that when I raise it or he raises it, we will agree to disagree with each other on it and we will move on to projects that we agree with each other on, if I can be frank. He and I have discussed it as early as when he was first elected.

The member opposite has discussed this project with him when he visited with him. I have discussed this with Ambassador Cellucci, I

have discussed this with Ambassador Kergin before him. We might get a chance to have a further discussion at the Western Governors' meeting this weekend, but I think that there will be a lot of other items on our agenda. I will be dealing with probably, at the Western Governors' meeting, BSE and other issues as well. I will raise it, but he and I have discussed it before and sometimes you just agree to disagree. I am sure the member had the same experience, unless he had a different one when he met with Governor Hoeven, I believe it was last summer, just going by memory.

We obviously believe that the upper basin storage of water is still the best option. It is very consistent with what we have agreed to Minnesota and North Dakota in terms of alternatives to flooding. Governor Pawlenty agrees with Manitoba's position and is opposed to the unilateral outlet. Minnesota will have the traditional position with Manitoba, and as I understand it there are other concerns too about the projects affecting the Missouri River water system where Missouri has filed as an intervenor in the NAWS project affecting Minot. Missouri has filed as an intervenor consistent with Manitoba's position. So has Minnesota, so have many of the wildlife organizations, so in court on the other project that has some relationship to Devils Lake we have, because it could potentially be an inlet to Devils Lake to go with the outlet to have the Missouri River system impacted. We have a number of other states involved with Canada, with Manitoba.

Mr. Murray: Mr. Chairman, I wonder if the Premier could just clarify that this summer most people were aware that there was a SARS concert that took place in Toronto, and I understand that the Premier was in attendance with that. I just wonder if the Premier could just let us know who else was travelling with him for that trip.

Mr. Doer: There were some staff. First of all, the SARS concert was not the primary reason for us attending the meeting in Toronto. The session included a meeting with Premier Klein, Premier Eves, Premier Calvert and myself on BSE. It also included a meeting with Deputy Prime Minister Manley on BSE. Then there was the publicity of the half-mile barbecue that was

servicing Canadian beef which was sponsored by the Canadian cattle producers association and the restaurant and hotel association of Canada. I also spent time with Ambassador Cellucci at that same event and talked a lot about BSE. The concert had most publicity around the bands, but for our purposes there it was basically a function of meetings on beef. I believe we had two people from the Premier's Office attend. I can get that information to the member.

Mr. Murray: Mr. Chairman, just a clarification, if the First Minister could just indicate how he travelled to the concert.

Mr. Doer: Commercial airplane, economy.

Mr. Murray: I just wondered if the Premier would confirm if he purchased tickets for the concert.

* (15:10)

Mr. Doer: I did not go to the concert. Actually, to be perfectly honest, I spent some time there backstage and in meetings. I would have to double-check and see what our office did, but quite frankly, we were controlled totally by the OPP. Access to everything by the OPP. We were hosted by Premier Eves and we had a meeting with Premier Eves on the site, the Downsview site, that morning. We then were taken by the OPP to the barbecue. We then went to meet with the hospitality workers. Then, of course, there were subsequent meetings, as I stated, after that. We were backstage for a while. You probably saw one of the pictures, but I would have to take as notice—I did not really, I was not spending time at the concert. I was spending time mostly in meetings. I think there were five meetings.

Mr. Chairman, I think the other premiers probably took their own planes. Not that there is anything wrong with that, their own planes being the government planes, but I travelled commercial.

Mr. Murray: I just wondered if the Premier could just give his sense, as he spent time, as he indicates, in numerous meetings. I do not want him to think that I am asking these questions to kind of relive my past or anything. You mention the word "backstage" and I tend to get a little

excited, but on the meetings that took place, one will always argue that you can try to bring as much attention to these events nationally as a profile as you possibly can.

Again, what we have been asking here in the House, obviously, with respect to this crisis—and I was pleased today in the House that the First Minister acknowledged that this is a real crisis. The issue that I would like to get his comment on is, while he is acknowledging, and today we tabled the letter from Laura Chartier, a person who wrote to the Premier about her personal concerns and things that are happening to her personally and her family under the guise of this crisis that we are seeing here in Manitoba. I wondered if the Premier could comment when he sees crises like that happening to families. Does he believe that time is better served to be travelling to events like the concert in Toronto?

Mr. Doer: Mr. Chairman, there was a request to serve Manitoba beef to emphasize the safety of the beef supply to a larger audience. If it was only to go to a concert, no, but I was attending a beef promotion rally that was hosted by both the federal Liberal Mr. Mills who was involved and Premier Eves. The whole invitation came from Premier Eves. I thought it was a very useful invitation. It was a day that we spent mostly in meetings. Premier Klein, Premier Calvert, Premier Eves and myself met with the Deputy Prime Minister. I had a chance to talk to Ambassador Cellucci about the beef issue, and I thought, quite frankly, it was the first time I ever got a little sense there might be a little bit of a crack in the border on the muscle cuts. I would not go to a concert anywhere, but if it was a beef promotion for Manitoba, I know if I went I would get criticized. I knew if I stayed home I would be criticized. The Ontario premier would be there, the Saskatchewan premier would be there, the Alberta premier would be there and we would not be there. The beef promotion, I thought, was worth it.

I think the Canadian consumer has been one of the strong points throughout this exercise. I agree with the member opposite that it still does not solve all the challenges we have, but the crisis would be deeper if it was not for the Canadian consumer. I think the Canadian consumer is demonstrating to our American

neighbour and, hopefully, our Japanese trading partner that the beef is safe.

The bottom line is I thought Manitoba should be represented there. The premiers are invited by the premier of Ontario. I think he is a wise enough man to not waste my time.

Mr. Murray: They want to send him that for the campaign so he can use that during the campaign.

Mr. Doer: I actually think that week I was planning, quite frankly, to take holidays with my kids, to be perfectly honest, and I think I ended up going. There was also a barbecue, I am just trying to go by memory, but there was also a major barbecue to promote beef here sponsored by the restaurant association that Thursday that I was able to attend, and members opposite were able to attend. I thought all of that is useful, both psychologically and economically.

I felt better when I had heard the door was going to be a little bit opened, potentially. I could not make the announcement. I was a little bit happier about it, but we know it has to be the whole way to beget the full relief. So I thought the discussions we had were useful, actually, in Toronto.

We started off meeting four premiers on BSE comparing notes about Japan, about what we talked about with the prime ministers. We were comparing notes about what we could do in Washington, how we could promote the beef issue. We followed it up with subsequent discussions on the phone with other premiers. We are still looking at other options that we are going to be discussing probably Saturday night in Montana before we meet with the other—I think we are meeting with the other governors.

I think I took about three or four days off this summer. That week I was going to take off and I cancelled it for promoting beef. I respect the wisdom of the invitation from Premier Eves and I was quite gratefully provided it and was quite grateful that the crisis of SARS was also profiled with the crisis of beef. I think you will see my comments going into Kelowna publicly reported that I thought the beef crisis was a crisis, going into Kelowna with the western

premiers and that it would be our No. 1 item on the agenda.

Mr. Murray: The Premier, again, in his comments just now, again echoing what he said in the House today, that this situation is indeed a crisis.

I wondered if the Premier might comment on the fact, we touched on it a bit yesterday, that his Government has put a program in place that is not working in a crisis situation. Again, I would reference the fact of a personal letter that was sent to him by a Manitoban. I spoke with her today. I thought it was interesting because she said she has characterized herself as a new farmer. I said what does that mean. She said: Well, we have been at it for 12 years. We have asked for nothing. We started from scratch. We have gone into debt to buy our machinery. So we find ourselves in a position where they feel helpless.

So, on that basis, I think, quite reluctantly—and I assume that the Premier read the correspondence, the one I tabled in the House today as well—I would ask the First Minister that, as we talk around the issue of there being a crisis: Is the issue to say that we have a program in place? The feedback is that when you talk to producers like Laura Chartier, and her comments are that we are desperate and winter is coming, what are we going to do, and they understand that there is no leadership at the federal level and we have talked about that in the House. So they are looking for leadership at the provincial level, being Manitobans, and wondering why they do not have a program in place that will deal with the, and I quote the Premier, the crisis that we have here in Manitoba.

* (15:20)

My question to the Premier is simply: When people such as Laura Chartier tug at your heartstrings over a crisis, are you more comfortable talking about the fact that just to give the answer, well, we have a program versus what about a program that would actually deal with the crisis?

Mr. Doer: Well, the only program that will fully deal with the crisis is going to be the full

opening of the border. We are dealing with a market situation that relies particularly heavily on exports both in Canada and the United States with the Manitoba situation. So, by definition, unless we were to deal with the cash receipts of over \$550 million a year, we are dealing with a very serious situation, and there are various components to this that we are trying to deal with. There are still components for which we have not got some program in place.

I think it is also important for us to recognize that we feel it is a shared jurisdiction. We are not saying to Ottawa: You pay 100 percent of the money. They are not involved in the low-interest loan program. They are not involved in the feeder program. Hopefully, they will be involved in the program to replace the feeder program with real cash, not cash advances and cash loans, but real cash to deal with the economic decline, the economic income loss for producers, which, we think, is the best or better than any alternative to date. That is why we took the advice of farm organizations, to sign the APF and to say that we are willing to proceed on a bilateral basis immediately, or on a multinational basis immediately. We have gone through this before. The members opposite start from a starting point of not wanting to sign the APF, and they start from a starting point of wanting to run a deficit. That is a different place from where we are, and so we just agree to disagree.

Mr. Murray: Well, again, if we are going to put issues or put something into Hansard, I think it should be accurate. The Premier might want to believe that one way to solve this is to go into a deficit. That may be what he would like to believe. The fact of life is that I think the Premier is in a situation—and I think he recognizes this, I hope he does—that this is not an issue that is of his doing, we understand that, but it is an issue that is a crisis in Manitoba. It is affecting families in this province.

So it falls to the chair of the Premier, as it has under past premiers, to make some tough decisions. One would say, well, maybe the tough decision he is making on behalf of the province of Manitoba is that they will put programs in place so that they can stand up and say they have programs in place, but in fact those programs are not working. Maybe that is the tough decision

that he wants to go on. But I can tell you that the previous governments have put in place situations that they have had to deal with. I was not a member of the Legislature at the time, I was a businessman in the province, but the issue of ensuring that you run your government and that you balance your books and you adhere to balanced budget legislation seems to make sense. It is what we expect every citizen of this province to do on a daily basis.

If there are tough decisions that have to be made, so be it. The Premier has to do that. He acknowledges and he was here and knew for a while about the drastic cuts. I was fascinated to hear him during the election campaign. I think we were on CJOB radio, if my memory serves, that he attacked the leader of the Liberal Party because of the massive cuts to health care that this province suffered through. Of course, that was when he was Leader of the Opposition and my predecessor as Premier of the province.

In addition to that, there was the second worst recession that this province has seen in terms of the economy. Then you have the flood of the century that took place in 1997, which again affected just every Manitoban. It affected every Canadian from the sense of the emotional aspect of it. Physically it had a tremendous impact on those people here in Manitoba.

Through all of those things, and the Premier can argue his particular point of view, but the fact of life is that those decisions were made. They adhered to what was important, I think, to Manitobans then and today, to balance the budget.

What does it come down to? It comes down to tough decisions. I would ask the Premier if his response to those producers like Laura Chartier, is to say, well, we are in a position as a government that we have a program in place that has a dollar value attached to it, yes, we understand that it is not going to solve the crisis, but we have a program in place, take it or leave it.

Mr. Doer: We are perhaps are going to agree to disagree. We have gone through this before, and that is a democracy.

What we have announced what we have announced. I come back to the fundamental

issue: Until we can get the full border open, we will not rest or be happy. We have a border that is closed to an existing market in a part of our economy that is hurting people. Until we can get the remedy for the hurt is the cause of the problem, and that is the border closing.

We feel we have science on our side with the one cow that has been inspected, detected and rejected. We recognize that we are going to agree to disagree with the Leader of the Opposition. We just went over that for a couple of hours yesterday and in Question Period today. I think we are on the same page on the border opening. We are trying to deal with the existing challenges of this situation. We know there are going to be challenges still that we have to deal with. We have not dealt with everything that we have to deal with. We are trying to do it in a way that is consistent with our obligations with taxpayers' money, which we are willing to take out of the Fiscal Stabilization Fund.

We also believe that to not proceed in a traditional way with the federal government with this crisis would be also a decision that would cause incalculable precedents for future people sitting in this chair in terms of federal-provincial programs.

I think that if we had no money in the program for the APF, if we had no money in the Budget there, then I think some of the criticisms about where are you—we have agreed to the program and we have agreed to the money. It is \$43 million and it should be able to be matched by more than 60 percent because of the way the program works with Ottawa. It should go to the people that need it the most in real income replacement, not just some of the other programs that are short term.

Mr. Murray: If it is to be characterized that we would agree to disagree, then so be it. I find it somewhat fascinating that you talk about a program in place, and one can argue what the interest rate level is. The fact of life is there is an interest rate level. In other words, you are basically putting those producers who currently have a debt load, you are asking them to go further in debt.

I mean, one could argue that we have a number of banks that have money to lend as

well. They say: We have a great program. Come on in and get some money. We have a whack of it. You can have as much as you want. The only thing is you have to tie something to it.

* (15:30)

So if we agree to disagree on the basis that you are saying that you have a program, nobody will disagree that you have a program. I think what we are saying is that you have a program that is not working. If it is enough to be able to acknowledge that we can stand up and say, well, we have a program that is available, as I said, I liken it to the fact that banks will say we have lots of money to lend, but if nobody can take advantage of it because they are in a position that they just cannot take advantage of it through no fault of their own—and we are not going to disagree on that point. We understand that people find themselves in this position through no fault of their own, but the fact of life is they are in that position.

If the First Minister feels comfortable leaving the discussion on the basis that we agree to disagree between a program that is not working for those producers versus a program that could be there, in place with respect to a cash advance on inventory, then I think that is something that he as the First Minister, as letters will continue to come in from families that are suffering through this process—and I would hope that the First Minister would take some time and travel out and meet with some of these families.

I know that you had a meeting last night and those meetings are very helpful, but I think to go to where the problem is, I think that is something, Mr. Premier, that I think is beholden upon you as the Premier. I am sure that as heartless as we might want to talk about the program that you have in place, I am sure that if you went out and met with some of these producers, you would understand the immediate need for a cash advance for some of those producers.

Mr. Doer: Thank you.

Mr. Murray: Well, again, I think just for the record, it would indicate one of two things, either the Premier does not care, or else the Premier, as I say, is prepared to talk to the public

about a program that he likes to say that they have come to the table with, but, unfortunately, for those families that are out there suffering, it does nothing for them.

So I just want to know would the Premier take the time, and I know he is busy and I know he is going to be at a very positive event for Manitoba tomorrow, but would he commit to take the time to go out and meet in the communities with some of these producers, with their families, so that he can see with his own eyes the turmoil and the desperation that they are facing.

Mr. Doer: I met with producers last night. I met with producers last week.

Mr. Murray: Well, I go down this road I guess with somewhat of reluctance, but I—you know, I do not know, there was a terrible tragedy that took place and we are going to celebrate—we are not going to celebrate, I apologize. We are going to honour, on September 11, the incredible heroism that took place and the tragedy that took place on September 11. I find it strange that where there was a crisis, a major crisis and I understand—well, I do not understand the magnitude of it as it is unbelievable. But people went to the problem location to see what the situation was.

We have a crisis that is affecting Manitoba families. I understand, Premier, that you have met with people in your office or in the Minister of Agriculture's (Ms. Wowchuk). I get all that and, again, I applaud you for those kinds of meetings. That is fair enough, but there are Manitoba families out there that are suffering.

I do not understand why you will not go to the heart of the problem and see what the issues are because I believe if you did you would say: Look, we are a government that cares about Manitobans and we clearly want to ensure that those families that are suffering have an opportunity to be looked after and there is a way to do that. The program that we have put in place is not working. There is another alternative. I just think you would be applauded for that kind of initiative.

Mr. Doer: I just mentioned I was in the Interlake last week. You and I, we do not disagree on

the challenge. I get proposals all the time for all kinds of very legitimate issues. We have still got issues we still have to deal with in this crisis, and we are still working with ideas and proposals to continue to come up with proposals that are going to try to bridge this crisis. I was meeting with people last night and met with people last week.

Mr. Murray: Could the Premier just indicate what days or day that he was in the Interlake region and whom he met with?

Mr. Doer: I have meetings with citizens. These are not public organizations, they are citizens. There are some producers. I was not, quote, sitting in my office. If that was the allegation, it was not true. The bottom line is I met with people and I did, some producers and some other people in the industry. By just giving you an example of the fact that—I mean, the bottom line is the Minister of Agriculture and Deputy Premier is a neighbour of a lot of people that are in difficulty. We are not disagreeing with the impact. We have agreed to disagree on what we can deal with as a provincial government and what we feel is needed to be a federal-provincial response to a very serious problem.

Mr. Murray: I assume it is public. If the First Minister is not aware, maybe he could just indicate what day or days he was there. That is all I was asking in the other part of the question. I understand he meets with people, and I am not trying to pry into personal meetings. It is not the purpose for the question. It is just to get a sense of, you indicated that you were out there and you met with producers in the Interlake. I was merely asking if you could indicate what day or days you were out there and who you met with. You explained that it was not necessarily organizations. It was producers and individuals. I will take the Premier at his word on that, no problem, but just if he could indicate what day or days he was out there, I would appreciate that.

Mr. Doer: I came in from my meeting and was at the Tom Farrell retirement and saw the Leader of the Opposition. I think that was the same day. There were other meetings I had, too. I had a luncheon meeting with some people. You know, I run into cattle producers, I think every day, they are in Winnipeg doing the job or I am out somewhere else.

There is not a disagreement of the uncertainty, the economic—I know the prices at auction houses. I know what it was a year ago, and I know what it is now. We know the situation is compounded with some regions having drought problems with the ability to deal with drought. Sometimes to manage drought is to sell your cattle, and this time it is not the same situation. I mentioned that today in Question Period, so we are certainly aware of all the issues that are real for people. I think that you have put out your position in your letter. Some of those items we think we have dealt with, some of those items, you do not think we dealt with, but we certainly do not dispute the reality of the situation and the uncertainty especially of it because of the closure of the border. I think we all knew on May 20 if it ever happened for seven years as the protocol of Canada had signed on to, had agreed to, it is a huge, long-term crisis. Our goal is to try to get it dealt with in the short-term crisis, but it is a crisis. The genesis of the crisis is the closure of the border. The solution is the opening of the border. All the programs we are announcing short of that are short of that.

* (15:40)

Mr. Murray: I assume that the First Minister is familiar with the organization MRAC, the Manitoba Rural Adaptation Council.

Mr. Doer: I have to check to see whether it was a group I met with last night. I will take that as notice. There were about 30 people there.

Mr. Murray: They had a session today in Winnipeg here that they had indicated that they had invited numerous people. I just wondered if the Premier could indicate if there was anybody from his caucus that attended the session today.

Mr. Doer: My schedule has been changed a bit because my wife has a severe ankle sprain, so I know my staff move around my schedule.

Mr. Murray: I appreciate the Premier—I was not specifically referring to him, I just wondered if anybody from his caucus or specifically his elected representatives may be in attendance at that meeting today.

Mr. Doer: I understand Doctor Preston was at the meeting from the Department of Agriculture.

So there was a representative of government there. Last evening there were a lot of caucus members at a meeting with a number of representatives, two different meetings of representatives.

Mr. Murray: I assume that the Premier will get back, as he indicated in his first comment, but my question was specifically to see if there was anybody from his caucus that was there. I appreciate that maybe Doctor Preston was there. I just was asking if there was anybody specifically from the NDP caucus that would have attended that meeting.

Mr. Doer: I am happy to hear that it was a meeting that Doctor Preston attended. Doctor Preston was the individual that I took to Kelowna because, obviously as both the expert on veterinary science and on cattle, I wanted to have somebody there with me, quite frankly, who knew more than I do. Because, if we are making decisions, I wanted to make sure we had Doctor Preston there, and I was very impressed with his knowledge and his advice. I took him to Kelowna and I think it is good he is—I would be very confident about the public interest being served if he was at a meeting and providing advice to his minister, Rosann Wowchuk, the Member from Swan River, I am sorry, because I think she has a lot of confidence in his abilities as well.

Mr. Murray: Again, I certainly do not for a minute quarrel with the First Minister about Doctor Preston's qualifications. I think it is tremendous that he has, and I believe all Manitobans would have, tremendous support and I think would agree that when you have those experts available to you they are terrific. I think it is excellent.

I will move on but I take it from what the First Minister is indicating is that there was no elected member of his caucus at that meeting.

Mr. Doer: Well, I will double check it. My office has had to scramble my invitations around a bit because of a family situation. Just do not get involved in extreme gardening. It is safer to go to the Bomber game. That would be my advice. Do not show Hansard to Ginny.

Mr. Murray: Can the First Minister indicate that he went to the North to look at the fires?

Mr. Doer: I did not go to the North the whole day. I think I was there late afternoon and evening but I went to Thompson to thank the fire tack crews. I did wait until after the fires were out because I did not want to get in their way. I did observe Fire 292 which has been one of the largest fires. There have been 562 fires in Thompson, or in the northeast portion of the province which is usually the amount of fires we have all over Manitoba.

Mr. Murray: I wonder if the Premier could indicate—I know that he has indicated already that he has had numerous meetings with Ambassador Cellucci and other first ministers across the land with respect to the border closure—has the First Minister made any attempt to try to get a meeting with anybody in the White House?

Mr. Doer: The answer to your question is, in terms of the Bush administration at senior levels, the four premiers that met in Toronto have initiated a meeting. I do not want to compromise that meeting until it is either confirmed or denied. As we know, the meeting with Vice President Cheney was set up before the BSE crisis. We have been working on another subsequent meeting through our contacts. I just do not want to say anything more, but the answer is we have initiated efforts to represent directly to the administration our concerns.

We have had bilaterals all across the border. The Atlantic Canadian premiers were meeting with their counterparts in the eastern United States yesterday where Ambassador Cellucci was there. He will be here on Thursday. The Leader of the Opposition will be with us and we will talk to him again. He will be opening the office on Friday with Mr. Schwartz. Then I am sure the Leader of the Opposition will be talking to him. I actually think that Ambassador Cellucci is an ally to get the border open. That is my honest assessment of it.

So the answer to your question is there have been efforts for a group of premiers to meet at the administrative level with the Bush administration, with a representative of the Bush administration. I do not want to say anything more. As

you know, they are in Cancun this week and hopefully some of the people on trade files can get some work done to get to the next stage, we want the whole border open, but the next stage of the border, maybe. I would be surprised if Lyle Vanclief was not raising it in Cancun if he is there. I would expect he would be there.

Mr. Murray: I wonder if the Premier could indicate what his strategy is, as First Minister, to put in front of Manitobans an economic development strategy for this province.

Mr. Doer: Well, we put an economic development strategy before the people of Manitoba last June, and that was consistent with what we put forward from the Premier's Economic Advisory Council, or when we presented to the Winnipeg Chamber of Commerce last December.

* (15:50)

Mr. Murray: Well, I guess the issue becomes the fact that it is people within the Chamber that question whether there is. I do not know if there has been another meeting, I am not privy to that, but certainly any correspondence, or anything that I have heard from anybody at the Chamber, is questions: What it is and where it is. So I think the First Minister can certainly say that they have put an economic strategy before the people. Arguably you were successful. There is no question about that, but when you start looking at issues where our new job creation in the province continues to lag sorely behind every other province in Canada, I ask the question on the basis that the last figures that I saw were the August numbers that indicated that other than, I believe it was New Brunswick, we were sort of second last in terms of new job creation. So that is year over year. I am not trying to cherry pick because I think you can always pick one month and pick another month, but if you look over a 12-month period and you see that we are not creating any real new jobs in the province, then I would challenge the Premier to maybe clarify exactly what his economic development strategy for Manitoba is.

Mr. Doer: Well, it is in the Speech from the Throne last year. It was presented to the various business, labour, and community groups over the last six months after that. The seven-point plan

was prepared by an advisory council of people that are from the business community, the labour community, the education community, and the scientific community. Obviously, I recall being in the session in April, and the member was arguing about the March statistics, and then when the April statistics came out, it bumped up 9000. So, in 2002, I think we had 11 000 new jobs. That was one of the strongest growth years in memory. Some of the reports I read are back five or six years, and go back to 2002, but do not include some of the progress we have made. But, again, our economic strategy is an inclusive strategy. It is a broad strategy. It requires advice from the scientific community. It requires advice from the business community. It requires advice from the working community and the educational community. We think that we got a mandate to proceed with that seven-point strategy because it was very much part of what we talked about in June for the people of Manitoba.

Mr. Murray: My question with respect to economic development is really predicated on, as I say, the year over year numbers that show that we lag behind the other provinces. It is a known fact that the Premier wants to, and has talked about, increasing the immigration into the province of Manitoba. I think it is widely agreed, and applauded, that we should be looking at 10 000 new immigrants into this province. They obviously provide a tremendous work ethic and opportunity. So we hope that that is something that we can count on.

I think that the challenge then becomes how we ensure that those new immigrants when they arrive into Canada are afforded the opportunity to be long-term Manitobans versus what we have seen in the past as short-term Manitobans in that they do not see those real jobs here in the long term. They see them elsewhere.

Under the sort of broad spokes of talking about an economic development strategy, where do you, as the First Minister, see Manitoba in terms of reaching the goal of 10 000 and ultimately assuring that those 10 000, on an annualized basis at least, see Manitoba as a long-term home, not just sort of a jumping off point.

Mr. Doer: Well, there was no immigration strategy as part of an economic strategy when

we came into office. Even the supports for an immigration community that included accreditation, which included English as a second language, those programs were reduced over time, not enhanced. So we think that we are at the beginning stages.

First of all, the first challenge we had on this issue was to develop a consensus or work with the consensus that is in Manitoba. We have a consensus now with the business and labour community. As soon as you stand up, I am going to shut up and then call the question. No, I will not do that. Thank you, thank you very much. So it is a multiple approach to this challenge.

The first challenge we have is to get them here, because, quite frankly, if we do not we will be very vulnerable. Our biggest challenge is to get our share of immigrants here to Manitoba. Most of us believe in the business and labour community and the education community, getting them here is still the crucial task, because if we get our share of immigrants here to Manitoba then we have a much greater chance of them staying here. I think we all know people that have come to Manitoba, and if they have put some roots into this community they stay here because of all the other—not because of the government of the day, quite frankly, but because of the opportunities, the affordability, the schools and hospitals and lakes and other things that people really appreciate about our community.

Just as I was saying the member opposite came from Saskatchewan and resided here in Manitoba and set up a wonderful career and life and future, we want all immigrants, new Canadians to have the same great opportunities he had to stay here in sunny, friendly Manitoba.

Mr. Murray: Well, if for some unknown reason I should die prior to the First Minister, I do hope that he is there for my eulogy. That was quite wonderful. I am quite touched.

I do think, in fairness, I was reminded by our colleague from Inkster that it was the previous government that started the nominee program, the Provincial Nominee Program. The honourable member from Inkster is only just trying to be factual.

I wonder if the First Minister could give an indication as we see the issue of trying to create more jobs, more opportunity, one would use the word perhaps wealth, and I think that that is maybe a word that somehow conjures up richness as opposed to creating opportunities for people. I think that Manitoba has obviously a tremendous amount to offer in that respect, but I think that we are missing that boat. I think that the Premier knows full well. He meets with the Manitoba Business Council on occasion, as do I.

I just wondered if he might make comment on some of the issues with respect to a strong economic vision that allows the province of Manitoba to move forward by ultimately having that wealth creation that does mean that there are more jobs here in Manitoba, that does mean that there are more people ultimately working and paying taxes, which, obviously, we all understand that we need to ensure that we properly fund our education and health care system.

* (16:00)

Mr. Doer: And our agricultural system that has required payment out of the Fiscal Stabilization Fund three out of the last four years, given the challenges.

The bottom line is our economic strategy is in our Speech from the Throne. It was presented to the Business Council, ultimately presented to the people of Manitoba. I do not find the concept of retention of wealth and the creation of opportunities in this province to be incompatible with a government that believes in including more people in the economy.

He mentions the Business Council. The majority of those people that I have met—I have not met them all—are making significant investments in Manitoba. They are employing a significant number of people. They are paying their fair share of taxes. Many families reside in Manitoba because of the employment in those operations. They are also doing work on projects that the member opposite supports, such as the library I assume he supports, and many projects that he does not support like the new True North Arena.

You get people like Randy Moffat, and I want to pay tribute to Randy. I understand that

the member opposite knows Mr. Moffat, who allegedly was involved in bridging some economic wealth issues for the member opposite. I want to praise him, Mr. Moffat and his whole family, for the \$100-million investment in our community through The Winnipeg Foundation. So we are very blessed.

And I happened to be meeting with Izzy Asper that day who was working on some projects for the St. Boniface Research Foundation, again another wonderful family, bright, good negotiators, all very talented. They did not get to where they were by missing a paper clip when it was on the table. We are very lucky. So I appreciate that.

But as I say, we have an inclusive policy. We believe it is not incompatible to have the creation of wealth and the distribution of economic opportunities through an economy that works for more people, and that is what we obviously strive for. We do not believe in having the great bird of Manitoba fly with only one right wing or one left wing. We believe it flies best with two wings and its head.

Mr. Murray: I thank the First Minister, although I would certainly indicate to him that I absolutely would love to go on the record as saying that we support the True North centre on the basis of what the First Minister initially indicated, and then he changed his mind or did not have his facts straight. That specifically was on the maximum exposure to taxpayers with respect to how much was being flowed through on the VLT revenue. He knows that. He got caught out. It happens.

It was a difference of a maximum amount of VLT revenue that was going to flow. I believe he indicated that that was the issue on a CBC TV program. He indicated there was a maximum amount of VLT revenues that would flow, and then he indicated that he misspoke. It was not maximum; it was actually minimum.

I think we could go through Hansard of last time when we sat here and I asked the First Minister if it is not a maximum, it is now a minimum, then clearly there must be a maximum. So I asked him that question. Of

course, he could not answer it or would not answer it.

So, on that basis, and I just say it for clarification and the First Minister knows full well that I said out in the hall and in this Chamber that the initial deal that was discussed absolutely was one that I would support. It is the issue about not knowing what the maximum versus minimums were that caused the questioning during the discussion, and also feel somewhat obligated as he mentioned the Moffat family and, yes, absolutely, I concur. Randy Moffat is a tremendous Manitoban and has really left a wonderful legacy to this province

Sometimes I think it is important that we stop and count the blessings of people like the Moffats, like the Aspers, the Richardsons. I mean the list is quite lengthy in the province of Manitoba. I remember having a long discussion with Mr. Moffat as he so generously gifted money to The Winnipeg Foundation. It is a substantial amount of money and yet his concern about is it having the impact on the inner core, which is, as the First Minister would know, something that Mr. Moffat is very interested in, and yet wondering what level of impact it will make in the inner core.

I digress a little bit only because I know that the First Minister from time to time likes to talk about True North. I just think it is important that we stick to the facts on it and I think he understands that. As a matter of fact, I was going to say that when we had a discussion about locations of seating and the comment was that there is not a bad seat in the house, I mean I am sure Mark Chipman would agree with that with the True North centre. I think that is part and parcel with what he is doing.

One of the things I just would like to get a clarification on, it was a comment that was made by, I think I can refer to the member from Brandon who made a comment in the newspaper about Brandon West to be particular—when asked about how the economy was going and certain measures and what would be happening with respect to this process of Estimates and asking questions on the Budget, his comment was, when he was asked if there was additional cash that would be required to keep the ledger

intact, I am paraphrasing, I was not at the meeting, I am paraphrasing from the article from the newspaper, but the specifics were: In order to make sure the books were balanced would there be anything along the lines of what it is that the Government did when they went in and raided \$288 million out of Hydro to ensure that the books were balanced? I think his quote was, at least from the newspaper his quote was: We will use whatever accounting method is necessary.

I wonder if the First Minister could just comment whether he agrees with that statement.

Mr. Doer: There is legislation that is in place. The member opposite will probably know that the last two years of the Tory government they were not given the mandate from the Auditor that the books accurately reflected the expenditures and revenues of the provincial government, which I believe is something we cleaned up. The bottom line is we are working under the balanced budget legislation, we promised. The balanced budget legislation is there and we are operating within it.

Mr. Murray: I wonder if you could just clarify, when a member of your Treasury Board, an elected member of your Treasury Board, makes a comment that we will use whatever accounting method is necessary, and that is a quotation. What might he have been referring to? Are there other accounting methods out there that the First Minister is aware of, that they may be choosing one or two or three options? Perhaps he could just clarify.

* (16:10)

Mr. Doer: Well, I assume that the word "necessary" is the advice received from the Auditor. I would include that as necessary advice. When we talked about Crown corporations, we followed the necessary advice of the Auditor. We initially followed the Comptroller's advice and it was amended.

So we followed the necessary advice, unlike previous governments that did not follow the necessary advice and therefore did not get a statement that said that the revenues and expenditures accurately reflect the Budget of the Government.

Necessary to me is legal.

Mr. Murray: What amount of the already allocated monies that were taken out of Manitoba Hydro—would the First Minister see an additional amount of money coming into this fiscal year?

Mr. Doer: The member knows that we have already commented in the First Quarter report of Hydro and in the provincial government, and he would have read the legislation on the issue of the dividend which is similar to other provinces that requires a dividend on a surplus, not a dividend on a lack of surplus.

Obviously, the fiscal year of Hydro and the Province is not completed. But every year, including last year, we had to make a mining adjustment, an equalization of a comparable amount of money within the budget year. What we did is manage that hit, if you will, in a way that reduced our expenditures.

Mr. Chairperson, I believe the fourth quarter report had us pretty close to being consistent with what we budgeted in terms of overall expenditures and revenues, except for, again, emergency spending.

Mr. Murray: I am very familiar with the legislation as it was presented and tabled here in the House that indicated the breakdown of the \$288 million, the drawdowns that were going to be taken from Hydro.

I guess I am asking just for clarification or assurance perhaps from the Premier that there will be no adjusting to that amount that was part of the legislation; i.e. the \$288 million as it was indicated in the legislation.

Mr. Doer: We have not amended the legislation. The legislation stands and the conditions stand. Secondly, the legislation was modelled after other provinces. Thirdly, I note that the member opposite—and I have his transcript from CJOB on a Sunday afternoon talking about dividends—on Saturday, I cannot recall—from Hydro.

I also remember former Premier Filmon talking about a 25% dividend for Northern Economic Development from Hydro export

sales. We have had the discussion again with the people of Manitoba. The member opposite campaigned on not having a dividend from Hydro, sort of, maybe, will have a dividend.

I think that was the infamous day he had his election promise—I cannot recall whether that was the same day as you got in trouble with the legal authorities at Polo Park. We have all had our fun in election campaigns. I could not finish chopping a piece of wet wood the same weekend. Some day we can talk about our travails in the campaign.

The people have voted on that and the legislation stands. It is presumptuous to say anything else. Anything else presumes what the Legislature is going to do. You can move a private member's bill tomorrow on increased dividends consistent with what I thought you mused about during the election campaign. I would not want to judge that until I look at it.

Having said that, we will stand by the existing legislation in this existing budget year.

Mr. Murray: I wonder, does the First Minister have a sense that there is going to have to be some adjustment on payments to the Province from Hydro with respect to water rental rates?

Mr. Doer: The water power rental rates are in the Budget. The water power rental rates have been introduced in the thirties, increased by the Tories, increased by the NDP, and lower than in other provinces.

Mr. Murray: Just for clarification, as I would not want to leave the impression that in this Chamber we do not see things coming from the Government that from time they change. My question is a straightforward, simple one and that is, arguably, there is a number in the Budget on water rental rates. Arguably, there are Treasury Board members of your Government to talk about the sluggish economy that is going to hurt the bottom line. My question is saying, the numbers that are in the Budget, there will be no change or adjustment to those with the specifics to water rental rates.

Mr. Doer: The budgets are presented on the basis of the best advice we have. We are already

amending the Budget to deal with something that we did not anticipate on May 20. You are asking us to amend the Budget on the hour every hour to deal with that challenge. The bottom line is, I have requests coming out every day of the week, every hour of every day to amend the decisions that are in the Budget, including from members opposite. I am sure in Question Period the member opposite is not going to give me a guarantee that he is not going to ask for any additional money than any of the expenditure lines in government. I do not think he will do that and he should not with some of the situations we are dealing with, like forest fires and BSE.

The bottom line is he is asking me to change some expenditure items the last two days I have been in Question Period. I do not expect that is going to change as we proceed through the week.

Mr. Murray: It is a matter of consistency. If I heard correctly on my first question to you on water rental rates, you said they were in the Budget. I understand that and respect that, but since you have been in government, you have made such massive changes, and, arguably, the other parties did take money out. Under your particular leadership, I think, it has doubled since you have been Premier, the water rental rates.

They are in the Budget. We understand that, but my question was, are you looking at adjusting those, or are you telling me that what is in the Budget on the water rental rates—and I just want to specifically talk about that issue just for right now—that there will be no adjustments to the water rental rates in this Budget?

Mr. Doer: I believe we dealt with that item on June 23. I do not believe that is an issue. That was dealt with in the budget motion that was passed by this Legislature.

There are revenue items in our Budget and last year—use fourth quarter report—we had our own source revenues, for example, on land transfer tax, because the hot economy under our Government was higher than we anticipated and some other items were lower than anticipated.

The bottom line is, having just paid one of those land transfer taxes about 18 months ago,

there will be revenue issues we have to deal with through the fiscal year. Two years ago we got whacked \$800 million at the end of January, retroactive to every budget that was presented from 1995 on.

Every province deals with certainty, and then deals with uncertainty. The BSE developed, obviously, after our Budget was presented in the middle of the election campaign, quite frankly, and we have to deal with it. That is probably the best example of an expenditure. We approved \$126 million in Agriculture, \$126.6 million, a large amount of money, and we have had to authorize more expenditures there because of the crisis.

* (16:20)

Mr. Murray: The Premier, just in his comments, alluded to the error that was made by the federal government in terms of accounting, and monies flowed, obviously from the Province, through an arrangement that was previously agreed. Could the Premier indicate: Where did that money come from that was flowed to pay off the error that was made by the federal government?

Mr. Doer: I would have to get a detailed statement, but we agreed to deal with a number of adjustments on the revenue side and a number of adjustments retroactive on the equalization side, and then to deal with the repayment of the difference over a period of time which has to be budgeted and dealt with. We had to deal with this through two different Finance ministers and one Prime Minister, and it was not that simple.

It was quite a surprise. I remember we got the note at the end of January, and it meant that all the numbers, right back to, I mean, we tried to do it with the Ministry of Finance here and the Ministry of Finance in Ottawa. At least we tried to deal with it in such a way that did not change some of the financial numbers from previous years as well. So we tried to respect that. We wanted to make sure it was a solution with integrity, politically as well as financially.

But we are still down \$100 million a year on a go-forward basis on the impact of that change. We are down, I think, at least \$10 million a year

on the repayment of the error side. I will double check, but it is \$100 million in the base. People say, well, it is solved, but it is not solved, because if you are overpaying by X number of dollars over that seven years or eight years when you make that adjustment, the federal government is not going to continue overpaying you. So we had to take the bite in the base.

In other words, we have had to manage that. And, you know, every year you get unexpected changes from the federal government. One of the frustrating parts of Canada is that some of these adjustments that are made in the equalization payments or other cost-sharing agreements come in at the end of January. I mean, obviously the long term solution is not to be on that program, but I said long term.

Mr. Murray: Could the Premier indicate just what is the status of his Government's position on the ethanol industry?

Mr. Doer: That legislation was brought before the House and, I think, that has to be. Again, I do not want to presume to debate it in the Legislature. We have had some very strong interest from companies but I am not able to communicate any commercial discussions right now.

Mr. Murray: I do not want the Premier to break any confidences. That is not the purpose for the questioning, but is that because of the legislation, or is it because of ongoing discussions with certain companies?

Mr. Doer: Well, I cannot speak for the companies, but there is also the challenge dealing with the ethanol benefits. You know already the situation in Minnedosa with the situation of the by-product of ethanol and its impact on the beef industry and then, of course, the opposite with the beef industry in challenging situations. It has also got a challenge.

There are companies looking at technology that is broader than just beef, but I have no further report to make right now on that initiative.

Mr. Murray: Could the Premier update, I know that there was some discussions with major corporations, Shell Canada, I think, and others, on windmill or wind-generated power. Could the

Premier just indicate to this committee where things are proceeding on that venture?

Mr. Doer: We believe that wind, conservation and renewable energy generation are elements of a long-term solid renewable energy strategy for Manitoba. Added to that are some advantages with geothermal heating operations, going to smaller hydro generation for northern remote communities that are tied to old diesel requirements.

We have the wind monitoring going on now in locations that Shell has indicated. There are other companies that are doing wind monitoring and discussions with Hydro. There is a tremendous potential with wind for all of us who have stood at the corner of Portage and Main before we were disallowed to do so.

The issue for Manitoba is because we generate hydro-electric power at such a low price and our generation capacity is kept low, the margins are a little tougher to make wind work, but we think over time it is a viable source of energy, but it is only part of a basket of renewable energy that should be here in Manitoba. The numbers are not completed on the due diligence side on the wind monitoring yet, so we do not have, I think, the reliability. The wind obviously does not produce energy in a constant way as hydro-electric does, but it is able to generate electricity, and when it does you do not have to draw down as much of the reservoirs, but we still have to wait for those numbers.

Most provinces have proceeded with wind energy. Manitoba, I think, was wise to proceed with the Power Smart program which has saved the equivalent to conservation of one dam, 250 megawatts, and I noticed today people were talking about energy conservation and the California experience. I have not read what they have said, but people from the David Suzuki Foundation, they do not believe it is just conservation. They also believe it is generation of energy in a renewable way.

Mr. Murray: So the Premier is committed on behalf of the province of Manitoba to pursue that project fairly aggressively?

Mr. Doer: Well, we are doing our due diligence now and it is intuitive to all of us. I think that

people have identified portions just south of us on the North Dakota border as one of the best wind tunnels sites in the mid-continent corridor.

Having said that, Mr. Chairperson, because we produce renewable energy from Hydro at such low cost, the cost issues for us are more challenging for it to proceed with wind because of the advantage we have already with Hydro. The question is: What is today's cost, what is tomorrow's cost, and what is the advantage to that cost and reliability side for the people of Manitoba? We have not got all the information yet to say with 100% certainty what will proceed. We would like to see multiple choices of projects for renewable energy, starting with demand-side conservation, wind as an alternative and renewable hydro-electric power as part of the future of Manitoba that would be reliable for our future generations and affordable, as it is now.

Mr. Murray: I wonder if the Premier could just indicate the time lines that might surround the project of dam building of Wuskwatim.

* (16:30)

Mr. Doer: Well, the project is before the Clean Environment Commission, which is a quasi-judicial body, and I am not going to comment on the time lines because that is a quasi-judicial body.

Mr. Murray: Is the Premier prepared to bring the issue of Wuskwatim before the PUB?

Mr. Doer: The rate issues, I said, would have to be dealt with by the PUB, and I think they have got their own process. They have looked at between the quasi-judicial body of the PUB and the quasi-judicial body of the Clean Environment Commission. I will allow the regulatory bodies to deal with the issue now. There is a proposal that has been made. People have legal authority to deal with those proposals, and I think for me to comment to any great degree prejudices the legal authority of these bodies to deal with the economic and environmental issues that are before them.

Mr. Murray: With respect to the PUB, you mention that if there is rate setting to be done

that issue would appear before the PUB. What about the economics of the project itself coming before the PUB?

Mr. Doer: Well, I believe they have a joint review now, and I do not want to comment. I am getting a little worried about being—the bottom line is the regulatory bodies have made decisions about how they are going to deal with their legal responsibilities. I am not aware of any breach of the law as they proceed right now.

Mr. Murray: Just a matter of process then, the First Minister would agree that, before a project like Wuskwatim were to proceed, it should go before the PUB.

Mr. Doer: I believe rate issues have to be before the PUB.

Mr. Murray: I heard the Premier clearly say that rate issues should go before the PUB. I am asking if he would agree that the economics of that project should go before the PUB. In other words, as far as the investment on behalf of the taxpayers of Manitoba, looking at the project, the value for building that, the economics of building that project, does the Premier believe that the PUB is the place where that can be discussed and agreed upon or disagreed upon?

Mr. Doer: I will have to get myself briefed because I did read some media reports about a process that dealt with some of these issues in a joint way. Quite frankly, these bodies may have come up with on their own to deal with their legal authorities. So I do not want to second guess their quasi-judicial authorities. I can send a letter back to the Leader of the Opposition about it, but I certainly believe that rights have to be dealt with by the PUB and I believe that the proposal now is before the Clean Environment Commission with other proposals on renewal energy, quite a vigorous intervention process as I understand it. Again, if I make too many comments, everything I say can and will be used by interveners. So I am just going to back away from the quasi-judicial bodies that are now seized of the project.

Mr. Murray: Again, I just asked the First Minister that—certainly, we on this side of the House believe that the PUB is one of those

arm's-length bodies that I think provide tremendous service, frankly, on behalf of the taxpayers of Manitoba. So I just want to make sure that I understand. I am not trying to put words in the Premier's mouth, but I will go down the road of saying that I think I have heard you state before that you believe that the Clean Environment Commission is where the projects like Wuskwatim should go, that you look at the PUB as strictly a rate-setting body and not one that would be in a position on behalf of the taxpayers of Manitoba to look at the economics of any of these projects. I draw distinction between rate setting and an economic plan, that the taxpayers of Manitoba have an opportunity to go before that body in an intervener process to ask the questions that are economic in scope with respect to the project.

Mr. Doer: Well, I recall some disagreement in rural Manitoba on the issue of paying for the capital of rural classification in a 5-year period. These are human beings that are making the best decisions they can make. I understand that the quasi-judicial bodies themselves have been discussing their legislative and legal responsibilities dealing with the Wuskwatim project, and they have come to some agreement about how they are going to proceed. I think at this point I do not want to say anything more because they are both quasi-judicial bodies with many lawyers that have been hired to protect what people perceive to be the interest of the organizations they are representing. So I am just going to leave it there. They are both quasi-judicial bodies and they are both established by order in council through elected representatives. They are quasi-judicial bodies who follow the law.

Mr. Murray: It comes down to a matter of process. I respect that the quasi-judicial bodies—and I get a sense from the discussion that there is a reluctance of the Premier to ensure that a project like Wuskwatim would appear before something like the PUB with respect to the intervener process on the economics of the project. Just to make sure that I understand, you are saying that the rates should go before the PUB. I understand that. I understand the Clean Environment Commission with respect to environmental issues around that project, but I get a sense that there is a reluctance for the Premier to have the economics of that kind of a project be examined

through the intervener process of the PUB. I want to make sure that—as I said I am not trying to put words in your mouth. I know that you mentioned that they are quasi-judicial bodies. I respect that, but I am asking more on the matter of process, that I think that the Premier has the ability to get involved in that process, ensuring that it goes before the PUB on the economic side. So I just want to ask the Premier: As a matter of process, is he hesitant to put the economics of that project before the PUB?

Mr. Doer: The economics will be discussed by an independent quasi-judicial body and, for example, if it was cheaper to produce coal renewable energy here in Manitoba, and we had the example that it was cheaper to produce coal energy out of Selkirk, you know, that is the economics. Economics under the environment act and environmental sustainability are part of that process. Economics and the rate setting is part of the PUB process, and, quite frankly, it is in the criteria of both bodies. My reluctance is to talk about—it is already in place now. There are lots of interveners there. The process is already taking place. My job now is to let the quasi-judicial bodies follow the law, and for me to allow that to happen. My reluctance is to interfere in processes that are now already in process.

* (16:40)

Mr. Murray: Could the Premier update the House on where issues are with respect to Conawapa, a national grid? Some of the issues that have been out for discussion—I believe that your Government is in some discussions with the current government of Ontario. Those of us on this side of the House would hope that it is the future government of Ontario as well. But I believe there are some discussions going on. I wonder if the Premier could just indicate where those discussions are.

Mr. Doer: I will make sure the clerk of cabinet provides a copy of the memorandum of agreement that we signed in Kakabeka Falls. It took us to the next level of their budget. Their budget talked about generation of power. Premier Charest and I have talked about this. To me, we are not in competition with each other because we have access to that market from different

directions. It has huge needs over time. So Premier Charest and I have talked about it. The member opposite knows the Premier of Québec. The Premier of Québec and I had to deal with the Meech Lake Accord long ago. I am glad we got the new Confederation of Canada's proposal, similar to the western premiers, in the province of Québec.

Having said that, I will make sure the copy of the memorandum agreement is sent to the member opposite. As I understand, the reporting time for that is a few months from now but, I think it is safe to say that, no matter what happens in Ontario, we certainly have got a good working relationship with the Premier of Ontario. Whatever happens in Ontario, this is a sound economic opportunity for Ontario and, therefore, a sound economic opportunity for Manitoba. But I will provide a copy of that. It is certainly at the stages of due diligence. It was ironic that, when we were critical of the federal government on its announcement of the Kyoto implementation strategy, we noted on the Tuesday that there was nothing dealing with renewable hydro-electric energy. When you look at the President of the United States' energy response, he has money for east-west transmission in the U.S. energy proposal. It is stalled over the issue of the Alaska area. Canada had nothing on this issue, but 48 hours later, I do not think it became an issue of more economic importance, but it did become an issue of greater public attention. We will have to see where it goes from there. We understand the federal government has taken another look at this opportunity where they could be a bit of a catalyst. If you are replacing coal plants in Ontario, it obviously is consistent with the strategy of dealing with meeting the Kyoto obligations that Canada has agreed to comply with.

Mr. Murray: Mr. Chairman, I would like to pass my question to the honourable Member for Fort Whyte.

Mr. John Loewen (Fort Whyte): I would like to take the Premier back to May 2003 in the heat of an election and remind him of his commitment to the people of Fort Whyte and all of Winnipeg to follow through on construction of the Kenaston underpass. I would ask if he remembers that commitment.

Mr. Doer: I recall the comment I made two weeks before that date, although I did not get the kind of reaction from the Member for Fort Whyte when I made the comment two weeks earlier on a radio show question about the remainder of money left in the Winnipeg, Manitoba-Canada infrastructure agreement.

I am going by memory now, but as I understand it, we always had stated that the True North Project, a project that is near and dear to the member's heart—I am sure he will be there for the opening of that facility, celebrating its great success. The True North Project, the library, Waterfront Drive, were priorities we had, and North Main. We said that our priorities in rural Manitoba were clean water and sewage. The priority in Winnipeg was downtown redevelopment. The City of Winnipeg had on its list the Kenaston underpass and the issue of, and I am trying to recall, rapid transit. We then agreed to the remainder of the money to flow to those two projects.

We have indicated that in our capital plan that is being renegotiated with the City of Winnipeg, the Province would be part of the capital investments of that project. So that is what we said then. That is what we said before the election. That is what we are saying now.

We are still negotiating the capital renewal project with the Mayor and City Council, but that is what we indicated we would do. Of course, as the member knows, there is a certain amount of money per year on capital projects that goes to the City of Winnipeg.

This is how we proceeded with the Peguis Bridge, political co-operation between the government of the day and then the opposition of the day at City Hall: co-operative approaches and solutions. I remember working with the member from River East and the former member from Kirkfield Park and the former chair of the EPC from North Kildonan, and we worked together with the former Finance Minister from Rossmere to get some capital investment over a long period of time to deal with the pressure on roads.

I would point out though, last week when I was proceeding to the Humane Society to do an interview I was stopped by a train in my own

riding. So just so you know, it is not a unique challenge. We recognize the volume of trains and the activity that is going to go on in that corridor, including activity we are going to generate with housing, the land banks. That means we have to have an investment there. As I understand it, the member from that region, the Honourable Reg Alcock, has promised to build it almost brick for brick himself. Therefore, we have everybody on side. I have not seen the latest financial plans, so I just want to make sure the original projections that we had have not changed.

Mr. Loewen: To be perfectly honest, I think I will have to get Hansard tomorrow and try to digest the answer that the Premier is giving me and giving the people of Winnipeg and southwest Winnipeg, in particular, because it certainly sounds to me like he is hedging his bets here. We would all like to work in a co-operative fashion, but I remind the Premier that for three years he stood up and said that the Kenaston underpass was not a priority and, somehow, during the run up to the election, he kind of changed his mind and saw the light. He realized what he had done in creating Whyte Ridge and the need for an underpass. I am sure one day he will probably recognize that what he should have seen at the time he designed and helped implement Whyte Ridge was the need for a high school, but that is a story for a different day.

* (16:50)

Back to the underpass. As of yesterday, commitments that we see on the web—and I can only assume that the Government is kind enough to keep that updated for the people of Manitoba—of \$145 million of the \$180 million fund being spent, could be \$148 million, somewhere in that neighbourhood. In any event, \$30 million left in the infrastructure fund. As the First Minister points out, courtesy of Lloyd Axworthy, Reg Alcock, et al, the underpass has been promised by the federal government for years. The mayor in the previous civic election certainly made a very, very strong commitment. Certainly, the only party that has been holding off has been the Province of Manitoba. With the Premier's announcement prior to the election that he was looking more favourably on construction of an underpass, and given that there is still substantial

funds in the infrastructure fund, I would ask him for a date. When are you going to announce that the project will go ahead?

Mr. Doer: One thing I found out is if somebody tries to announce something before another party agrees to it, they tend not to then agree to it later on because they feel they have not been given credit for the decisions they have made.

First of all, I did not say it was not a priority, I said it was not a priority that was affordable. There is a difference. There are lots of things we have as priorities. Not all of them we can afford. I never disputed some of the traffic challenges there. I would point out to members opposite that there were 11 years they were in office. It was not as if the whole Whyte Ridge area and that beautiful area that I was involved in years ago, it was not as if it went to Mars for 11 years and was not there during their time in office. We will get it done, as one partner of three with the existing capital project. I will look at the question raised about the amount of money in the agreement and the shortfalls. I want to make sure it is not cash flow, so I will take that question as notice.

When we recognized that there was \$5 million left over, the mayor had two priorities left. One was rapid transit and a feasibility study. The other one was this project and, so we concurred with him on both of those.

Mr. Loewen: What I am trying to understand here from the Premier is what the hold-up is. I was at a meeting Saturday morning where the mayor was explaining his urban Aboriginal policy and was kind enough to introduce me. While doing so he made a commitment that, as far as the City was concerned, the Kenaston underpass project was a go. It was going ahead. I understand all that it is waiting for is for the Province to give its approval.

As we have seen, with this project in particular, the Province is the last of the three parties to come in and make a commitment. The Premier made a commitment in May. The people of Fort Whyte, the people of southwest Winnipeg, the people of northwest Winnipeg who travel that corridor, the Premier needs to be

assured that they are going to hold his feet to the fire on that commitment.

Again, I am just asking him a very straightforward question. I am not looking for a specific date. I think the people have a right to know when the Premier believes there will be some type of announcement as to the moving forward of this project and when we can expect that project will be completed. This is a very major issue in my constituency.

Mr. Doer: I will get an update on the discussions. I want to make sure there has been no change to the numbers. The initial numbers that we had been presented to us and the timing with the City, I will double-check it with our officials at Intergovernmental Affairs.

I expect to be held accountable for the commitments we made in the election campaign. In five years from now, when I seek another mandate, I expect the commitments to be completed. I know it is timely right now for the people travelling north and south on that route.

Mr. Loewen: I certainly appreciate that answer from the Premier. I appreciate his commitment, and just to clarify, because as I say, I do get asked this question repeatedly, over and over and over again: What is the status of the underpass?

I am taking, and he should correct if I am mishearing him and I certainly do not want to misrepresent him to my constituency, but what I am hearing is that the Premier is still solidly behind the commitment he made to see that the Kenaston underpass will be built. I do want to let the Premier know that I have basically in my mind two options. I do still have some funds left for billboards, and I think I still know his phone number. Or I can communicate to my constituents that the Premier is bound and determined to make good on his word.

I am just wondering if he can just clarify that for me in the simplest of fashion and maybe give me some words that I can communicate to my constituents.

Mr. Doer: If you want to blow off your money on billboards, you are quite welcome to do that.

Hopefully, it will deplete your election advertising budget, so go ahead.

I have to feel sorry for the staff of the office that take all those calls. If you have any empathy for people that take the calls, sometimes they are collateral damage politically in these calls. We got a lot of other calls coming from people all the time. You can do that, but I really feel guilty for the people that have to take the calls. If you want to stand out on that corner, I kind of like that. It is kind of a productive usage of time, I suppose. They might want to see your new look, the new debonair John Loewen, Member for Fort Whyte (Mr. Loewen).

We have an urban capital project. We have the infrastructure project. The numbers we had indicated to us were about \$32 million for the underpass. We committed within that urban capital or that other project to be part of a tri-part solution to that. I remain committed to that.

We recognize too that we have zoned land there. We have got the south Winnipeg institute. We have tremendous north-south traffic in that area. We also have the issue of the land bank that we are selling and developing in that area that would rely on that transportation route. We have a record number of students at the University of Manitoba; I am sure you are going to be celebrating our success there.

This is an issue now. There are some challenges here. We still do not know the disposition of the PPCLI land and what that means for transportation there. The Anita Neville committee. We still do not know the solution to the issue, unlike, say, I mentioned the Peguis Bridge. But, unlike that bridge, the transportation flows indicated there would be an 18% decline on traffic on Henderson Highway that was getting bottled up going to the freeway and underutilization of that point of Main Street with that bridge. So the member will know that there is still going to be a bottleneck in the city of Winnipeg at the St. James Bridge area, and so some of the challenges that will be at that bottleneck that are now at the Kenaston. I am not a traffic engineer, but there are some issues that the City has to deal with.

We are not trying to second-guess the city engineering department. They put forward this

as a proposal. It is on their priority list. We could not do the whole priority list with the infrastructure program before. Items that have been left outstanding, we are proceeding with. I remember developing projects back in the old days, that bridge on Logan, the Logan-Keewatin bridge; that is a very good bridge. We negotiated that with the railways, so it really bothers me that railways are not paying for some of those bridges. I remember I think we put \$1 million in and got most of the money from the railways back in my youth when we were developing Whyte Ridge at the same time. Those days are long—I do not know why they have been abandoned. Somebody had better let me know. Why were those days abandoned?

* (17:00)

Mr. Loewen: Well, I certainly do have empathy for the Premier's staff, and I can assure him and I can assure his staff that it is not my first choice to put his telephone number up and down Kenaston Boulevard. It is a reaction to the fact that for years he has basically ignored this important project and seen fit to dole out money in a lot of other areas. Most people in my constituency would definitely disagree with his priorities and his Government's priorities in terms as to where some of that infrastructure money has been spent.

I am pleased to hear that he is still committed to the project. I do understand that the Province is in negotiations in terms of the land south of Bishop Grandin. I do certainly hope that the Premier has learned from some of his past mistakes, and this time around will have the foresight to negotiate as part of the sale of that land bank, the proper traffic routes. Perhaps the extension of Bishop Grandin through to Moray Street will alleviate a lot of the problems that he is suggesting maybe there with regard to St. James or the property that PPCLI is going to leave behind. So I just encourage him to, as quickly as possible, move this process forward so that the Kenaston underpass can get built.

I will remind him again that this is just not a matter of people trying to get to work a little quicker or get to the university a little quicker. This is a health and safety issue. We had a resident of Lindenwoods killed in the spring. It

was a very unfortunate accident at Kenaston and Wilkes, and it is something that affected the entire neighbourhood. We have had on numerous occasions—you know, I have been stopped and witnessed ambulances, witnessed first responders in the terms of the trucks coming from the fire station on Waverley caught there trying to get either to an emergency or get from an emergency to a hospital. So this is a very, very serious issue for that quadrant of the city. It is more than just convenience for the citizens; it is health and safety. I would also remind him that because, unfortunately, there is not, and I am giving a little gleam into the future in terms of where the constituency is leaning, but because we are the only constituency in Manitoba that does not have a public high school, our high school children can often be caught in a situation where in trying to get to Oak Park or trying to get to Shaftesbury and being late, they are racing trains down Wilkes Avenue to try and beat the traffic to get to school or vice versa.

So it is an issue for the youths of our neighbourhood too, particularly those high school students. I would implore him to move as quickly as possible. As I have said, you know, there is no time better than now. He has made the commitment. The City has made the commitment. There will be a federal election in the spring, and he knows that Reg Alcock and our Liberal friends have been pushing for this project back to the days of Lloyd Axworthy. So the time is now. I think it is incumbent upon all parties to get this settled, and get it settled very quickly; to make an announcement so the people of the area and the people who use that corridor know what will be going on.

While I appreciate his responses, I take him at his word that he is sincere about his commitment to see the construction of that underpass. I would urge him to make an announcement very, very shortly so that, particularly in my case, the people of my constituency understand that he is a man of his word.

Mr. Doer: I caution members—talking about railway crossings, I have some kids that have been hurt even in my own riding, killed in fact, young people. There are lots of railway sites around Winnipeg. The health and safety issue is a concern for me with every location. I think, for

all members, it should be. Obviously, if we could redesign the city it would have been better—well, first of all, it was great to have two rail yards in Winnipeg as a transportation centre, but as an urban planning process, to have the rail yards and the major lines going right through the middle of Winnipeg, and through so many different communities, it is something I think we all know we have to be vigilant on.

On the traffic flows, that does warrant—and the traffic and the economic challenges in that region, it does warrant investment. On the issues of safety, ambulances, and loss of life, I think a lot of us all have stories. On loss of life, too, we have challenges—you know, you talk about extending the project. There are challenges we have on the Yellowhead Highway, there are challenges we have on the twinning of the Highway No. 1 west of Virden.

There are, certainly, safety challenges in the north on highway transportation, but we did make a commitment on that project. I want to make sure that the commitment will be part of the project that we first discussed with the City. I want to make sure that the project has not changed. You can scope different things into it, so we will be back shortly. We have capital, and we can dedicate it to meeting that commitment.

Mr. Murray: Mr. Chairperson, I wonder if the Premier remembers stating that, in Manitoba, when it comes to school divisions, there would be no such thing as forced school division amalgamations? I think, to quote him, he said: It is not the Manitoba way. We are all aware that under his Government, in fact, they did quite the opposite. They did force a number of school divisions for amalgamations. That, according to the Premier and the Minister of Education at that time, there was deemed to be a savings of \$10 million. I wonder if the Premier could update the House on what the savings of the forced school division amalgamations have been to date?

Mr. Doer: First of all, this was a vigorous debate in many communities during the election campaign. People have had an opportunity to make their decisions about what they agreed with and what they did not agree with. It certainly was an issue that members opposite attempted to make as a political issue in the last

18 months. The people have ruled on our judgment versus their judgment. We think modernizing the school divisions by a third and having the administrative caps will, over time, produce both more choices for kids in educational opportunities and greater administrative savings.

Many of the divisions that were affected, this was very much part of the election campaign, the debate that took place by families and constituents. I am going by the public jury on this issue. Some jury members did not like what we did, and some jury members did like what we did. We are moving on.

* (17:10)

Mr. Murray: I go back to the comments that were made by the First Minister and the Minister of Education that, by amalgamating school divisions, there would be savings of \$10 million. I think that is the actual figure that was discussed. I wonder if the First Minister, as I stated in my first question, could bring to the House how much of that \$10-million savings has been realized to date.

Mr. Doer: We said it would be longer term with both the combination of the amalgamation and the administrative caps that were put in place. We also said that it would provide better education to kids, and we are prepared to demonstrate that to the people of Manitoba when we seek another mandate. We said it would be longer term. It was obviously a political decision in the sense of the policy to implement this decision to reduce the school divisions by a third.

We thought it was good policy for the students of Manitoba. It was supported by teachers. It was not supported by school trustees. A hundred of them lost their positions. It was supported by school teachers. In most areas, it was supported by the parents by the way that they accepted it during the election campaign. I know, going door to door, and the member opposite will have a different view, that generally we found, particularly in the city of Winnipeg, it was positively received. The people generally thought that it would provide more choices for their children and their community. People do not believe we need nine school divisions in

Winnipeg. We proceeded accordingly. We will demonstrate the savings over time and we will be accountable to the people.

I have said to the member opposite last summer when we stayed here to wait for the court case that took place, I thought the public was more on our side than on his side on this issue. Ultimately, we agreed to disagree on where the public was at. My view is, going door to door in the election campaign, it was generally, not totally, but generally perceived as a positive item, and we are moving on with it. The election has taken place. The budgets are in place. The full cycle of a term of new trustees will not be completed for another three years. We will be accountable for the decisions we made and the legislation we brought in.

Mr. Murray: I think what is interesting is that for the first time we have heard a qualifier on the \$10 million over time. The Premier looks as if that was sort of the play. It was not the play. It was not the way it was played out. I would ask the Premier to qualify when you say over time. You put the figure of \$10 million. Maybe you did pull it out of a hat, I do not know, but if you can figure out the \$10-million savings then, surely, you have got it over a specific period of time. What is that specific period of time?

Mr. Doer: We will be accountable to the people of Manitoba for the commitments we made. I think, generally, the school divisions are in much better shape today than they were when we came into office in 1999. The capital investments, the curriculum choices, the respect for teachers, the respect for parents' advice, the ability to work with fewer trustees to provide the same service to kids, the extending of the summer and having a more realistic opening of the school year, some of these items were supported by the trustees. Some of them were not. Most of them were supported by teachers and parents.

We will be accountable for the decisions we made, but I would point out to the member opposite that we also stated that one of the goals of the amalgamation, besides modernizing—the member opposite wants to stick with nine school divisions in the city of Winnipeg. On the one hand, he wants to talk about administrative

savings throughout government, but he is going to maintain the status quo.

We are not a status quo government. We feel the parents, particularly in Winnipeg, had made the decisions on it, and parents in other communities made a decision as well. We stand by the decisions people made. We have got a mandate now to deal with the changes we made. I did not hear the member opposite say he was going to roll it back in the last election, although I could not figure out where he was going to get the money to pay for some of the tax cut promises he made, but that is a matter of a different debate.

Having said that, we are accountable for the educational decisions we made, and sticking with nine school divisions in the city of Winnipeg. I think when members fought that, they looked like they were members of the Flat Earth Society, not the member opposite, but some of the other members in his caucus. I did not mean that as a disrespect to him, just in terms of the policy decision he took. So we agreed to disagree. You think I made the wrong decision. That is why it was a vigorous debate in the year 2002.

Mr. Murray: Well, I would not want to refer to any members of his caucus as Luddites, and that does not necessarily go to him either, just to make sure that we are on the same page. But, for the Premier, I think he has given all the qualifiers as to where they went and why they went. And, regardless of the majority of questions that will come during these discussions, and for the next, as I understand it, five years, obviously, the First Minister can always go back to what the people of Manitoba—indeed, they gave that leader of his party, and their party, a mandate to govern Manitoba. So we agree on that, not lightly, but we agree on that.

The fact is, though, that what I am not getting out of the Premier, I think, is a very straight ahead—and it is interesting that we are talking education because this is a fairly straight ahead mathematical question. What was put on the table was that by amalgamating school divisions there would be savings of \$10 million. It was quantified. It was an actual figure that was put out there.

So one would say that, if you are going to save \$10 million, and, I mean we certainly do not see that, and I think the Premier knows exactly why I am asking this question, because I do not think there are savings at this point that he can go to. So he then says, well, what I am really saying is that the \$10 million was over time. So I find that, to use a term that comes from the other side, the odd time, passing strange, that all of a sudden the \$10 million is deemed to be over time.

So my question then to the Premier is not what parents or teachers, or what he heard door to door, or all of the other qualifiers that he has put on this. My specific question is: Of the \$10 million saving that was going to take place with amalgamations, over what time period was that \$10 million going to be realized?

Mr. Doer: Well, we will demonstrate it before the end of this mandate, where we have better educational choices and where we believe savings were made. We knew with some amalgamated divisions prior to this that it took some time to get both the educational benefits and the administrative savings, and when you have fewer chief financial officers and fewer administrative staff and you have a model of administrative caps somewhere in Alberta, which, we thought was useful, a combination of both measures, we believe, will save time for citizens. It will save time and effort for parents trying to get kids into different classes and courses, and it will provide better quality education at a lower administrative cost.

Mr. Murray: Then you are suggesting that the \$10 million will be realized within the next five years?

Mr. Doer: I believe that the challenge is to show that savings and to also show the educational advantages. It was a twofold purpose of doing this.

* (17:20)

Mr. Murray: As I say, through his qualifiers in terms of teachers, parents, students, school choice, those sorts of issues, the First Minister has already indicated that there was support for the amalgamations. I would argue with him that

there is a difference between a voluntary amalgamation, which, I think, is appropriate, versus a forced amalgamation, but that again maybe is for debate for another day.

So, at least in my questions, I am not worried or concerned about the issue of students' choices or schools, those are important issues and I do not want to diminish them, but my specific question is, only because the First Minister, and at the time the Minister of Education, who is no longer the Minister of Education, but at that time the Minister of Education was very emphatic about the figure \$10 million. It was not, savings will be had, and, again, to come back to the First Minister, he talks about it was a twofold issue. The one fold on side is all of the qualifiers. I understand that. I am not asking the Premier on that specific subject.

Suggesting, though, that there was a \$10 million of savings that was floated into the discussion on the basis that that money would go back into resources, obviously into the classroom, is the question. So I just find it very tough to understand that somebody can talk about specific savings in education, a specific number in education, and yet say, well, that figure, we will realize that over time.

It is akin to, and I do not want to mention the nationality because I do not want to be criticized for picking on any one particular province in Canada—sometimes they get picked on—but it is like saying that you won the \$10-million lottery and you have won it, it is a dollar a year for ten million years. The point is that you said \$10 million would be the savings that we would see in Manitoba. So there has to be a time frame that that would have been realized over.

I do not think that this is a difficult question unless, of course, the \$10 million was in fact put together on the back of a napkin, and it is one that, again, much like: we hope that the borders will be open. Hope. It is that you hope that maybe there would be \$10-million savings. I just asked very simply: Over what time period—clearly somebody must have done some calculation on it—would you see a savings of \$10 million?

Mr. Doer: The administrative cap in the existing administrative structures would produce part of

the savings, and we used models from Alberta, which I am surprised the member opposite would not think is a good thing on administrative allowability, for expenses to get a better ratio. Not all divisions needed that ratio. Some divisions were operating well within the ratios that were established. Other divisions were operating above that. There is a transition time to do that. We will continue to be accountable through the Department of Education's Estimates. We will, I believe, be able to demonstrate that in this mandate.

Mr. Murray: I do not, certainly, quarrel with what the Premier says. The model that comes out of Alberta, I would go on record as strongly urging him to take other programs, perhaps out of Alberta, with respect to competitiveness and tax ratios. There are a whole lot of things that I would hope that the Premier would look to Alberta as models that we might bring into Manitoba.

I would ask the Premier, given the fact that he did indicate that there would be no forced amalgamations in Manitoba, and then went ahead and did it anyway, I must tell you that as I sit, and a colleague across the way there, we are in the same school division, the member from Assiniboia, we are in a school division that the Premier knows full well was not part of an amalgamation. I ask the question simply: Will there be more—and I use the word "forced"—forced school divisions that will be amalgamated under this mandate of the Doer government?

Mr. Doer: In terms of Alberta on the expenditure side, on a per capita spending basis, we are much lower than Alberta. It is the revenues that enable Alberta to have some tremendous economic advantages, namely this, I think it is \$7 billion in gas and oil revenue per year. So, just on the expenditure level, the per capita spending, and the per capita number of civil servants in Manitoba is quite lower, under both governments; by the way, it is quite a bit different on the expenditure side, just for the record.

My personal view is, I preferred voluntary amalgamations, as opposed to what eventually happened. Regrettably, when we asked people to voluntarily make those decisions, everybody just

decided not to make those decisions. So we knew we had to modernize the system, and we knew that there were school divisions with too little pupils. We knew there was unrest in Winnipeg with nine school divisions. Most people understood that that was way too many.

I think most of our time and effort should go to proceeding with the existing education system. I think this is the first major reorganization in about 30 years. I certainly do not see, in this term, another set of reductions in school divisions to the level we had last time. I do not see us having to do that, needing to do that, wanting to do that. I cannot predict all the circumstances of the future but certainly there is no agenda. We do not have step two in this process affecting the school division the member represents. You never say never on anything, but we certainly do not have a plan for another major set of reductions. We did reduce the number of school divisions by 33 percent.

There are people out there, including the mayor, that have said: We want one school division for Winnipeg, period. We did not think that that would be sensible, in terms of the democracy. We thought we could modernize without going that far. The other Mr. Murray in the political arena had proposed that. There was some populism to that, but there were also some local governance issues as well.

So we think we have modernized. I am hoping that all the existing divisions are viable and that the choices are voluntary. What happened in St. Boniface and Norwood was much preferable to me than what happened with parents in Springfield worrying about their kids getting French language and legitimately worried about their kids. I see those same parents on the soccer fields, and I do not want them to be extra competitive. They play against some of our teams.

Mr. Murray: So, as the MLA for Kirkfield Park, when I meet with my school trustees in my constituency, I can say with confidence that I have had a direct discussion with the Premier and that there will be no more forced, and I use the word "forced" school division amalgamations, and that they in their division do not have to worry about a forced school division amalgamation.

Mr. Doer: I was asked this question at the AMM convention last year, and you can never make a statement, an absolute statement like that. Certainly, it is not my intent nor the Government's intent to go off. We do not have another plan that we are introducing next month or next year or three years from now before the next elections five years from now. That is a Jim Downey term by the way.

I just want you to know that, whenever we were really encouraged with a good Question Period in opposition after the election, he would come to us and say: Save that for five years from now when we call the next election. It had an ability to deflate our optimism for a moment, only for a moment, a fleeting moment.

We did not change the St. James School Division before. We think it is an administratively competent. It does not have the administrative cap challenges we have. It did not make sense to amalgamate it with, say, Seven Oaks or Winnipeg, so we certainly feel we fulfilled the general direction of Norrie, Bachman [*phonetic*], but not some of the concerns about the inner-city programs and the adjustments kids would have to make. We feel that we have that balance with this.

There is no perfect change as the member opposite knows, I am not saying that this is perfect. There are divisions in rural Manitoba that are still looking at amalgamating through voluntary decision making. When you ask about will you make it mandatory, three divisions are voluntary and one division is not, what do you do about that? I do not have the answer to that question. If the town council, the city council, the reeves and everybody else wants it to happen, but there is some kind of issue there that we cannot anticipate, then you can never say never. I do not expect us to go through us, and it is not necessary for us to go through it again. It is more important to make this system that we put in place work and show those educational choices that children will have and show those administrative savings that we passed on to greater opportunities in our classrooms, greater hope for our young people, and a sunnier Manitoba ahead.

Mr. Chairperson: Members rise. Call in the Speaker.

IN SESSION

Mr. Speaker: The hour being 5:30, this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Wednesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, September 9, 2003

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