

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

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Speaker*

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MANITOBA LEGISLATIVE ASSEMBLY
First Session—Thirty-Eighth Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, September 11, 2003

The House met at 10 a.m.

PRAYERS

ORDERS OF THE DAY

GOVERNMENT BUSINESS

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

COMMITTEE OF SUPPLY (Concurrent Sections)

HEALTH

* (10:10)

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 has been previously agreed, questioning for this department will follow in a global manner. The floor is now open for questions.

Mrs. Myrna Driedger (Charleswood): Yesterday on CBC news on their Web site, there was a story about BSE and the stress that is occurring in the Manitoba farm community about the effects that BSE is having on people out there. It indicates that the stress line has been flooded with calls from anxious farmers. August was the busiest month in the service's three-year history. So there are issues of BSE, there are issues of drought, and grasshopper problems, you know, huge fears building, and the woman that runs the stress line says that the stress levels have gotten to, in some cases, a very unmanageable level.

I guess I would like to just ask a couple of questions around this in terms of the people that are directly affected and the Ag reps that are having to deal with this and perhaps even the people on the stress line. What kind of processes

has the minister put in place from the mental health issue to address some of these stresses that people are feeling at all of those levels?

Hon. Dave Chomiak (Minister of Health): I will deal in the general and then get down to the specific. Obviously this is a very sensitive issue. Several weeks ago we were aware of the ramifications of this. There has been an interdepartmental committee and group that has been looking in rural Manitoba. They have done a needs assessment across rural Manitoba that identified three primary geographic areas for need for assistance and resources.

There has been an ongoing dialogue and there will be additional resources if necessary in those particular trouble spots, most notably south Westman, Interlake, and, to a certain extent, Parkland. Resources will be provided.

It has been led for the most part by Agriculture with augmentation from Health, and we have tried to do it sensitively. It captures a whole series of issues, emotional, psychological, et cetera. We have been trying to provide the resources in such a fashion so that people will feel comfortable in accessing the resources and not feel stigmatized.

Mrs. Driedger: Has all of that been put into place now or is the minister saying that that is coming?

Mr. Chomiak: From the Health perspective, the lead on this in terms of resources is at the RHA level. We have asked them to provide resources, and any additional resources that might be required, et cetera, we have said that we will try to assist them with.

Mrs. Driedger: Have the RHAs actively followed through then with that directive? Is there actually something happening already so that the farmers know what is available to help them through this?

Mr. Chomiak: Yes, resources have been provided and we are also going to augment those

resources if necessary over the next several weeks. There has already been an ongoing process several weeks ago to ensure that this issue was identified. As I understand it, the main lead on this has been through the Rural Stress Line and the services provided, but the RHAs have been totally tied in and are aware of where it needs to be augmented and where it might be required to be additional resources in the future which we have said we will ensure are in place. There are augmented resources and there will be augmented resources.

In addition, we have been monitoring the stress line in terms of needs based and trying to identify where hot spots are, where additional resources are required and where there are particular issues that are common and might require additional capacity.

I should say that this was at meetings that happened several weeks ago in terms of farm groups, et cetera. This was identified in a relatively low-key fashion. We undertook to put in place these resources in that same fashion and manner.

Mrs. Driedger: I am just not clear. What exactly are those resources? If I was a cattle producer, I was very stressed out, I phoned this stress line and you identified that I was highly stressed out and at high risk, can that information be transferred elsewhere? Are we stuck here with some FIA problems, I guess? How would you help me deal with my stress if the only place, well, it starts with the stress line, what extra resources could be put in at that point?

Mr. Chomiak: At that point the notification and co-ordination would take place with the mental health and public health officials in the particular region. That would then kick in to provide the assistance.

Mrs. Driedger: Just based on some earlier discussions there is no FIA issue with this, I am assuming. I hope not.

Mr. Chomiak: FIA is always an interesting experience in terms of accessing care. I think because of the experience with the stress line there is not a difficulty in terms of accessing resources because I think the people who handle

the stress line are experienced enough to recognize and to identify to the individuals the kind of authorizations and information that is needed to have the system kick in. I am not aware of any. If there are, we will let you know, but staff seem to indicate that there is not a problem.

The people who do this, one of the reasons is they are quite experienced in this area. I have not heard of any. If there are, I will let the member know.

Mrs. Driedger: I appreciate the response from the minister on that. It certainly does raise some serious concerns we are all aware of. I understand that the processes have already started where farmers are killing their cattle and burying them. That is happening right now in a couple of regions in Manitoba. I do have huge fears as to the kind of effect that is going to have on people, now that that process has actually started, because they are obviously desperate enough to kill cows and kill cattle. I know that the stresses probably were at the point where they could reach extremely critical levels. I do hope that we are fully prepared for this.

The next topic I would like to touch today is the nursing shortage, the nursing numbers. Can the minister indicate if there will be an expansion of diploma training programs in Manitoba? From the minutes of the Central Region RHA I understand that there is some interest in increasing diploma training there through looking at the LPN program and advancing LPNs to diploma RNs. I am wondering if there is actually a plan in place for the expansion of the diploma training programs throughout Manitoba or even within Winnipeg I guess.

* (10:20)

Mr. Chomiak: There was a commitment to expand diploma training and articulation processes in place. While it is still in the planning stages, Central has come forward with a quite innovative and pro-active plan to educate nurses. That is under active consideration. We have met and we are in a planning process with them. Of course, the integration and the assistance of the Department of Advanced

Education and Training, COPSE, and the various education institutions and needs and requirements from other regions are going to enter into the final decision. We are in a planning process with Central, specifically, as the minutes note, on that program.

Mrs. Driedger: Can the minister tell us when he is going to release the annual labour force stats for nursing? When we were in government, those were compiled for the end of April of each year. I would like to ask the Minister of Health where these are.

Mr. Chomiak: I think our practice has been to release them in September. I think they will be released sometime in September.

Mrs. Driedger: Is the minister prepared to give us any sense right now of whether the vacancy numbers are up or down?

Mr. Chomiak: I think there has been some stability in the labour force. The information, when it comes out, will be viewed positively.

Mrs. Driedger: Is the minister tracking how many new grads are staying in Manitoba and what that trend is currently showing?

Mr. Chomiak: The University of Manitoba has a tracking system. The last statistics that I saw from the University of Manitoba had an extremely high retention rate. I am going from memory but it was in the neighbourhood of 90 percent, if memory serves me correctly.

Mrs. Driedger: Can the minister tell me if there is an aggressive recruitment campaign with the nurses that are about to graduate so that we can be sure once they have graduated they already have a job, or do they have to wait until they graduate and then make application for a job?

I know that when I graduated I knew before I graduated where I was going to work because that process, it was just there. I know I raised this issue a few years ago and Betty Lou Rock from the Winnipeg Regional Health Authority had thought that would be something worth pursuing on their part. I wonder if something like that has been put in place.

Mr. Chomiak: Mr. Chairperson, I will give the member a general answer from my recollection

of the process and then I will get specific information to the member because I am going solely from memory, but as I recall, all nurses are approached and are provided with the opportunities and the options prior to graduation and are met with. There is also now a process of follow-up following graduation that they are all contacted, with some exceptions because it has not worked out as I understand it 100 percent, but they try to follow up on every individual nurse to do follow-up to see and offer an outline of what options and alternatives are available. I will provide the member with a written description of that process because it is a little bit more complex than that, and I am working on memory.

Mrs. Driedger: I had some concern in August of this year and perhaps this was somebody, an individual that slipped through the cracks, but it did raise some serious concerns because she had indicated, and we are talking August now, that she had graduated, she had 20 applications that were sent out there. She was a recent graduate of the University of Manitoba's program. It was already two months after, and she had submitted 20 applications for nursing jobs at three Winnipeg hospitals. She had not received one return phone call. That seemed very odd to me, and I wonder how somebody like that could have fallen through the cracks if indeed we were aggressively working with them prior to them even graduating. She is indicating that she is going to have to take her job hunt elsewhere.

She had indicated that she had applied for jobs on labour and delivery and emergency wards and I understand a new grad may not end up in those areas, but she did also apply in medicine and surgery, and certainly they do take new grads. She said that she had not received a response from even one of the potential employers or a call from the university to see how her job hunt is going. She said basically that she was on her own. My concern was is this one person that slipped through the cracks? That seems a little bit odd to me when there were 20 applications out there. It is not like there was just one application that might have slipped. There were 20, and I have some concern. All I am really looking for is some commitment that this is being looked at and that these kinds of things are not going to be happening in the future.

Mr. Chomiak: Mr. Chairperson, the member will know we had the largest graduating class in our history this year. I have to be careful in terms of information about individuals. As I understand it, this matter specifically was raised at our Joint Nursing Council, and at this point, all parties involved are unsure of why this happened. It could very well have been this individual did slip through the cracks, but there is more information pending on that. I will provide the member back with specifics on that, but at this point that is the best information I have. When that information came to light we took it to the various authorities who then went back through their systems, et cetera. At this point it may very well be that it was an example of an individual slipping through the cracks. I cannot confirm that, but I will get back to the member with specific information if there is anything further that we find out. I am advised that people in the system were all apprised of it and were quite surprised that this had happened and we are doing follow-up.

Mrs. Driedger: I am pleased to see that there certainly was fast action on dealing with that issue. Is there any movement towards setting up a co-op program for the nursing program at the university?

Mr. Chomiak: Mr. Chairperson, I will get that specific information back to the member, perhaps as early as today.

Mrs. Driedger: Does the minister think that having a co-op program at the university would be something that is beneficial? The university, I know, has designed one several years ago. It went as high as, and I do not know what the group is over there that approved it, yet this has been one program that has actually sat dormant for a few years. Is there any request by the minister to move this particular issue forward?

Mr. Chomiak: There are a wide variety of programs and different developments that we are looking at as a result of CNAC and as a result of some of our work with our Joint Nursing Council, et cetera, in terms of how to better educate and assist nurses.

Co-op education is one example. There are a whole series of other issues in terms of

providing clinical assistance, the provision of peer mentoring, et cetera, and a whole slew of issues that we are grappling with as well as the articulation between the various programs that we are looking at now.

* (10:30)

Mrs. Driedger: Is the minister requesting to the joint nursing council to also look at a summer undergraduate program where third-year students, instead of having to work as a nursing assistant in the summer, might be able to work, as they do in Alberta, as an undergraduate nurse with a few more responsibilities than what a nurse's aide would have?

Mr. Chomiak: I believe we are looking at that. I will get specific details back to the member.

Mrs. Driedger: I guess just to wind up that piece of it, does the minister feel that a co-op program and that undergraduate program would be something that he could support?

Mr. Chomiak: It certainly is in the array of options that we are looking at. Two of the more current factors that have come to light recently in terms of nursing education concern clinical practice and the ability to have nurses provide clinical apprenticeship. Those have been as well as the demographic issue of nurses who are on the verge of retirement who can be utilizing the system. Those issues have become more pressing in the recent months in terms of prioritization.

Mrs. Driedger: When the nurses' contract was settled there had been an agreement struck that the RHAs and the nurses' union would look at the issue of full-time, part-time work and that there would be work proceeding to try to get two-thirds full-time, and a certain time frame had been set on that. I understand the time frame for that ends about April of next year, so that is only about six months left. Now, if my memory might serve me correctly, I think the nursing contract was settled last year. In speaking with the union in August of this year they had indicated that the group had only met twice. I would like to ask the minister why this process seems to be taking so long.

Mr. Chomiak: The target was set for April of next year of a 65% full-time, part-time ratio. It is

an extremely complicated issue with a variety of factors. There is ongoing work as we speak in regard to this matter.

Mrs. Driedger: I certainly recognize the complexity of making this happen. I mean, I think it is a herculean task that they have before them. My concern is, though, if this group is driving this change why they have only met twice since all of this began well over a year ago.

Mr. Chomiak: Mr. Chairperson, there have been many more meetings than two with respect to this item and this issue, and there is work ongoing as we speak.

Mrs. Driedger: The particular group that was assigned to deal with this has indicated they have only met twice. The minister is saying that there have been many more meetings. Are there other processes in place then behind this committee where meetings are taking place and decisions are being made? Is the committee directing it or is this a parallel process that is going on? Where is the bulk of this work happening? I am hoping this committee is not just a token committee that their mandate was to make this happen. So could the minister just explain more fully perhaps what is going on with the whole process?

Mr. Chomiak: The committee is directing it. There is ongoing work that will continue. It was the committee's mandate that set the mandate and set the goals and set the targets, and we are continuing to work towards those.

Mrs. Driedger: Is it people from Manitoba Health that are involved in it or Manitoba Health and all of the RHAs and RHAM. Who all is working then on this particular issue?

Mr. Chomiak: The primary carrying of this is the task of the union and the regions and there is liaison with Manitoba Health.

Mrs. Driedger: Is there one particular person that might be heading this up and ensuring that this process moves forward. A committee does not necessarily have the ability, as there are many of them, to take something forward. Is there one person on that committee who could

be the chair? Who would it be, and are they charged with moving this forward?

Mr. Chomiak: In an undertaking of this size and complexity that requires joint participation from management and not just from union leadership at a central level, but at a local level, it is quite complex. The overall mandate is the committee and a number of related activities feed into it. I do not have one individual that, quote, heads it up.

Mrs. Driedger: I guess I have some concern when we spoke to the union, who indicated that the committee had only met twice as of August despite the fact that this agreement, I believe, had been established back in, I do not know if it was March or April or later than that last year. It seems to me a bit strange when we have a herculean task. We have got an unbelievable goal to meet. We are looking at trying to take Manitoba from having one of the worst full-time ratios in the country to making it more on par with the rest of Canada—why this committee has not been meeting on an absolutely regular basis and being driven by some leadership somewhere.

Mr. Chomiak: Mr. Chairperson, it was a significant task to get the agreement in the first place with respect to something that, over the decade, had gone exactly the other way, to establish it in the first place. I am confident and one of the reasons that I want to be helpful on this is that we are moving it along and there is an extreme sensitivity and difficulties in a number of areas.

The management and the union agreed to something that is unprecedented and are working on developing, and I have said at the time, very very lofty goals. We continue to move along. We continue to have confidence in movement in this area.

Mrs. Bonnie Mitchelson (River East): Mr. Chairman, I would just like to ask a couple of questions along the same line. Who in the minister's department is driving this initiative? Who has he assigned to take a leadership role?

Mr. Chomiak: Mr. Chairperson, it is a variety of factors in terms of it is a labour force issue. It

is a policy issue. It is a workforce issue and it is a leadership issue out of the department. It is primarily, at this point, a matter dealing with labour relations and labour issues. It also is under the guidance and direction of the Joint Nursing Council.

* (10:40)

Mrs. Mitchelson: Mr. Chair, so I guess then my direct question to the minister is who in the department has he assigned and at what level? This is a very significant issue. It is a priority issue for patient care in the province of Manitoba. Who and at what level? Is it an assistant deputy minister? Is it an executive director? Is it the deputy minister? Who? At what level?

I do not have the organizational chart in front of me. If it is something that is as important as the minister has indicated, who? Could he not tell me the person that he has placed in charge of this initiative?

Mr. Chomiak: Mr. Chairperson, the Joint Nursing Council, of course, was the entity and the body that was tasked with this responsibility. It is a joint responsibility between the management and union and effectively as a joint council is charged with the task of managing this issue.

Mrs. Mitchelson: Who is on the joint council? Who are the players?

Mr. Chomiak: Mr. Chairperson, I will get the member a list of participants on the joint council.

Mrs. Mitchelson: Mr. Chairperson, but that is unacceptable. We have a minister that is in charge of the department and a very specific initiative which he has touted as something that he is going to take charge of and accomplish. He cannot tell me who in the senior area of his department is on that joint council and who from the union is on that council.

Either he has taken this seriously or he does not know what is going on in his department. Can the minister today, because I know he has got his senior administration here and I believe that his deputy would be monitoring this

initiative that has been ongoing for several months now—surely his senior staff can tell him, if he does not know, who is in charge. Who is the joint council? Who is the lead from the union? Who is the lead from management in his department?

Mr. Chomiak: Mr. Chairperson, I will provide the member with those names. I think part of the difficulty the member has is that the member does not understand that when you are in a joint union-management relationship, it is not like the member dictates from on high how he or she wishes this matter to occur.

That is one of the reasons why when the member was government there were such poor relations between the union and the nurses and the member's government. That is why the member's government could not make any progress on nurses' issues.

I will provide that information to the member, but I am not going to adopt the strategy that members opposite adopted of top-down, we are laying off 1000 nurses, this is what the game plan is.

Part of it has been a co-operative effort. That is why it is a joint council. I do not know if the member is aware of that, but it is a joint council entered into as a result of a collective agreement that we entered into with the nurses' union without having to go through some of the ramifications, some of the issues the member opposite did over her 11 years of negotiating with nurses.

Mrs. Mitchelson: It is unbelievable that the minister does not take responsibility for his department. I am asking a very basic question. Who from management in his department is involved with the nurses' union? Obviously, if it is an initiative that has been undertaken and there is a joint process, I am only asking for the name of the person in the department who is responsible for working with the union around this initiative.

It should not be a difficult question. I have no hidden agenda. I guess I am just asking for information. I am not saying that it should be top-down or management driven. It is a joint

council. There are two people working side by side, one from the union and one from the minister's department. Who is the person from the minister's department who is working in co-operation through the joint council to ensure that he meets the goals and objectives that were set down when he announced this initiative?

Mr. Chomiak: I will provide those names before the morning is out to the member.

Mrs. Mitchelson: I want to thank the minister for that. It is like pulling teeth sometimes to get any kind of a straight answer from this minister. I do not think he should have anything to hide because I think it is an initiative that he should be very proud of. It is a big task. It is one that requires considerable attention. I just want to make sure that the process is moving ahead and I would like to certainly congratulate those who are working on the process, if indeed they are achieving some success.

We worry because this minister has made promises and commitments time and time again which he has not lived up to. He has broken many of those promises. He has not met the deadlines that he has announced. That does not bode well for those who are working within the health care system or those who are needing the services of our health care system.

I would hope that the minister would get the names back to us and he would report to us at the same time, because I know if it is someone within senior management within his department they should have some sort of an interim report or ability to at least just share verbally with us how the process is going, have they accomplished what they felt they should accomplish or could accomplish to this date and are they going to be able to meet the deadlines. I think those are very simple answers that the minister should be able to provide to us and to Manitobans who are depending on him for the leadership that needs to be there in the Department of Health to ensure that we move forward. We know that we cannot trust this minister to deliver on what he commits to. So I guess we are just asking and trying to hold him accountable for announcements he has made.

So I thank him for getting the information and the person's name that he has assigned from

the department and, because his staff is here, I hope that he might just be able to give us some sense of whether they are on target for at least half way through the process and whether they feel that they will be able to accomplish their goal or maybe they will need more time. Quite frankly, if more time is needed, let us just be honest and up front with that and indicate what the issues are, what the problems are. That would be the proper way of dealing with this issue. Hopefully, we will get those answers before noon when this committee rises.

Mr. Chomiak: I do not know if the member knows, the question of labour relations in these matters is extremely complex at both the central labour relations table and a local labour relations table. I do not want to leave the impression that it is a top-down process where we are ordering, because that just would not work. That is why it did not work over the nineties and that is why we ran into so much trouble over the nineties. I do not want to fall into the trap that previous governments fell into in terms of trying to dictate how matters should be vis-à-vis nursing. We know what happened with nursing in the 1990s and I am trying to avoid that. If the member is suggesting that we go back to that I will reject that suggestion. If the member is suggesting that we continue to work in a co-operative fashion, then I welcome that suggestion.

Mrs. Mitchelson: I do not want the minister to leave on the record false impressions. He is twisting my comments and I have repeated time and time again if someone is assigned from his department to undertake a specific task why is he ashamed or afraid to indicate who that person is? I am sure it is a very competent person in the management of his department who is leading and working with the union to accomplish this initiative. What is the minister afraid of, and why does he not know, or why does his senior staff not know, on such an important initiative who his lead person within his department is? I am having difficulty understanding that.

* (10:50)

Is this not an initiative that the minister has endorsed and is it not an initiative that the

minister wants to see succeed? Has he not had any input or does he not know or has he not received any update from anyone on where this initiative is at? It has been underway for over six months. It is half way into the process. Has he not asked anyone in his department for an update on how it is going? I find this unbelievable.

Mr. Chomiak: The member's question itself is premised inaccurately. We are not just working with the union. We are working with the management as well. The member should understand. That is part of the difficulty I am having with the member. The member is suggesting that we are just working with the union. We are not just working with the union. We are working with all of the RHAs and management. That is the difficulty I have. Even the member's question is premised on the basis that somehow we are working just with the union on this. The very premise of the question is inaccurate, and I am not going to answer an inaccurate question.

Mrs. Mitchelson: Well, the minister tells me now they are working with the union and management throughout the health care system. Who from his department is working with the joint committee? Is there a lead person in his department or does he not have control of what is going on?

Mr. Chomiak: It is linked both to the ADM of regional services and the ADM of labour force.

Mrs. Mitchelson: Well, thanks, Mr. Chairperson, that seemed to be a very simple answer. Could the minister just indicate to me who those two ADMs—were they two ADMs or an ADM and an executive director?

Mr. Chomiak: An ADM and an executive director.

Mrs. Mitchelson: Could the minister just indicate to me who those two individuals are in those two positions?

Mr. Chomiak: Arlene Wilgosh is the ADM, and Bev Ann Murray is the executive director.

Mrs. Mitchelson: That seems to me to be a pretty simple answer. Obviously, the minister is

telling me that there are some senior people in his department who are working on this initiative. That was my very simple question in the beginning and I want to thank him. I am not sure why it was so difficult to provide those two names.

It appears to me that the executive director, Bev Ann Murray, has taken on a lot of the responsibilities that were previously the responsibility of an ADM. Can the minister tell me why the position is just an executive director and not an ADM position?

Mr. Chomiak: It is part of an administrative structure in the department and it is based on a variety of reasons, the combination of duties that are combined in a particular area, some of the ongoing work that had happened in that individual's area that she continued on because of continuity.

Mrs. Mitchelson: I guess I look at the position now. We have a woman in the position. Previously the ADM who had those responsibilities I believe was a male, and so I guess I am asking the question of whether the woman who presently is filling that position and has assumed the responsibilities that an ADM had in the past—why would we not be classifying her as an ADM? I guess secondary to that, because it appears that she is doing the same job unless she has fewer responsibilities, my question would be: Is she being paid at an ADM level for the duties that she is undertaking, or has she been asked to take on significant responsibility without the classification that goes with those responsibilities?

Mr. Chomiak: She has undertaken significant responsibilities. The structure of the Department of Health has been changed as a result of recommendations from the Thomas inquiry to structure it in a different fashion as a result of needs to organize in a different fashion, and I am actually quite pleased that we have some very capable women who are assuming very senior leadership roles at the Department of Health.

Mrs. Mitchelson: I would certainly echo the minister's comments. I guess the only concern that I have, and I just look at the responsibilities that are there and it raises a bit of a flag with me,

if in fact we had a male assuming those responsibilities in the past, who was classified as an ADM, and we now have a woman undertaking those responsibilities, why would that woman not be entitled to the same classification and the same salary range as a man undertaking those same responsibilities?

Mr. Chomiak: This is not a matter of gender.

Mrs. Mitchelson: Was there some recommendation from some report that would have indicated that the responsibilities for health and labour relations, workforce policy and planning, insured benefits and medical consulting group, some sort of report in the department that indicated that those responsibilities only warranted an executive director classification and pay scale? Is there something in writing as part of the restructure and re-org that says that we were overpaying and overclassified previously and that those functions within the department warranted a lesser classification?

* (11:00)

Mr. Chomiak: If memory serves me correctly I think there was an acting executive director in that area for some time. The basic organization structure itself basically came out of the recommendations of the Thomas review of the Sinclair inquiry which asked for a different configuration and management structure at the Department of Health.

There have been, as well, some variations within that context because of individuals having some expertise in some areas and not having expertise in other areas.

Mrs. Mitchelson: So then the minister is telling me, and maybe he can just confirm this, that the Thomas report recommended that the responsibilities of health, labour relations, workforce policy and planning, insured benefits, medical consulting group—the recommendation in that report was that there should be an executive director rather than an ADM in charge of those responsibilities. If memory serves me correctly, and I do not have the previous organizational chart, my understanding is that those same and only those functions were previously managed by an ADM.

He is indicating then that the restructure came out of the Thomas report. The Thomas report then indicated that that position did not warrant an ADM level classification.

Mr. Chomiak: No, the Thomas commission did not recommend specific position titles and specific authorities. The Thomas commission recommended a general restructuring of the department based along these lines.

Mrs. Mitchelson: Then the decision for the title and the classification would have been made and recommended to the minister for his approval. I do not know what process he had to go through to get that approved, whether he went to Cabinet for the restructure and the re-org, whether had to go to Treasury Board because there would have been some financial implications, but I guess again I come back to the question: Why last year, in the organizational structure, were those functions managed by an assistant deputy minister and why this year are they managed by an executive director?

Let us take the gender out of it if the minister wants to take the gender out of it. Is he saying that last year and years previous to this year, the position managing those functions was overclassified and that an executive director level is the more appropriate level for the functions that are being performed in this area?

Mr. Chomiak: No, I am not saying that.

Mrs. Mitchelson: Well, then why the change in classification? Why was that decision made? Who made it? Obviously the minister approved it. So the minister has to be accountable and explain why he approved that.

Is he saying that an executive director classification then, if we work it the other way, today, is not adequate to meet the roles and the responsibilities that the person undertaking these areas of responsibility have. He said to me that it was not over-classified last year at an ADM level. Then the converse to that is that it must be underclassified at an executive director level this year. Which one is it? Was it overclassified before or is it underclassified now? It has to be one or the other.

Mr. Chomiak: The key factor, in my view, is having the right people in the right place to

undertake the tasks and the jobs that are necessary. That is the structure that we have in place. If the member wants to argue for more or less ADMs, that is the prerogative of the member. The member may want to have six or seven more ADMs, as was the case previously. That is fine. If that is where the member is going, I guess the member can go down that road. That is the member's prerogative.

Mrs. Mitchelson: Well, I look at the new organizational structure and I see a Special Projects ADM under R. Dedi. Could the minister tell me then why there is an ADM at that level under the new organizational structure? What special projects might he be undertaking that would warrant the special status of an ADM, because I do not see any other ADM at that level in the organizational chart?

Mr. Chomiak: As I indicated to the Member for Charleswood (Mrs. Driedger) the other day during the course of the Estimates debate, there are a number of projects undertaken that I am not in a position to provide information on publicly that are of a planning area. He continues to undertake those tasks.

Mrs. Mitchelson: So then the minister would be indicating to me that Mr. Dedi, in his role as ADM at a different place in the organizational structure, would be undertaking—I guess I would ask how many people he might have reporting to him in his new role.

Mr. Chomiak: I answered those questions. They are in Hansard.

Mrs. Mitchelson: I do not believe the minister did answer that question. How many people would be reporting to Mr. Dedi? I know that because Mr. Dedi reports directly through the deputy minister to the minister, and there are only five people that have that direct reporting to the deputy, I am sure that we could pretty quickly get an answer as to how many people would report to Rick Dedi as the Special Projects ADM.

Mr. Chomiak: As I indicated in Hansard the other day, there are no individuals directly reporting to Mr. Dedi in that role.

Mrs. Mitchelson: How many support staff then would Mr. Dedi have in his role as Special Projects ADM?

Mr. Chomiak: He gets support as required for those projects through the department.

Mrs. Mitchelson: I just want to clarify what the minister is indicating to me. Could I ask what his salary might be? What is the range for an ADM in the Department of Health?

Mr. Chomiak: I believe it is in the accounts, but we will provide that information to the member.

Mrs. Mitchelson: So you are saying then that Mr. Dedi is not responsible for managing any staff in his position, that he does not have any support staff in that position, that he gets support as required from different areas within the department based on the projects that he is undertaking; and yet he still has the classification of an ADM with an ADM salary while the person that has taken over his responsibility in the department that he was paid an ADM's salary for is being paid at a lesser classification and a lesser salary. Is that accurate?

* (11:10)

Mr. Chomiak: I will provide the member with information as to the salary of both Mr. Dedi and with Bev Ann Murray.

Mrs. Mitchelson: It seems like a very basic question when we are dealing with the budgetary authority of a department that the information—I know, I sat behind the table where the minister sits and was asked very specific, direct, financial questions and I would have been considered quite incompetent if I had not been able to answer, with staff sitting at the table, what the salary ranges were for senior administrators, what the salary was for my deputy minister. I would hope the minister would not have to get back to me with that. I mean this is information that should be readily available. It is taxpayers' dollars, and I am having a bit of difficulty understanding why the minister cannot be specific and cannot answer any budgetary questions directly. I mean, is he incompetent or

is he saying his staff that he has at the table are not able to provide that very basic information?

There is a salary range for ADMs. There is a salary range for deputy ministers. There is a salary range for executive directors. There is a salary range for every classification within his department. Surely to goodness someone from financial services in the Department of Health can indicate what those ranges are. I know my detailed Estimates, when I was a minister, included absolute salaries for individual bureaucrats in my department and that was information that was asked for on a regular basis and it was direct information that was given. What has the minister got to hide?

Mr. Chomiak: Mr. Chairperson, that is part of the problem in dealing with the member from River East, the whole conspiracy theory. The first member's question was what the specific salary for those individuals was. Now the member says, well, you cannot tell me what the salary ranges are. That is not even what the member asked for. The member has asked for the salaries. Now the member is asking for ranges and the member is taking two different questions and trying to see major conspiracy theories in that process, so that is what I have difficulty with in dealing with the member.

Mrs. Mitchelson: Every answer from this minister is a convoluted answer. Obviously, he does not want to stand up and be held accountable. As a minister of the Crown who has the largest budget throughout government, why does he have to think that everything is a conspiracy? What is he hiding, or is he just incompetent?

Mr. Chomiak: The salary range for Executive Director 1 is \$77,200 to \$92,300; for Executive Director 2, these are the classifications, \$83,000 to \$99,300. Those are ADM classifications.

Mrs. Mitchelson: That seemed to be a bit painful for the minister, but I want to thank him for being open and providing me and Manitoba taxpayers with information that should be very readily available to them and that the minister should not be ashamed or afraid to answer.

Mr. Chomiak: The member asked for membership of the Joint Nursing Council. It is

Maureen Hancharyk, Neil Walker, Sandy Mowat, Fern Beasse, Jan Currie, Milton Sussman, and myself.

Mrs. Driedger: Did the minister not know he was on that committee earlier then?

Mr. Chomiak: Yes, I attend all the meetings.

Mrs. Driedger: How many meetings have there been?

Mr. Chomiak: I will confirm the dates of the meetings. The last meeting of the Joint Nursing Council, I was ill and unable to attend.

Mrs. Driedger: I am I guess somewhat troubled with some of the answers the minister has been giving, actually the non-answers the minister has been giving about some of these nursing issues all morning when in fact he is on one of the committees that is actually discussing these very issues. You know, back to some of the comments from the member from River East. The minister seems to have either a serious lack of information about what is going on in his department or he is trying to avoid answering the questions. I mean, these have been very straightforward questions about an extremely serious issue.

It has also been about, I think, a good initiative that has been put forward to try to increase full-time nurses in the province and now the questions we ask, the minister should have had the answers. He is on one of the committees that actually is integrally involved at looking at some of these issues. Why is he having such difficulty answering all of these questions?

Mr. Chomiak: Mr. Chairperson, one of the difficulties is at least 50 percent of the questions, the premise upon which the question is asked is inaccurate and I do not want to put inaccurate information on the record. For example, assertions made in preambles to questions that are inaccurate, such as the member from River East saying: Who is the union membership only on this? If I were to answer, that would be inaccurate because it is not just union membership and the member does not understand the basic nature of a joint council

that is management and union. So I want to make sure that I put accurate information on the record and very precise information on the record.

Mrs. Driedger: The minister just put inaccurate information on the record because the member from River East was not just asking about who the union membership was. She had other components to that question too which was who was also the representative from the Department of Health or the minister's office. So it is the minister that very frequently is putting inaccuracies on the record. It is starting to raise concerns that after a whole week in Estimates, the minister has been lacking in a lot of information about what is going on in his department, from what the vacancy rate is to how much federal money has been allocated, to how many cardiac surgeons there are working in Manitoba. Did the federal money flow? He was all over the map on that question. He does not know where in the Budget the federal money is plotted. It does not appear that it is even in the Budget. There has been so many discrepancies through this whole week.

So, for the minister to sit and say that somebody else is putting inaccuracies on the record, I think he had first better have a review of some of his own responses from this particular week. He seems to be overwhelmed right now with all of the information in running his department.

I would like to move on because I would like to get through a number of these questions that we have. It is not appearing that my pile of questions is going down very rapidly. I would like to ask the minister if he expects a nursing surplus within a few years and if he is basing some of his planning on a notion that we could have a nursing surplus down the road within a few years.

Mr. Chomiak: Mr. Chairperson, there are various reports that have been done recently with respect to the nursing volumes, both in Winnipeg and outside of Winnipeg.

There was a report that was made public about a year ago with respect to the Winnipeg situation that laid out three different scenarios

with respect to surplus versus deficit nurses. There is also a recent report that assessed the rural situations which suggested there would be a deficit in terms of total nurses over the long term.

We tend to use, or I tend to use, those reports as planning documents and scenarios. We are operating on the assumption of a continuing nurse shortage in the medium term and perhaps in the long term where my experience in terms of nursing numbers has been over the past 20 years a boom and bust cycle to nursing education, that is that when there is a deficit there is a tremendous interest in training and educating nurses. When the surplus is achieved that drops off, which results in a corresponding difficulty.

Suffice to say that we are proceeding on the basis that at least for planning purposes and the short-term future, and I have said publicly, we anticipate there will be continuing shortages of nurses. If not, certainly in specialty areas will be some difficulty and certainly the most recent report suggests in rural Manitoba, the demographics suggest that there will be a shortage.

On the other hand, there are some initiatives undertaken to deal with that. The short answer is while some prognosticators indicate there will be a nursing surplus, I do not necessarily personally plan on that basis.

*(11:20)

Mrs. Driedger: One of the recent studies that came out of, and it might have been the Canadian Nurses Association, I cannot totally recall, and it might even be something totally different, but there was the sense that if all the nurses that were eligible to retire within the next very, very short period of time, we might see a loss of 30 percent of our workforce in Manitoba.

Is that causing the minister any concern? Does he treat that particular report with—it might have been Linda Lee O'Brien-Pallas' report, and I wondered if he treats that one with any more import than other reports that are out there?

Mr. Chomiak: Mr. Chairperson, the demographic situation vis-à-vis nurses has been foremost in our minds since the day we assumed

office. I can recall the very day when there was a dispute about the bringing back of the diploma program indicating to the nurses and others that attended, I believe the Member for River East (Mrs. Mitchelson) attended and the Leader of the Liberal party attended at that particular protest against our bringing back the diploma program.

I recall at that time that I indicated that it was not just the factor that we had gone from graduating 600, 700, 800 nurses a year down to 200 nurses a year, that that was not the only factor, that the demographic of age 47 in Manitoba meant that we are potentially going to lose significant amounts of nurses over the short period of time.

I indicated earlier in one of my responses to the member, when the member was talking about some education programs, that I am very concerned about the demographic issue and trying to achieve some kind of balance. That is where it gets more complicated and fits in with a full time, part time and some of the other scenarios that are being worked on, Mr. Chairperson, with respect to nursing.

Suffice to say, we are concerned about the demographic. We are taking measures to deal with leadership regarding the demographics and it is a concern to us. There are some solutions that have been offered that we are working on and we continue to work on.

Mrs. Driedger: I would like to move into the area of physicians and physician shortages. Is the minister aware from the last report of the College of Physicians and Surgeons that currently of the doctors practising in Manitoba, 102 of them are over the age of 70; 113 of them are between the age of 65 and 70. It appears that we have about 215 physicians that could possibly retire tomorrow if they wanted to.

I would like to ask the minister what analysis has been done of this. Are there questions being put to these physicians as to their potential retirement date? How is he planning for the retirement of this cohort of doctors?

Mr. Chomiak: Mr. Chairperson, again it was one of the issues that we began working on from

the very day that we assumed office. There was recognition of the demographic, if I can put it this way, the demographic challenge vis-à-vis doctors.

In fact, one of the issues that was negotiated in the most recent collective agreement with the physicians was the physician retention fund. It is managed by the MMA. A part of its purpose is to assist doctors in staying in practice in Manitoba for longer periods of time. That is just one of the initiatives.

It is quite clear, both from the meetings of the CMA recently that were held in Manitoba and the recent studies that have taken place that the style of practice of doctors has differed. The most recent study showed that, now I do not want to get this inaccurate, but just in general terms the elder doctors were taking a disproportionate amount of workload vis-à-vis practices. That is a difficulty that has been identified by the CMA. We are aware of the demographic challenge. Again, that is one of the reasons why we have expanded enrolment and again are expanding enrolment at the college to train more doctors.

We have put in place some provisions with the union for retention strategies vis-à-vis doctors. We have also put in place some other initiatives concerning family practice and family practitioners that are geared toward providing some assistance to doctors. There is no question though that the demographic issue, like nurses, will affect us and we have to have continued measures to deal with that.

Mrs. Driedger: The April stats from the College of Physicians and Surgeons shows that in the past year 64 doctors have left Manitoba to go to other jurisdictions, whether it is Ontario, Alberta, British Columbia. In fact, more of them are going to other jurisdictions in Canada and not to the United States, as one might assume.

What is the minister doing to keep these physicians in Manitoba? Certainly the physicians have said there are a couple of major factors that keep them here, that is, better salaries and improved taxes, tax cuts.

Can the minister indicate what he is doing to try to address these issues? Certainly we know that in this same report only six doctors went to

the Maritimes and Saskatchewan and ten to the United States. All the rest of them, sixty-four, went to Ontario, Alberta and British Columbia. Can the minister give us an idea of what he is doing to try to keep those kinds of physicians here?

Mr. Chomiak: If memory serves me correctly, we have a net gain in physicians every year since 1999 in Manitoba. I think, more importantly, we negotiated with the MMA an agreement that we did not end up arbitrating. We ended up negotiating an agreement that puts Manitoba doctors in a favourable position vis-à-vis other jurisdictions and will continue to bode well in terms of attractiveness in other locations in the future. I think the key stat is the net gain of doctors in Manitoba. The member is right, the hemorrhaging, no pun intended, to the United States that occurred over the 1990s appears to have dried up.

Mrs. Driedger: Certainly, in looking at these particular numbers, however, and looking at the age of some of the physicians and the concern of maybe all of them deciding they want to retire very soon, it is critical that we look at the fact that we are still losing doctors from Manitoba. It may be less, but it is still high, because they do not feel this is the environment they want to practise in.

I appreciate the efforts that have been made. I think there have been some good efforts made to deal with this. I certainly would encourage the minister to look at the other factor that they also say is important to them and that is tax cuts.

Something I was in discussion of with a doctor was he said we train all of these doctors here in Manitoba, and the minister likes to say that he has added 15 more seats to the program, but it seems to be almost consistent year after year, I guess I will pose it as a question to the minister: Would it be accurate in his opinion to say that, of the students that graduate, and you look at the college statistics that come out, we only register about 30 of those new grads here every year, which means about two-thirds of medical grads that we train here actually leave Manitoba?

* (11:30)

Mr. Chomiak: I do not think it is appropriate to use the figure of straight registration vis-à-vis the number of graduates as a criteria for doctors that leave Manitoba because lots go into specialty programs and continuing programs. Some go to continuing specialty programs here. Some go to other jurisdictions with the intention of coming back. Suffice to say that we indicated as a goal four years ago when we came to office that we wanted to reverse the trend of doctors leaving Manitoba. We have made some significant strides in that area and we continue in that area.

Some of the specialty programs, for example, if one thinks about the neurosurgery program and the provision of the gamma knife in Manitoba, we see now that there is a tendency for both specialists and others to want to come and undertake additional training and specialization here because of the provision of that type of technology. There are some efforts we are taking in that area and other areas to actually have more specialty training here.

There are a variety of factors, but to strictly extrapolate the number of doctors that are registered versus the number of doctors that graduate would not be an accurate reflection of those who leave the province.

Mrs. Driedger: It is an accurate reflection of, maybe not leaving the province, but it is an accurate reflection that of all the doctors we train the numbers throughout the nineties and all throughout the early 2000s have basically, in the last several years, been unchanged in that in 2003 they only list 30 Manitoba medical practitioners granted registration. These are new registrations. The year before it was 33; 2001, it was 16; 2000, it was 27; 1997, it was 37. So the numbers are generally, for training 85 and only 30 are going to—now I realize that 85 would not have probably kicked in yet, but even out of 70 if 30 are registering here that means we are not feeling the benefits of training all these doctors.

Mr. Chomiak: I will try to get back to the member some statistical information, some information that deals with this. If the member wants to have a further discussion we can. I have gone through it with the college and with some of the educators. Rather than paraphrase, I will

try to get some specific information to the member.

Mrs. Driedger: The other issue related, I guess, to this same area: medical school enrolment, during the election we were told that not enough rural students were applying to med school. I believe it might have been Doctor Hennen that had made that comment. It was quoted in a newspaper story. We know that Dr. Chris Burnett of the Assiniboine RHA says there is a crisis in increasing the number of physicians available for rural Westman. In the spring, the Premier (Mr. Doer) was quoted in a rural newspaper stating that special sensitivity would be made for rural students applying to med school who intend to return to rural Manitoba to practise.

We have recently heard of a young woman, a very well qualified young woman who tried unsuccessfully three times to get into med school here and could not and is now off to the Caribbean.

Actually, I can take every one of my rural colleagues who can also come up with names of rural students who have tried, some with honours, graduating high school with honours, having very, very well-qualified, all-rounded backgrounds not getting into med school.

I understand from Dean Hennen's comments also that there is a review going on to review admission criteria. I understand, I believe Doctor Klassen from the Office of Rural and Northern Health is on that committee. My question to the minister is: Why has it been established that that review of the admission criteria is going to take 18 months?

Mr. Chomiak: I have had discussions with the member's colleague from Russell concerning the matter that the member raised with respect to that student. The member might not be surprised by the fact that the number of individuals who want to get into medical school and have contacted me about their inability to get into medical school is quite lengthy, both rural and urban. It is an issue that is not directly in my ability to, and in fact I cannot, influence. What we can do is ask that the college be sensitive to particular issues.

There have been a number of activities undertaken by the Office of Rural and Northern Health, including a week-long rural and northern clinical training experience for 65 first-year medical students that took place in 17 separate communities in northern and rural Manitoba at the end of May, 2003. We have now had the director of the Office of Rural and Northern Health working with the Faculty of Medicine to look at projects including the development of promotional materials to attract rural youth to the facility. The Office of Rural and Northern Health medical director is an active participant in the 2003 admission process. There are a number of activities that have been undertaken by the Office of Rural and Northern Health in that regard.

There have been meetings with all of the RHAs, with community organizations and there have been liaisons with secondary schools and students out all around Manitoba with respect to the opportunities for rural students to practise and to enter the Faculty of Medicine.

I will not go down the length of resources that we have put in place with respect to the bursary programs and the IMG programs we have put in place that specifically apply to rural Manitoba.

Mrs. Driedger: I am just looking through some of my notes. When we look at rural doctors who are trained in Manitoba and we look at the Manitoba training numbers and then we look at how many of our Manitoba medical students stay to work in Manitoba, I note that the number has actually dramatically increased this past year, say as compared to 1995. These are statistics again from the college where they said in their 2003 report that 29 percent of rural doctors were trained in Manitoba, in 2002, the same number, 29 percent, 2001 it was 31 percent of rural doctors were trained in Manitoba. In 2000, it was 34.5 percent of rural doctors were trained in Manitoba. In 1995 it was 39.3 percent of rural doctors were trained in Manitoba. We have a 10% drop from 1995 to 2003 of students coming out of Manitoba's medical school that are actually going to Manitoba. That picture has dramatically changed. I wondered if the minister was aware of that.

Mr. Chomiak: Two factors. Of course, over the period of the 1990s the number of students

admitted to the Faculty of Medicine dropped by 15, starting in 1992-93, I believe, which in fact dropped by a factor of about 20 percent the number of Manitobans that were eligible to get into medical school. So that was the first factor.

* (11:40)

The second factor, Mr. Chairperson, was a recognition of that, which is why we set up the Office of Rural and Northern Health to deal specifically with that clearly identified issue. Quite clearly, what happened in the 1990s was that there was a drop in the number of Canadian medical graduates right across the country. There was an increasing reliance on foreign recruitment in terms of dealing with shortages. We are now trying to reverse that trend by providing more opportunities for Manitobans to become doctors and participate in Manitoba. Still, we are going to have to rely as well on foreign recruitment and probably always will in this jurisdiction.

Mrs. Driedger: Can the minister confirm that right now about 46 percent of our rural doctors are from South Africa?

Mr. Chomiak: I recently went through those statistics. I will have to confirm that number with the member. If she is reading from the college registry, then I am not going to dispute those particular numbers if that is what she is reading from. I do not have my college statistics with me.

Mrs. Driedger: I cannot find in front of me the percentage of South African doctors that came here and were registered in the mid-nineties, but it was probably half of 46 percent. It seems to me that over, say, the last eight years probably we have become very reliant on the physicians that have come from South Africa. I guess that is why I am pressing for looking at this review that is going on by Doctor Hennen and wondering why it is taking 18 months. I sense some urgency that we need to find a better way to get more of our Manitoba-trained students back into Manitoba.

As I have pointed out, we have had a 10% drop in those students going back to rural Manitoba. I see that has created some urgency

and yet Doctor Hennen's review is taking 18 months. Has the minister had an opportunity or does he feel he can ask them to speed up that time frame?

Mr. Chomiak: I do not think that there is any difficulty in asking them to speed up the time frame but just let me deal with a couple of issues raised by the member.

Firstly, again that is precisely why several years ago we established our very extensive program to deal with rural doctors. It was not done this year, it was done four years ago. It included, Mr. Chairperson, an expansion of enrolment, an expansion of residency positions, an offering of a bursary program, an IMG program, an Office of Rural Northern Health. I have already outlined some of the activities vis-à-vis rural students that the Office of Rural Northern Health has undertaken.

With respect to South African doctors, I should indicate that there was a major recruiting initiative for South African doctors that occurred over the past several years, most notably the late-nineties, to recruit South African doctors. There has also been a recognition that that pool is drying up for a variety of reasons, for a number of different policy reasons. We identified that several years ago that that pool would be drying up regardless and consequently that was part of the initiative to undertake a more extensive retention strategy.

Mrs. Driedger: In April of 2002 in the *National Post* there was an article about the issue of a pediatric shortage on the brink of crisis. They talked about a looming crisis in that profession, an increasing shortage of doctors who specialize in care for the young, a deficit many fear will mean substandard treatment for children in the future. In fact in the article it says we know that the number of pediatricians who are currently going into pediatric programs at universities will not replace the number who plan to retire.

Has there been anything done in Manitoba to address this concern or is this concern not reflected in the numbers in this province?

Mr. Chomiak: There is a tendency to try to respond to the needs and the shortages. For

example, several years ago there was a difficulty—anaesthetist training. We have managed to deal with that difficulty by increasing the residency positions in training. Recently now, for example, urologists have been a problem. We are very fortunate that we have three Manitobans in urologist training here in Manitoba to reflect that. I will find out about the pediatric issue specifically for the member. The real crunch has been in the family doctor. There has been a real reluctance to specialize in family medicine and that has been one of the more recent challenges that some attention has been paid to. I will check specifically with pediatricians in pediatric training.

Mrs. Driedger: Can the minister indicate what his position is on the existence of Internet pharmacies in Manitoba?

Mr. Chomiak: Internet pharmacies exist in Manitoba. We had an extensive talk about pharmacists, as I recall last Estimates, when we talked about some of the challenges facing the profession, and I thought we had a rather good discussion on that. Suffice it to say that we have been trying as a government to reconcile the various interests concerning pharmacists, concerning patients, provision of drugs to Manitobans, maintaining an industry, maintaining safety and ensuring that we have a sufficient supply of pharmacists. We have been trying to balance those interests which is one of the reasons why we appointed Wally Fox-Decent to mediate between the parties. Ultimately the mediation, by a narrow vote, was rejected by the membership of the Manitoba Pharmaceutical Association. We continue our mediating efforts in this regard.

Mrs. Driedger: Does the minister have any position on these Internet pharmacies?

Mr. Chomiak: It is important that patient safety and provision of services to Manitoba and ensuring that supply is provided to Manitoba, that pharmacists are able to provide services to Manitoba is of paramount importance.

Mrs. Driedger: Can the minister indicate, do Internet pharmacies serve Manitoba patients at all or just American patients?

Mr. Chomiak: I think there are a variety of types of Internet pharmacies, some of which exclusively deal, I believe, with out-of-province matters and some of which there is joint Manitoba-international relationships, but I think they are kept separate.

Mrs. Driedger: Prior to the establishment of on-line pharmacies in Manitoba, can the minister tell me if there was an impact study initiated by the Government?

Mr. Chomiak: I am sorry?

Mrs. Driedger: Prior to the establishment of on-line pharmacies in Manitoba, was there any impact study initiated by the Government as to what impact Internet pharmacies would have in this province?

Mr. Chomiak: Mr. Chairperson, if the member is talking about a study undertaken by Industry and Trade or economic development, I am not aware of any study with respect to the impact of Internet pharmacies.

Mrs. Driedger: Since the Internet pharmacies have been up and running for some time now, has the Government asked for a review to determine now what the impact might be at this point in time?

* (11:50)

Mr. Chomiak: Mr. Chairperson, we have an ongoing relationship with all of the parties involved, and we are playing a mediation role in terms of trying to ensure both the safety of patients and effective utilization of resources at this time.

So to answer the member's question, we are involved actively with all of the organizations as well as providing a mediating role in this regard.

Mrs. Driedger: There have been a number of media reports about shortages of hospital and community pharmacists as a result of the establishment of these Internet pharmacies.

I wonder if the minister has reviewed this situation and if he has any comment on it.

Mr. Chomiak: Mr. Chairperson, as we discussed in previous years' Estimates, there has been some difficulty in terms of pharmacist shortage for several years nationally and internationally. It has been a continuing challenge to meet the requirements.

It is no secret, as I indicated at the last Estimates debate, that it has put pressures on the public system, particularly the hospital sector, to match salaries in the private sector, which effectively pharmacists are, in order to keep them within the public sector, although that trend started even before Internet pharmacies became a major activity.

Mrs. Driedger: There have also been media reports of shortages of medication for Manitoba patients as a result of Internet pharmacies. Has the minister reviewed this and does he have any comment on it?

Mr. Chomiak: Mr. Chairperson, we do keep active review of this. We have asked for regular reports to us in this regard.

I am not aware at this time of any specific reports regarding shortages for Manitoba patients. In cases where pharmaceutical companies have expressed their desire to limit supply to Manitoba suppliers, we have corresponded with those companies indicating that notwithstanding the disputes they might have, it is incumbent upon them to provide a supply to Manitoba patients.

Mrs. Driedger: Can the minister comment on the benefits of Internet pharmacies to the province of Manitoba?

Mr. Chomiak: Mr. Chairperson, I think the Minister of Industry, Trade and Mines (Ms. Mihychuk) has commented about the economic ramifications of Internet pharmacies to Manitoba.

Mrs. Driedger: I would like to thank the minister for those responses. I will move on to another topic on waiting lists.

Diagnostic waiting lists for CT, ultrasound, MRI and maybe stress tests have increased from 1999 according to the latest numbers. In one area

there has been a dramatic improvement and that is bone density testing.

I would like to ask the minister why there has been such difficulty in trying to achieve what his Leader had said would be achieved back in the 1999 election, when there was a promise to cut wait lists for an MRI to eight weeks, ultrasounds to one or two weeks and CT scans to two weeks. Yet, in the latest numbers for all of those areas, they are well beyond that particular commitment that the Premier (Mr. Doer) made.

I do realize that there is more volume being added to the system all the time, but there was also more volume added when we were in government too. Despite the volume increases that we had to deal with, we had developed a very aggressive plan to get those waiting lists down, and now they have gone way back up. I wonder if the minister can just indicate why there is such difficulty in addressing this.

Mr. Chomiak: As the member has correctly identified, in every single one of those areas we have increased dramatically the provision of the service, and volume has gone up very dramatically. The member will also be aware that we have expanded the number of machines, both CAT scans, and now with the first time ever, an MRI outside of Winnipeg that will be going into Brandon.

One of the key factors, if not the key factor, affecting the wait list issue has been the ability of trained individuals. The member might be aware that the drop-off in training programs in the nineties has dramatically affected the ability to deal with wait lists. Ultrasound is the most significant example.

An example of very much a success was the reduction of cancer treatment in half, reduction of volumes in half. That could be attributed to a variety of factors, not the least of which was now we are at almost capacity with radiation therapists and are retaining all of our trained radiation therapists. That is our goal in all of the areas, with respect to a diagnostic waiting list, both an expansion of the training for the individuals involved and a retention of those individuals involved.

Mrs. Driedger: Does the minister think that the promises put forward in 1999 were quite unrealistic to achieve?

Mr. Chomiak: Is the member talking about the promises of the Conservatives, or is the member talking about the promises that we made in the '99 campaign?

Mrs. Driedger: The minister knows very well if he wants to get into this again, I can go there. I can rehash all of their 1999—

Mr. Chomiak: Please do not. Okay, I give up. I surrender, Myrna, I surrender.

Mrs. Driedger: I can do it. I am trying to give him a little bit of a break here by not reiterating all of those. If he listened to my comments really carefully, he will see that I am trying to be—

Mr. Chomiak: Okay. I appreciate that. I appreciate the comments of the member. The member will know we have diligently worked hard and we have reduced some waiting lists. We are working on reducing others, and that will continue to be a high priority, one of the highest priorities of this Government.

Mrs. Driedger: I know the question was probably putting the minister in a very awkward position. I will answer it and say that it was an unrealistic promise that was made, because it is very difficult to achieve. In honour of the member from Flin Flon that is here, his hospital, I think, was closed for a few weeks to surgery this summer because of a doctor having to have surgery, I believe, and another one that was on holidays.

I wondered if the minister could indicate if that particular problem has been resolved and why they might not have had an ability to have a physician there on locum or something to have taken over for the area.

Mr. Chomiak: In that case there were some unanticipated events that occurred that under the circumstances even the best planning could not have anticipated. We have asked that that situation be remedied. I will have to leave it at that.

Mrs. Driedger: There is another situation from Flin Flon. A Helen Hunter [*phonetic*] has

wanted to bring her ailing father back to their home, well, back to at least the community for special care. She has actually circulated a petition since May to have her father brought closer for long-term psychiatric and geriatric care. It asks for the province to set up a long-term special care facility in northern Manitoba for patients such as this. Is there any activity happening to look at making this happen?

Mr. Chomiak: Yes, there is. In fact there is a bed allocation in the new upcoming Thompson personal care home for brain injured within the Thompson personal care home to try to meet some of the needs of northern Manitoba.

Mr. Chairperson: The time being 12 noon, I am interrupting the proceedings.

The Committee of Supply will resume sitting this afternoon following the conclusion of routine proceedings. Thank you.

AGRICULTURE AND FOOD

* (10:00)

Madam Chairperson: (Bonnie Korzeniowski): Good morning. Will the Committee of Supply please come to order. This morning this section of the Committee of Supply meeting in Room 255 will be considering the Estimates of the Department of Agriculture and Food.

When the committee last met, there had been agreement to skip ahead and consider the items contained in Resolution 3.3. Manitoba Agricultural Credit Corporation on page 36 of the Main Estimates. Is that still the will of the Committee? [*Agreed*]

The floor is now open for questions.

Mr. Jack Penner (Emerson): Madam Chairperson, yesterday, during questioning, the minister on the whole application of, first of all, the loans program, I think the minister indicated that they had distributed approximately 900 applications. I believe she indicated there was \$4.1 million approved and 113 loans as of September 8, and there were 131 in process at the field reps' offices. Is that correct? Does that still stand?

Hon. Rosann Wowchuk (Minister of Agriculture and Food): The numbers that I gave the member were numbers as of September

8. Of course, those numbers are changing every day, but those are the numbers that I have here. There are applications being processed at about the 900 number, that is, applications where the preliminary work has started and some of them have taken their applications home to complete them, but they are in the system. There are 131 that are back in the office and being processed and 102 that have been approved and the money is being distributed. I have to remind everyone at the table that those numbers will continue to change. Now the harvest is getting a little closer to being completed, there will be more interest and more time that the producers will have to pick up applications, but they are moving along.

I wanted to also indicate that the turnaround time on these applications is very quick. The staff in the regional offices and the field representatives are working diligently, and the turnaround time, in all cases, is very quick. You can see turnaround times of four days, five days. The longest turnaround time we have to date is thirteen days. They are going at this very quickly, and the time from approval to distribution of funds as well. The average turnaround application approval process is eight days, and the disbursement of funds happens in just about ten days. When the individuals make the application and get it back to the credit corporation the turnaround time is very quick, and, as I say, the number is around 900, but that was on the 8th. I am sure that there are more now.

* (10:10)

Mr. Penner: Just a day ago you used the term "distributed," 896 loan applications distributed, and it was very apparent that there was some question as to how these had been distributed. We have information that there were some direct mailings done to some individuals that received these applications in the mail without having applied for them. I wonder whether the minister could today verify that.

Ms. Wowchuk: My understanding is that the person has to request the application before it goes out. If the member has names of people that have received direct mailings I would certainly like to know about that, but I can also go back to check with staff, because, as we had discussed

yesterday or the day before when we had the staff from MACC here, we were told and I have been told that there is not a direct mailing. The applications are available at the offices, but if you phone in an application will be sent to you. That is my understanding.

Mr. Penner: Would there be a possibility that some of the local offices and/or officers might have seen fit to mail them out to farmers at their discretion?

Ms. Wowchuk: The information that I have been given when I had the discussion with the staff at MACC, and the issue was raised here the other day, was that an individual had to make, you know, call the field officer or call the MACC office directly and that the applications were then forwarded, but if you are saying, sir, that there are some offices that have been mailing them out I would be very prepared to check that out, because, as the program is set out, it should be that the application comes at the request of the individual or a request from a family member, that somebody asks for an application or comes into the office and picks up an application.

I think it is a good idea if they pick up that application at the office. That then gives the opportunity for the field staff or someone at the office to go through the application in the preliminary stage to just point out what is needed with it before they take those papers home and start to work on them.

Mr. Penner: I believe, if I remember correctly, yesterday in response to a question the minister used that 800- and-some number in the House, leaving the impression that there were actually 800- and-some loan applications that either had been approved or were in the process of approval. That is the impression that many people got out of the response that the minister gave yesterday in Question Period in the House. Can the minister then now tell this committee what she actually meant by that?

Ms. Wowchuk: Any time I talk about the loans, I talk about applications being in process. That means that that individual is registered in the system. They have picked up an application;

they have talked to somebody at MACC, and given an indication that they are interested in getting information about the loan.

I think that that is prudent, that if you have given out an application, you collect some preliminary information from the individual, get them started in the system, into the database, so that when they come back, you do not have to repeat the process.

What I have said and will continue to say is that as of September 8, applications being processed exceed 900. The stats as of September 5 was at 896. Those are applications that are in process.

As of September 8, there were 131 applications that have come back with information on them. Those applications are being worked on in more detail. The analysis is being done on those.

As of September 8, 102 applications have been approved.

Mr. Penner: So there have been 113 as of September 7 or 8; 113 have been approved; 131, you said a day ago, were in process. That would leave in process and in approval state, 244 applications. Is that correct?

Ms. Wowchuk: The applications in process as of September 8 were 131. A hundred and two have been approved, so that gives us a total of 232 applications that are in process and in approval.

There are about 900 that are in the process of being registered into the system and getting their information.

Considering that this program has only been in place for a month, I think that that is a fairly significant number given that under the Producer Recovery Loan that was put in place in 1999, the total uptake of that program was under 700.

I would say that for the first month of a program being available, there is quite a high level of activity, and when I talk to the staff at MACC, they tell me that this is a full workload, that they are working diligently. There is

overtime being put in to be sure that those applications can be processed as quickly as possible. That is why we have the short turnaround time that we have in this program.

Mr. Penner: Well, let me remind the minister, and I made very careful notes. Just a day ago or a bit better than a day ago, I asked her these same questions, and she said there had been 896 distributed, and she said there were 652 in the field reps' possession. There were 113 approved as of September 8 and there were 131 in process.

That is the answer I got then. Now I am getting a different answer. Now I am getting that there are 102 approved as of today. I would like to know how many are in process, in real process, as of today, when, in fact, only two days ago, there were 131 in process, at the field reps' offices, those 131. That is the answer you gave two days ago.

Ms. Wowchuk: Well, I am giving the member the exact same information that I gave him when we had these questions before. I have the same sheet before me, that I am reading from, that I had before.

This information is of September 8, on Monday, when I said that applications being processed are in excess of 900. That means that those people have asked for an application form. The preliminary data on them has been entered into the system and people have taken these applications home with them to begin completing their application. As of Monday, September 8, there were 131 applications in process. That means these applications have now come back to MACC and they are being reviewed. Those are being reviewed. There are 102 that have been approved as of September 8.

Those are the numbers that I put on the record at our last sitting. I know there is more activity. That is the information I had two days ago and that is the information that I put on the record then.

*(10:20)

Mr. Penner: Well, I am not going to argue about 11 approvals because when I made careful note of this I asked twice what the real number

was in the field reps' possession and the minister said 652 were in the field reps' possession. She said there were 131 in process and there were 113 approved as of September 8. Today there are only 102 approved.

Can I ask then what the total amount of dollar approval has been till now? I just want to make sure that I get that right as well.

Ms. Wowchuk: The total amount of loans approved as September 8 was about \$3.8 million.

Mr. Penner: The amount that the minister gave on September 8 was \$4.1 million. Today it is 3.8. That would probably coincide with the reduction of 11 loan applications which would amount to about \$300,000 less than what there is today, and at \$30,000 a loan that would just about take care of that. So I can talk to my neighbours and tell them there was \$300.8 million approved as of today. Is that correct?

Ms. Wowchuk: I am sorry, could you clarify that?

Mr. Penner: Madam Chair, \$3.8 million has been approved as of today.

Ms. Wowchuk: Yes, as of September 8, there were 102 loans approved for about \$3.8 million. Now I would have to check the record on the numbers and I will check Hansard on those numbers. I cannot see how I gave different numbers but I will certainly check Hansard. I was using this same sheet of paper. It says, as of September 8, 102 loans approved for about \$3.8 million.

Mr. Penner: I just want to make very sure, after hearing the minister in Question Period yesterday and how she answered the question, it would lead one to believe that she was trying to mislead the general public. I think that was unfortunate. If it was a mistake then I accept that. I would accept that she made the mistake.

I obviously was also wrongly under the impression that numbers that I was given on September 8 were 113 approvals and 131 in process, for a total amount of \$4.1 million. Today I am getting the answer of 102 approvals,

131 in process and \$3.8 million approval. If those numbers are correct—

Madam Chairperson: Order, please.

Ms. Wowchuk: I want to correct something here for the member. Let me just look at this.

Thank you. I have been and I apologize to the member if I have—my deputy just provided me with this sheet of paper that I may have been looking at on Monday. Could the member say, was 118 the number that I gave him on Monday?

An Honourable Member: Madam Chairperson, 113.

Ms. Wowchuk: Well, I guess that might have been September 9 numbers. I will now update the member with the September 10 numbers because, as you know, applications continue to be approved. I was reading from the September 8 document. We now have new information as of yesterday, so I will update the member on what has happened in the last two days. As of September 10, there are now 118 loans that have been approved, so you can see that there is activity there. One hundred and eighteen and the amount of approval is about \$4.4 million—\$4,368,046. That is of September 8. So if I gave the member information that was different—

An Honourable Member: Madam Chairperson, \$4.3 million?

Ms. Wowchuk: Madam Chair, the figure is \$4,368,046. So you can see from these numbers that they are changing and there is an increased amount of activity. From the 8th to the 10th there were an additional 16 loans that were approved, and I am sure that, if we got updates again today, those numbers would be changing again.

Mr. Penner: The reason I proceeded on this line of questioning is because of how the minister answered in the House yesterday, leaving people with the understanding that we were dealing with 800 loan applications, leaving the impression that there were 800 farmers who had already been dealt with, which is not correct. There have been 116 who have been dealt with. They have been approved as of September 10 for

loans and that is how the minister should have answered the question I believe. It is an attempt, I believe, from time to time, and it has almost become a regular occurrence in this department, not from the department, but from the minister and the minister's office, that they have misled people.

First of all, a \$15-million feed assistance program which actually turned out to be \$10 million of which actually only \$4 million have been approved. And I hope her colleagues sitting at this table are listening to what is being said because it is extremely important for ministers to maintain an integrity, not only in this building, but outside of this building, and to try and get people to believe that there were \$15 million extended under a feed-assistance program which the Premier made a big to-do about announcing that they were taking it out of the federal-provincial agreement and putting it into a feed assistance program that will ensure cattle that were on feed would in fact, or the farmers would, in fact, have money to continue feeding these cattle.

And then for that minister to say it would be a program that would terminate on October 15 and then, without any public announcement, terminating the program at the end of August, leaving these people with a month and a half's worth of planning, leaving them in limbo, and, again, I focus on the integrity of the minister and the minister's office. It is not the department. It is the minister's office and her communicators who are misleading the general public to believe that there is something that is not there. I think that is extremely serious. The honourable member opposite this table is correct. It is extremely, extremely serious.

Madam Chairperson: Order, please.

* (10:30)

Point of Order

Hon. Tim Sale (Minister of Energy, Science and Technology): Madam Chair, the member has repeatedly used the words "integrity" and "misleading." He may choose to use those words, but I think that guidance from our chairs has been repeatedly that the choice of words

should be made thoughtfully, carefully, and that basically I think our Speaker has ruled a number of times that all members are honourable members and that raising questions of integrity without having clear evidence that would support such a serious charge is inappropriate and unparliamentary.

He may choose to do this for his own partisan reasons, but I would appeal to you, Madam Chair, and through you to him to do what I think Manitobans most need, and that is to have this Legislature working together in a united way on behalf of farmers and all citizens but particularly at this time on behalf of those whom he purports to speak for and to put pressure in the appropriate place, which is the federal level, to get the APF signed and to get the money flowing so that farmers have real money to which they are entitled under those programs.

I would appeal to him through you, Madam Chair, to be constructive in his criticism and not to impugn your integrity, which I believe to be of the highest order, nor the integrity of our Premier, which is of the same order, and to conduct this debate in a much more civil manner.

Madam. Chairperson: Thank you. On the point of order it is clearly not a point of order, but I do appreciate the caution that I have previously suggested that we carefully choose our words. It is obvious that it has created some disruption. I would appeal to all members of this committee, as was stated, we are all honourable members, to please respect that and choose words carefully and maintain the dignity of the intent of this.

* * *

Mr. Penner: Madam Chairperson, I hold and have a high respect for the honourable minister that has just spoken. But let me remind that honourable minister it is imperative that those of us that are charged with the responsibility of being a minister speak for all of the people of Manitoba and should speak with integrity and should speak in all honesty, and, when they portray government action, it should be done accurately.

This document clearly states that there is \$15 million reallocated into a feed assistance

program. This minister informed not this committee, not the general public, but after being questioned by farmers—

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

Mr. Penner: Madam Chairperson, after being questioned by farmers why that program had been prematurely terminated, she admitted that there was only \$10 million in that program and that there was only just a bit better than \$4 million having been paid out of this program when they terminated it. The program and the announcement clearly indicated it would be in place until October 15.

Is that being honest with the people of Manitoba? Should we then not call, Madam Chairperson, the integrity of the minister—

Madam Chairperson: Order, please. Point of order.

Point of Order

An Honourable Member: —call the integrity of the minister—

Madam Chairperson: Order, please.

An Honourable Member: Point of order.

An Honourable Member: —and the—

Madam Chairperson: Order.

An Honourable Member: —Premier into question for the benefit of the people of Manitoba?

An Honourable Member: Point of order.

An Honourable Member: Put a sock in it, Jack.

An Honourable Member: Point of order.

An Honourable Member: And now, Madam Chairperson, the minister said put a sock in it. I think that demonstrates clearly the integrity of that minister as well. Shame on you.

Madam Chairperson: Point of order. Order, please.

Some Honourable Members: Oh, oh.

Madam Chairperson: Order, please. Could we please try to maintain some sense of decorum in this committee. This is a particularly serious matter we are discussing, and I do believe that this kind of discussion is taking away from any kind of productive conversation that could occur.

Ms. Wowchuk: Madam Chairperson, on a point of order, the member is reading from a news release that was put out on July 31. He said the news release said the program would go until September 15. I would—

An Honourable Member: October 15.

Ms. Wowchuk: October 15. I would like him to point out where in that news release it says the program will go to October 15, because I have the news release in front of me and what it says that I announce today a reallocation of the existing \$15 million in approved funding of the BSE compensation package.

Madam Chairperson: On the point of order, there is no point of order but clearly a dispute of facts.

I would like to remind everyone that points of order are to be used to bring to the Chair's attention a breach in the rules or unparliamentary language. They are not to be used for debate. Thank you.

* * *

Mr. Penner: Thank you very much, Madam Chairperson. I believe that what we have just discussed and the attitude that has been displayed here not by the Minister of Agriculture but her colleague sitting in committee here clearly demonstrates the disdain that that minister has for the process. This is a process, the committee process is a process to get at the truth. That has always been the intent of the committee and the reasons for the committee to make sure that we have the ability to question the minister. If the minister of technology is now telling this committee that that is not the case anymore and, as he said to me, that I should put a sock in it, I think that is indicative of the kind of disdain that the member has for the critic's responsibility.

It is my responsibility, as a critic for Agriculture, to get at the bottom of where this

minister is taking this industry. There is a great deal of fear in rural Manitoba, and all those members sitting on the government side of the House should have a great deal of concern about what the minister of technology just said at this table because it implies that my role should be muzzled by indicating to put a sock in it.

I think the minister needs to sincerely rethink what he said. I think he owes this committee and he owes the Manitoba Legislature and the people of Manitoba an apology.

I ask, Madam Chairperson, whether you would ask the minister to apologize and retract his statement.

*(10:40)

Mr. Sale (Minister of Energy, Science and Technology): I would be glad to respond, Madam Chair, that when you call a committee to order, repeatedly and clearly, it is the duty of every member to be silent in their place and sitting. The Speaker has made that clear a number of times, and I would hope that all members would obey your instructions in the future.

I have no regrets about reminding my honourable friend of the rules of the House, which is when the Speaker asks for order, you shut up.

Mr. Penner: I think the people of Manitoba are recognizing by what has been said in the Chamber and how this Government has elevated certain people to certain positions and they therefore need not be responsible anymore to the general public and the people, I think the minister of technology has just demonstrated that again.

So, Madam Chairperson, I will take that for what it is worth. Again, my respect for the minister has declined just slightly over the last few minutes, and I deeply regret that.

Madam Chair, I want to ask the minister, when she said yesterday that the reason she signed on to the APF agreement was to be able to flow money to the cattle producers and that they had committed 40- some-odd-million dollars to the APF process, which would trigger

another some odd \$60 million by the federal government, can she inform this committee if when she made that statement that she had any written agreement from the federal minister that he, in fact, would cause extraordinary measures to be taken to be able to flow money to the cattle producers of Manitoba immediately?

Ms. Wowchuk: I just want to go back to the question that was asked earlier where the member said that the numbers were different. I have checked with MACC and the numbers that I read into the record on September 9 were the September 9 numbers. Today I erred and referred to the September 8 numbers. I have also put on the record the September 10 numbers.

So, if there was a misunderstanding, it was my error in reading the numbers off the wrong day. So I apologize to the member if that was a problem, but I have now updated. The numbers that I put on the record were September 9, and I have now given him September 10 numbers.

About the issue of the \$15 million, I can say, as I have said in the past, that when we were putting in the BSE recovery program, the slaughter program, we did it in consultation with the industry on an ongoing basis. In fact, there are regular meetings between my department and the Manitoba Cattle Producers. The program that was designed was their recommendation to put a program in place for the fed animals. We were always told that if we moved those fed animals out of the system, more animals would be able to come in.

After the program was put in place, the Manitoba Cattle Producers came back to us and said, you know, the program is not working for us because we are not getting access to the slaughter capacity. Will you change the program? Will you change the program within the dollars that are there?

They asked us to change it to a feed program and that we would work within the dollars that we had and use that money for the animals on feed. We thought that there was about 40 000 animals on feed. When the applications started to come in, the number of animals is over 70 000 animals on feed. Because the agreement was that we would work within the dollars that were

there, that is what we have had to do. There is a preliminary payment been made, there are still applications coming in and we are working to make the second payment.

The Cattle Producers met with my department and they were told of the number of animals on feed in this province. We said that we would have to adjust the program accordingly. We then also said that we were signing the Agricultural Policy Framework agreement and we had a commitment from the federal minister who told us over an Agriculture ministers' conference call, and he put out a news release on August 18 where he indicated that there would be interim payments flowing to those producers in those provinces that had signed on to the Agricultural Policy Framework agreement.

We, after discussion with the industry and farm organizations, decided the changes we got to the framework agreement were improvements to the program and that we would go ahead and sign the agreement and then continue to work on further improvements to the program, as you do with any other program, as was done with AIDA, as was done with CFIP, and as was done with GRIP when the previous government was in place.

You talk about people who stand up for the farmers, there was a program that could have flowed a lot of money into farmers' hands. It would be interesting to know why the previous administration cancelled that program when Ontario still has it and they are still flowing money through that program. We cannot bring it back because of trade agreements. The previous administration could have made a decision to keep the program but the truth was it was starting to get quite expensive and lots of money would have been flowing to farmers. The prices of grain went up so there was a difference. Had the program stayed in place it could have helped a lot more producers than it did.

All governments make changes. Certainly, the previous administration made some changes that were not in the best interests of producers. We work very closely with producers and we have put in place the feed program. We have put in place a loan program. We have put in place a

program that will start to increase our slaughter capacity in this province and we will continue to work with the industry.

What we have to remember in all of this is the most important thing we can do is work toward getting that border open. That is what has to happen. Without the border opening we will face more serious problems. There is some movement. The cut meats are starting to go across the border and that will increase the amount of slaughter but we still have to work toward getting the live animals going across the border. We have to increase our slaughter capacity and we have to start getting the federal government involved, because, in reality, the federal government has refused to recognize that there is a drought in this part of the world. The federal government has refused to recognize that there is a need for cash flow. It is the Province that has put in place a program that will allow for cash flow. The federal government has done very little to address our concerns about the need for a national cull-cow strategy.

Mr. Penner: I want to go back to the \$15-million announcement that the minister made in regard to the feed assistance program. Is the minister now saying that there was never any initial commitment made and/or comment made that that program would be from June 15 to October 15?

* (10:50)

Ms. Wowchuk: As I said, it was in discussion with the Cattle Producers that we made the decision to change this program, because we were not getting access to slaughter capacity. The Manitoba Cattle Producers came to us with a formula based on 140 animals on feed. With 140 animals on feed we talked about them having enough money within the program. I am sorry, I have got my numbers, I said 140 animals, I mean 40 000 animals on feed. So, if you take 40 000 animals and you figure out within the money that we had, we thought, and the Cattle Producers said, we should be able to feed about for 150 days.

That was the discussion, that we would be able to feed for about 150 days, but it was always understood that if there were more

animals then the date would slide. It would work within the dollars that we had there. There is a document, I have it with me right here, that the Manitoba Cattle Producers put together where their suggestion was a 150-day period with a maximum payout of \$3.9 million. The last line of the document that the Cattle Producers put forward was that the total value would accumulate to approximately \$14.6 million for the provincial portion. So that is what, when we were talking with the Cattle Producers, it was within. But everybody knew that if the number of animals went up, then the number of days would have to go down.

When the number of animals went to over 70 000 animals, we knew that we had to make the adjustment accordingly, and this was what the discussion was with the Cattle Producers, that we were working within that amount of money. The Cattle Producers, although they anticipated that the number of animals on feed would be less and we could keep the program longer, were not taken by surprise because they were aware of the number of animals that had come in for application. Now, I do not want the member to say that we are now blaming the Cattle Producers, because this program was designed in consultation with the Cattle Producers. It was their suggestion.

Just as it was the cattle producers of Canada who made the suggestion on how the slaughter program should work, it was the Cattle Producers that lobbied us to change the program to have a feed component within the program. It was never intended to take all of the money away from the slaughter program, because we still continue that program. Under that slaughter program, in the range of \$10 million has been paid out. That portion of the program is 60-40. The slaughter program is 60-40. So if it was about \$10 million, our share is about \$4 million. The balance of the money within that pool is the money that we are using for the feed program.

Mr. Penner: Is the minister now saying that Government never used the term June 15 to October 15?

Ms. Wowchuk: We were working within the allocation of \$15 million. We were working on the assumption that there were 40 000 animals

on feed. Based on those numbers, we did say that we would be able to start the program in June and we anticipated that we could take it to October, but there was always an understanding that if the number of animals grew then we would have to work within those numbers.

It was a \$2 a day feed program and the number we started out working with was 40 000. As the numbers grew, we had the discussion with the Cattle Producers and said these numbers are going higher. We have a certain amount of money and we are going to have to make the adjustment based on those dollars.

Mr. Penner: I would just like to make comment before the Minister of Energy (Mr. Sale) leaves the room. I just want to make sure he knows the minister has now admitted that the program was designed to last if monies were available to October 15, just so he clearly understands.

Madam Chairperson: Madam Minister has the floor.

Ms. Wowchuk: Thank you, Madam Chairperson. The member made a comment now that we said the program would run if the dollars were available. That is what we talked about. We talked about working within the allocation that was there with the number of animals that was there. As the number of animals grew, we said to the Manitoba Cattle Producers: There are more animals on feed here. We are working within this pool of money.

I can also tell the member we have said as well, now that we are signing on to the Agricultural Policy Framework agreement there is going to be a different stream of money. As we have in the past, we will continue to look at this program. We made adjustments to it once, in June, when we saw it was not working for Manitobans and we will continue to work with the industry to make improvements to all programs that we have in this province.

Mr. Ralph Eichler (Lakeside): A question for the minister or her department. On the \$10 million that you have paid out, or committed to pay out, do you have a breakdown that we could have on the ruminant animals that you paid out, or was this all just for the cattle industry, that \$10 million?

Ms. Wowchuk: Yes, there have been payments made on other ruminants besides cattle.

Mr. Eichler: Are we going to have those figures available to us?

Ms. Wowchuk: Yes, we will get them. In a few moments I will be able to give you the figures.

Mr. Eichler: On the presumption that we did make payments which you have indicated and we will get those numbers shortly, in particular the bison industry, since they do not have the processment planning on making some consideration for the bison industry, or the sheep industry, or the elk industry, other than the cattle?

* (11:00)

Ms. Wowchuk: As of September 4 under the slaughter deficiency program, there were 3133 steers and heifers. There were 2864 cows. There 182 bulls and 104 other animals. On the steers and heifers again I made a mistake on the numbers. It is 13 133 for a total of 16 283 animals and that is of September 4. Those numbers could increase slightly yet because there was quite a bit of animal movement at the end of the month and those people have time to get their applications into the system.

Mr. Stan Struthers, Acting Chairperson, in the Chair

Mr. Eichler: That is on the recovery program, the slaughter program. My question was on the feed program. Thank you for the information though, I appreciate it.

Ms. Wowchuk: On the feeder-assistance program, steers and heifers 66 551; cows, 5561; bulls, 1239; other animals, 1217 for a total of 74 568. That is as of September 4, and as well there can still be adjustments to those numbers because people who have their animals on feed who had them on feed on May 20 could still be making application.

Mr. Eichler: Just so I have it clear, Mr. Chairman, of the 74 000 that were under the program and we had allocated \$15 million, we have spent \$10 million. Why could we not stay on until that money was fully committed?

Ms. Wowchuk: We spent just around the \$10-million mark on the slaughter deficiency program, the number I gave you at the top. As

well there is an inventory and price incentive program for the slaughter industry. On the slaughter program there were about 16 283. So that is the part where we have spent in the range of \$10 million, and of that \$4 million is provincial money. So that leaves us with about \$10 million that was available for the feed assistance program. That was what was available for the feed-assistance program that we were budgeting, working out a number around the 40 000 mark of animals and feed. Then, as the number of animals on feed came in higher, we were adjusting within that number. This was what the proposal was from the Cattle Producers. The Cattle Producers asked us to make changes within the existing program. They always knew that as the numbers of animals changed, we would have to change the numbers of days.

We always knew that, within those dollars, we could make adjustments to the program, and that is what we have done. We are still waiting to see whether more animals are coming in, but we know that there are much more than 40 000 animals.

Mr. Eichler: I think this is probably, Mr. Chairman, where the confusion has come forward, and, at least for me, it certainly clears it up. The \$15 million, in fact, was not all allocated for the feed program. There was \$4 million that was committed to the BSE slaughter program. It was not \$15 million. In fact, it was only \$11 million. Is that correct?

Ms. Wowchuk: We had a package of \$15 million that was put in place for the slaughter program. Because the slaughter program was not working for Manitobans because we did not have enough capacity, capacity that has been neglected for many years and not been updated, we could not get enough access into enough markets.

The Manitoba Cattle Producers Association came to us and said we need a feed assistance program; let us work within those numbers. So it was working within those numbers. There was no specific amount that was tied to the slaughter program and no specific amount that was tied to the feed program. Based on the numbers that we

had, we were making assumptions on how much would go to the slaughter program.

The best thing for us would have been to have all of that money go into the slaughter program, because then people would be getting their animals off feed. That was the goal, to get more animals slaughtered in this province, but also to work within those dollars to then address the feed situation.

So we were working within those dollars. There was no specific amount that was set. What we had said was a reallocation of the existing \$15 million in the approved funding for the BSE compensation program.

As I say, that is what the Cattle Producers asked us for. They came with a number of around 40 000 animals on feed and worked out a formula where we could feed animals for about 150 days. We worked from June 18 to October 17. Those were the dates we were working with, but we always knew that if the number of animals changed, we would have to adjust the number of days. That was clearly spelled out to the Manitoba Cattle Producers when we were working out this program.

Mr. Eichler: Mr. Chairperson, getting back to the \$4 million, when did you have that figure available to you, before or after the announcement of the reallocation of the \$15 million?

Ms. Wowchuk: We did not have a number yet because by July 31 very few animals had moved. The number of animals that was moving to slaughter picked up toward the end of the program. As Alberta started to clean up more of their animals, more room became available at their slaughter facilities.

So the increase of those animals going to slaughter was further down into the program. When we made this announcement, I do not have the exact number, but by the end of July when we made this change, there was very little movement of Manitoba animals into slaughter facilities. That was disappointing for the producers because we thought that we would have equitable access to market and that about 10 percent of our animals would be moving

through. That was not happening, and that was the pressure that was on the cattle producers that had animals in feedlots. That is why they asked us to make those changes.

It was never new money. It was money within the \$15 million that would go. If there was more going for slaughter, well, then, more money would go there. If the slaughter animals were not going, well, then, more of the money would be used in the feed program. That was the request, to try to make an adjustment within the allocation to get money into the producer's hands. Because they could not get their animals to slaughter, then let us use this money to get it into the people that were feeding. But this was just for those people that had feedlots. That is what this program was built around, as again I was saying, at the request of the industry.

* (11:10)

Mr. Eichler: Mr. Chairman, first of all, I apologize for not following the proper procedure, a little bit new for me.

Taking that into consideration and what has been said, I think the misconception that is probably out there to Joe Q. Public is the fact that they were under the impression that this \$15 million was for feed. There was another amount that was for slaughter cattle. I think that is where the public has been somewhat uncertain about really what the department was offering.

Ms. Wowchuk: This was communicated very clearly and was developed in discussion with the Manitoba Cattle Producers. They helped to design the program and there have been many meetings that have been held and discussions where we talked about a reallocation of the existing money. There was never any discussion about additional money. It was within the existing money that we were making adjustments. If there is a misconception about it, I am not sure where that came from, because never did anyone say that there would be additional money. What we talked about was \$15 million in BSE funds to be reallocated. It was very clear that this was a reallocation.

On the same day that we made the announcement, on July 31, we also announced

\$2 million in additional funds to build provincial slaughter capacity. So we never announced that there would be additional money. It was always a reallocation of the money that was there. That was the discussion that happened in my office, in my deputy's office, about how we could help with the cash flow to get this money moving.

It was very frustrating for us, because we put money in place, wanting to get a cash flow for producers, and we could not access slaughter capacity. So we wanted to find a way to flow money. That was why there was this reallocation. If you read the news release, it is very clear. It says \$15 million in BSE fund to be reallocated. Never ever did anybody talk about additional money.

Mr. Penner: I asked the minister before we got into our little off-track discussion about the APF and whether she had received any written information from Ottawa and from the federal minister as to how or when or if monies would flow quickly when the minister would sign on to Manitoba Cattle Producers. I wonder if she could now maybe give me that answer.

Ms. Wowchuk: The federal minister put out a news release on August 12 where he indicated that he would be making arrangements with provinces that had already signed on to the APF to have funds flow to them. He also gave that commitment on an agriculture ministers' conference call. I can tell the member that those discussions are taking place and there are some preliminary documents that have flown back and forth between the federal government and the Province on how this agreement will work.

The official document is the news release as well as the minister's confirmation. As well, there are discussions and preliminary agreements that have been flowing to those provinces that have indicated they are prepared to sign on to the APF. That is taking place.

Mr. Penner: Could the minister read to me the commitment made by, or table the news release that she has that the federal minister has issued, that I could read it for myself. Would that matter? I wonder if she could table that.

Ms. Wowchuk: We are going to be back here this afternoon and I would be prepared to

provide a copy of the news release that the federal minister put forward on August 12.

Mr. Penner: Can the minister then tell the committee whether there was any direct commitment to make monies flow this year, before the end of the year, that that is a firm commitment from Ottawa that would lead us to believe that cattle producers will actually get any money out of the federal-provincial agreement?

It must have been a side agreement then that could have been done because it could not flow under the terms of the APF agreement because not enough provinces nor have enough producers signed on, nor will we know very quickly how many producers will sign on. This will take a very large financial commitment by producers, not only in the province of Manitoba, but by all producers across Canada, to make that kind of commitment. To put \$22,000 up front to a maximum of \$220,000 per individual farmer is a very substantial commitment. It will be interesting to see whether they, in fact, get 50 percent of the producers to ever sign on to the agreement. I think that is what is in question here.

I would certainly like to see in writing any commitment that would lead me to believe or give me any kind of confidence that monies could actually flow to cattle producers before Christmas and/or before the new year. Therein lies the biggest problem and I would strongly urge the minister to put in place a cash advance system that would in the interim flow money to producers so that they can pay their year-end bills, that they can pay their taxes, their school taxes and that they can buy their kids' clothes for winter and those kind of things.

I think the minister needs to recognize the difficulty for many, especially our younger producers who do have children who need to be cared for. I think she needs to recognize the huge mental anguish that is out there. If she can give us any kind of solid commitment in writing that would give cattle producers an assurance that money will actually flow under the APF before the end of the year, I would ask her to table that and provide that to us.

Ms. Wowchuk: As I said to the member in his last question, I will have that news release that

the federal minister put out on August 12 that indicates there will be a cash flow this fall, before the new year. That is spelled out. The member also talks about the need for cash flow. We addressed that a long time ago. We put in place \$100 million available to producers up to a maximum of \$50,000 in low-interest loans. I indicated to the member that there are applications in. Money is flowing to producers, and I would ask for his help. This is an issue that we have to work at as a united front, and, rather than criticizing the program, I would encourage the member to talk about when there was a crisis in the Red River Valley, they put in a producer recovery loan. There is a crisis in the beef industry; we have put in a BSE recovery program, and I would say that this program will be very useful for producers to get that cash flow to address the things that he has talked about—bills, school supplies, paying your hydro bill. That money is available for those kinds of things.

* (11:20)

Madam Chairperson in the Chair

We also recognize the importance of the young farmer. That is why we put in the Bridging Generations program and that is why we have put in a lower interest rate on the BSE recovery loan. The Premier also indicated yesterday that we will be looking at those interest rates and looking at whether to extend them for another year, but this money was always put in place as a short-term bridge.

The most important issue that has to be addressed is getting the border open, and I am pleased that product is starting to move because, as more product moves, the opportunity to sell more cattle and get some cash into those farmers' hands. But the issue of cash flow, our Government addressed some time ago when we put in the low-interest loan program and that will help with cash flow. The federal government has given their commitment to ensuring that there is a cash flow, and they have said that this money will flow quickly to those provinces that have signed on to the APF. Yes, it will have to be an agreement outside the APF, but they have given their commitment that that is what is going to happen. We have also had the minister give his

word on this matter on conference calls that we have had.

But I think the member is also misleading when he says that a farmer is going to have to put up \$22,000 for \$100,000 worth of coverage before any money flows. I told him the other day that this will be an advance. Producers will not have to make any payments into their account until after the new year, by March, and they will only have to put one third of their money into the program. So to say that you have to put in \$22,000 before you can get \$100,000 of coverage is not accurate.

Producers will be able to get an advance payment without putting any money down, but they will have to sign an agreement that they will be part of the program, and then their payment will be split over three years, and once their money is in the program—

An Honourable Member: Madam Chairperson, \$22,000?

Ms. Wowchuk: No, it will be \$7,000 per year, the total over three years, so it will be \$22,000, but once the money is in there, then it is there, you do not have to keep paying after that and you have the ability to draw that money out as well. So to say that the producer has to put up \$22,000 in advance is not accurate. It has been worked out that, when the program started, it was going to be a lot more money that was going to have to be put up. We were able to negotiate and get different payments on it, and this was done in discussion with the Cattle Producers.

Mr. Penner: Madam Chairperson, I think the minister leads us to believe that the APF will not require \$22,000 of investment for every \$100,000 of coverage.

The minister needs to be a bit careful how she states that because it is \$7,000 a year, every year for the first three years, in order to get that kind of coverage. For every \$100,000 of coverage, farmers are going to have to put away into that account \$22,000. For a \$980,000 coverage, maximum, it will take \$220,000 of farmers' own money to be able to generate any money in the future out of that program, unless the farmers decide to cover themselves a lot less than the maximum allowed under the program.

There are many farms today that are forced to become large enough that they need \$1 million worth of revenue to just provide a living for their families. That is the unfortunate part about this, and now Government is saying, well, you are going to have to put up \$220,000 to be able to access government programs.

I would like to see any one of these members of the Legislature, before they became members of the Legislature, to draw their salaries they would have to buy their way in, and that is really what we are saying to farmers today. Not are you going to have to buy your land, not only are you going to have to buy your equipment, now you are going to have to buy your way into an insurance scheme and put money into a big sock, large amounts of money into a big sock, that you will not be able to use at all in your farm operation to secure your bottom line somehow, and your negative margins will not be covered. I think there should be a real serious renegotiation of this program and rethinking of this program, because I hope members realize what sort of a position they are putting our farm community into.

So I leave that up to the minister. It is the minister's choice to sign onto or not sign onto agreements. That is, of course, the minister's choice. What the long-term benefit will be of this program, if there will be any, the future will only tell. To allow yourself to be coerced into this agreement by a disaster is what I questioned more than anything and that the minister is signing under duress into an agreement that she does not even know will flow any real dollars to cattle producers, or how much per head of cattle, or how much per farm, is not answered, and she has not answered.

There are no answers for that because nobody knows until the farmer brings forward their financial statements and makes the application based on their income levels. Remember that the negative margins are not going to be calculated as qualifiers for any kind of payout under this program, and I daresay that that criteria will be held, unless I am totally misled, will be held for the cattle producers' advance as well. Those advancements made to the cattle producers will, at the end of the year, if there are any, and I still question that because

the federal minister as of yesterday indicated clearly not a great concern about where we were.

So I say to the members of this committee: Think seriously about what your minister is putting your party into. Think seriously about how she is portraying you to the rest of not only the farm community but the rest of the people of the province of Manitoba.

Think seriously about what the impact will be if there is no security under this APF program. Think seriously about that. Think seriously about the impact of no money or very little money flowing to the cattle producers, and think seriously about the lack of feed on many of our farms and what is going to happen to those cattle on those farms when what little feed they have runs out and there is no money.

If the minister would do what the cattle producers have requested, what the AMM has requested and virtually every farm organization now has requested, to do the cash advance based on the value of the cattle on the farm—

An Honourable Member: Too much money.

Mr. Penner: The honourable Member for Interlake (Mr. Nevakshonoff) says, well, that is too much money.

* (11:30)

I say to the honourable Member for Interlake, your producers in your area are the most vulnerable ones. They are not only facing a situation where they cannot sell their cattle, where they cannot get access to any funds, they are facing a situation where they have no feed supplies. You of all people, sir, should be the ones that should be saying to the minister—

An Honourable Member: Through the Chair.

Mr. Penner: The Member for Interlake made a comment. I am responding to that comment, and, Madam Chairperson, I will respond to you.

Madam Chairperson, I say to the Member for Interlake that this issue is one that he should have been portraying and flagging above anybody else because he and the member for the

western part of the province, the southwest part of the province, Mr. Maguire, the two of them have the most vulnerable group of cattle producers in this province today because they are the ones that are faced with no feed supplies, no money to buy feed supplies and no foreseeable way to do that in the near future.

He and his producers in his area are the ones that are being hung out to dry by hopes. I know that the minister used the term "we hope" that the federal minister will see to sign on to this quickly—we hope. Those people cannot, those people that are in those drought areas cannot be hung out to dry on the word "hope." They do not need hope, they need real cash now to buy feed supplies to feed those cattle during the winter before the snow flies, to dig wells to keep those extra cattle on those farms that they are going to have to feed because they cannot find a market.

Surely, the member from the north Interlake knows that better than anybody, or else he should know that better. He should have been standing in the Legislature, Madam Chairperson, promoting the cash advance system stronger than anybody else in this Legislature, as Mr. Maguire has.

I say to the honourable minister, do the right thing. Do the right thing and implement a cash advance system now to give comfort to those people, especially the young farmers that have large liabilities to be able to pay their bills, buy their food, buy their clothes, pay their taxes. Give them the advantage of a straight cash infusion. If they sell their calves, or their grassers, as we call them, the backgrounders, if they sell them a week from now or a month from now, that money comes right back into your fund. It drops right back in it, no cost to you.

As a matter of fact, the huge benefit, the economic generation that you would cause out there would far more than offset any cost that you would have, Madam Minister. It simply leaves the question out there: Why do you not understand that? Why do you fail to understand that? Is it because the Cattle Producers are promoting this? Is it because the Union of Municipalities is promoting this? Is it because all farm organizations are promoting this? Is it because the Opposition has raised this as a way

to deal with this matter that you do not understand this?

She says, well, you said low interest loans. We said back in June there were options. There were options. There were low interest loans; there were cash advances. The farm community has spoken loudly and clearly. The Union of Municipalities has spoken loudly and clearly, and they said, of those two options that we put forward, use the cash advance.

So we are saying to you, Madam Minister, and we are only the messengers, the people of Manitoba want you to use the cash advance system to flow money, which you will get back in spades. It will pay you big dividends. But, instead, you are foisting cost again on cost that people cannot pay now by adding interest costs to operators that cannot even pay for what they have now. It is totally inconceivable that the minister would choose to constantly say, well, you said low interest loans.

Those were options, Madam Minister, and everybody in Manitoba said their option was cash advance. You have heard that time and time and time again. And now she says no, she has not heard that. Well, all I can say to you, then, is listen. They have spoken loudly and clearly to everybody else, and if you have not listened, then it is time you do.

I ask the minister again whether she has anything in hard writing, anything in black and white that would lead the cattle producers in this province to believe that they will get sufficient funding through that process that she is now initiating with the federal government to give them enough funds, to guarantee them enough funds to go pay their bills and keep their cattle herds alive and surviving over the winter months.

Ms. Wowchuk: I had said to the member that I would bring him the information of the news release that the federal government had put out when we come back this afternoon.

In that news release, the federal government said forms will be available in September, and payments are expected to reach producers in early October. That was what the federal

minister said, and he has also said that he is going to put in place an agreement to flow money to those provinces before the APF agreement is signed, so that producers can receive monies in advance of the APF.

The member talked about the affordability of the program, and I can tell all of the members of this committee that that is an issue that we have talked about for a long time with the federal government, how the funding will flow. We continue to talk about this to the federal government. We were able to negotiate that it would be over three years that producers would be putting them in, and we are still in discussion about what form that money will take, whether it could be a letter of credit, whether it will have to be actual cash in the accounts. Those are discussions.

But, again, the member has to recognize that this is not on revenues. He said that this was based on a farm with revenues of a million dollars, and it would be \$200,000. But what we are looking at, this is based on margins, not on revenues, that the program is designed. So the numbers will vary. It will not be as high a number as the member has indicated. Yes, it is about \$22,000 for \$100,000 in coverage. When you look at it, that is fairly significant coverage that a producer can get.

But the issue of the affordability and how the money will flow into those accounts is one that we have discussed many times with the various farm organizations and how this will work. We are still in discussion on that issue, but we have also talked to farm organizations about signing on to the agreement in order to get cash flow into producers' hands. The federal minister has given us his commitment that there will be cash flow and that those provinces that have signed on to the APF will get the cash flow. Those discussions are taking place between the federal government and the Province of Manitoba right now. I can give the member the assurance that this is what the federal minister has told us. This is what the federal minister has told the other provinces that have signed on, and he said the same thing to the provinces that have not signed on: that he is going to be working on a way and those agreements are being worked on to ensure that that cash flow takes place.

* (11:40)

He talked about not understanding. Well, I can tell everybody at this table I fully understand the pressures that people are on because of the border closure, and that is the most important issue that we have to deal with. That border has to be opened, and I am pleased that there are products moving now. I am pleased that other countries are now saying that they are going to take our product, and we have to continue to work on that to ensure that Canadian product, Manitoba product, moves into those countries that have said they recognize, based on science, that our ruminant animals are safe and the meat from those animals is safe.

With respect to cash flow, we recognize that there was an issue with cash flow very early on, and that is why we announced that, through the Manitoba Agricultural Credit Corporation, we were putting in place low interest loans that would see cash flowing into producers hands. When we were in Hartney, at that meeting the presentation made by Manitoba Cattle Producers, made by Betty Green on her PowerPoint presentation, one of the points that she raised was that the Province should look at a program similar to the Producer Recovery Loan, that there was need for a loan program to help get cash into people's hands.

We took heart to the comments made by the Leader of the Opposition (Mr. Murray), who sent a letter out to the Interlake and said that the Province should consider low interest loans or cash advances. We took that to heart and we have put in a program. As I indicated earlier, the money is flowing, and I expect that there will be much more activity in this program. It is a better program than what was put in by the Conservatives when they were in power because they put their loan at the prevailing rate. That loan was over 6 percent. Over 6% interest rate for producers who were facing difficulties in 1999, and we have put in a program at 3.25 percent and 2.25 percent, and the member seems to find that burdensome. I wonder where he was at the table when they were negotiating their Producer Recovery Loan and put that program in at 6 percent. Was he not concerned that his Government was making money off the producers as he has said we are? We are not

making money on this; we are lending this money out at a lower rate than any other money that we lend out.

As well, there is a loan program in Alberta. The Alberta loan program is at 5 percent. Alberta farmers are borrowing money at around 5 percent, maybe a little bit better. Ours is at 3.25 percent and 2.25 percent for young farmers. So that money is available. I know people are taking advantage of it, and I believe that people should be using that money as a bridge. If a producer does not want to take that money for a long term, they are not required. These are short-term loans. There is going to be money flowing from the \$600 million that the federal government is holding. There is money that is going to flow through the APF. Goodness, we all hope that animals are going to start to be slaughtered with the border opening to boxed meat. We know producers are going to be starting to sell some of their animals. What the producers need is a bridge to get them through to the point where they are able to sell some of their animals. The loan program is the bridge that is there. I would ask that the member think about this and say to producers: Use that bridge until other moneys become available, until you start to sell some of your animals.

The producers also in the Interlake and in the southwest part of the province—and I want to thank the Member for the Interlake (Mr. Nevakshonoff) for the significant work and contribution he has made to raising the issues with respect to his community because he has raised those issues on an ongoing basis—said that they needed some cash to help them make decisions on how they would get their feed supply to keep these animals through the winter, particularly in the drought areas. Some have made decisions to move their cattle to other areas; some have made decisions to purchase feed, but they said they needed cash. The funding that is available through the \$50,000 is the cash that will help in this situation, but ultimately the most important thing that we have to continue to work on is opening the border.

As I said, I am so pleased that some countries are starting to open their borders, that the boxed meat is starting to flow. We continue to talk about the cattle producers, and we do

have to think about the other ruminant producers. There is no doubt some of them, particularly in the sheep sector, are facing very big challenges—and in other ruminant sectors. Mainly, a lot of it is to deal with the slaughter capacity that we have in this province.

I look at the member opposite and I remind him that it was his government that was in power for 11 years and did absolutely nothing to improve that slaughter capacity in this province, absolutely nothing. They did nothing to try to get more federally inspected plants here, did nothing to deal with the federal government to try to change those rules so it would not be so difficult to get federally inspected plants in this province.

The blame lies with them with where our slaughter capacity is. They could say it goes back to Howard Pawley years. I can show you numbers that show how much slaughter capacity we lost in the Gary Filmon years. I will bring those numbers for you if you would like, but I am sure he is not going to ask for those numbers, Madam Chairperson, because he really does not want anybody else to know what slaughter capacity we lost. They did nothing to recognize that we were completely dependent on export markets.

Our industry is growing in this province. They are facing a very difficult challenge right now. We have to work to get that border open. We have to work to get them bridged through until cash starts to flow and animals start to be slaughtered. We have to do all of those things, and we have to work with our slaughtering industry to ensure we improve that capacity.

I have heard the member say that we have enough slaughter capacity in Canada. Maybe we have enough slaughter capacity in Canada; we do not have enough slaughter capacity in Manitoba.

When we announced our \$2 million, I sensed that he was even critical of our putting in \$2 million to improve slaughter capacity because he was saying at meetings that I attended with him that we have enough slaughter capacity in Canada. What we have to do is look at what we can do in Manitoba. We are only at 16 000 animals now. If we could go to 26 000 animals,

certainly, that is going to help us. Can you imagine if we had 26 000 animal capacity right now, how many more animals would have been slaughtered in this province? We would not have been as completely dependent on the U.S. market or completely behold to the slaughter industry in Alberta. We have to start thinking long term here. It is not just a matter of saying, oh, we have enough slaughter capacity in Canada. Do not think of what is happening in Manitoba and then be critical, on the other hand, that the NDP under Howard Pawley let the slaughter industry go, but not think about how much went under Gary Filmon. They completely ignore what they were responsible for.

* (11:50)

I have to say that I have had cattle producers talk to me about the Beef Income Assurance Program that the NDP government put in place to stabilize the price of beef in this province. The Conservatives got into power, what did they do with it? They took away that Beef Income Assurance Program and took money and stability out of the beef industry.

That is no different than what they did with the sugar beet industry. I was talking to an individual who told me, I have to research this for her, but the work that the NDP government did to stabilize the sugar beet industry. In fact, it was under the leadership of Billy Uruski, whom we all know. Under Billy Uruski, there was a program that was put in place to make sure the sugar beet industry survived in this province. It was in place for two years. Conservatives came into power. The sugar beet industry was in trouble. They did nothing.

The Conservatives like to say they are the saviours of the agriculture industry, but when you look at it and if you look at the Beef Income Assurance Program that was there, they ended it. If you look at the sugar beet industry, they ended it. They ended those industries in this province.

Certainly, I have to give credit to the producers of Manitoba. You know, when the Conservatives killed the sugar beet industry, it was those producers who took the leadership role and said, you are not going to kill us. We are going to find another way to use our land

here, and through that the bean industry was built.

We also lost a processing industry. We could have had a sugar beet industry and a bean industry. The Conservatives like to talk about how they serve farmers, but when it comes down to the crunch—I talked about the elimination of GRIP. Who took that away? It was the Conservatives. The Beef Income Assurance Program, who took that away? The Conservatives. What happened to the number of slaughter capacity in Manitoba under the Conservatives? Slaughter capacity went way down. Sugar industry, killed under the Conservatives. Many things have happened.

I have to give credit to our cattle producers for the work they have done and built this industry, which is becoming a very important industry. One of the reasons I think it is very important is they have recognized that in parts of the province, we have very marginal land, land that should not be under production. The green cover on acres of land that are marginal that have been in grain production has changed dramatically because people have recognized that they can address environmental issues, take marginal land out of production, put it into hay, have a cattle industry and make a living.

It is unfortunate that those people who were making a living are hitting the difficult times they are right now. They are also very lucky that many of them have had several good years, because the cattle industry has had several years of good prices. They are in one difficult year, but I know that this industry is going to rebound.

My concern is, where will it go if we cannot ship animals over 30 months? First of all, we have to get those animals under 30 months moving into the United States. My concern then is what happens with the animals over 30 months. Again, I believe we have to look at this as an opportunity. Can these animals that are over 30 months that can no longer go to the United States, is there a possibility to build a slaughter industry around those and develop another industry? Just as when the sugar beet industry was killed, people turned around and developed a bean industry, which is quite successful.

We now have a successful cattle industry, but we cannot sell cull cows to the United States. We cannot sell anything now. We are hoping that we will go to the 30 months. But let us think ahead and how it is that we can then use this, something that is a really dark cloud, into a new opportunity. Those are the things that we are working on, and those are the things that cattle producers are interested in as well.

I have had many cattle producers come and talk to me about, can we form a co-op? Can producers be involved in the slaughter capacity in some way? Some will say, oh, well, the slaughter capacity that producers are talking about it is too small; that is not viable.

We have to look at all of those options. In one area, it may be a small facility, but as well as creating and looking at this opportunity of a slaughter industry for cull cows, there is a very important component that we have addressed as well, and that is marketing.

We have put in the beef \$2-million program. We have also put \$100 million in there for marketing, because as the industry changes and there are new products, we will have to do some marketing. We also have to market in this province to ensure that Manitoba beef is being eaten in places where we are now importing beef. There is a lot of very cheap beef that is being imported into this country and we have to promote Manitoba products. Whether it is beef, pork, poultry, vegetables, we have to get more Manitoba products into the restaurant trade and into the hands of Manitoba consumers.

I know that the Opposition was critical of the Premier (Mr. Doer) going down to California, but that was an opportunity to promote Manitoba products. They consume Manitoba products, and there were deals signed on Manitoba products that gives us a lot more exposure. So we have to do some advertising to promote Manitoba products and let people know what a high quality product it is, and we also have to look at our opportunities.

But, in the short term, there is a cash flow problem. We have a loans program and we are working with the federal government to ensure that that \$600 million flows, of which

somewhere in the range of 10 percent will come to Manitoba. I can assure the member that we want assurances and we have assurances from the federal government that there will be payments to producers this fall.

The member asked whether there would be payments before the new year. We are given the assurance by the federal government that there will be payments before the new year, and he has said that as early as October there will be interim payments flowing to our cattle producers.

Mr. Penner: Madam Chairperson, we have now heard, and people will be able to read in Hansard, how the blame game is elevated by the minister, blaming everybody else but their own Government, which is fair. I mean, if that is the way the minister wants to deal with the current crisis that we have on our hands, that is her choice, but I think that the people of Manitoba will judge her and her Government based on what they have done, not on what others have failed to do. I think that is where we are at currently.

I have asked whether she has any hard evidence that the federal government will, in fact, flow any kind of meaningful money to individuals who are in serious trouble under the APF agreement quickly. She does not know that, and I believe that it is imperative that there be some way found to be able to ensure that those Manitoba producers who are currently in a position where they do not have any funds to acquire feed supplies will be given some assurance of cash flow very quickly, and it can only be done, in my view, by the Government announcing quickly a cash advance program that would give them some value and some dollars flowing into their pockets based on the value of their cattle and the inventories that they have on their farms. That program has worked extremely well in the grain sector and would certainly give a great deal of comfort to the farmers of Manitoba.

The Member for the Interlake (Mr. Nevakshonoff) has asked the question, how much? The Manitoba Cattle Producers have indicated it would take \$350 million. That is the current value of the cattle at 80 percent of the

current market value, is what they are asking for as a cash advance. I would suspect he would find that the cash advance program, if you did that, calculated the \$350 million at 6% interest, that the actual cost, the maximum cost to government would be less than \$20 million.

I think that is a very small investment to make in saving one of the main pillars of the primary sector in Manitoba, and that the minister and her Government will quickly spend \$20 million to save 1200 jobs in the bus industry, which we support, but then just will not provide—

An Honourable Member: A \$9-million loan.

Mr. Penner: —any meaningful support and spend a maximum of \$20 million and, Madam Chairperson, the Minister of Industry and Trade indicates \$9 million.

Point of Order

Madam Chairperson: Madam Minister, on a point of order.

Ms. Wowchuk: Could the member please clarify for me, is he saying that what he is suggesting is that we cancel all other programs that we have in place and change those programs to a cash advance program? Is that what he has suggested that we do here? Can you clarify that for me, please?

Madam Chairperson: On the point of order, this is not a point of order. It is a dispute over the facts.

* * *

Mr. Penner: Thank you very much, Madam Chairperson. We have constantly said that it is time the minister use her authority and initiate a cash advance program that will flow money into farmers' hands immediately. We have calculated that if you took the amount of money the cattle producers are indicating their value is of the stock they have on hand, which would be \$350 million at 80 percent of current market value, and you calculated the interest cost to the Government over a year that cost would be \$20 million.

Madam Chairperson: The hour being 12 noon, I am interrupting the proceedings with the

understanding that this section of the Committee of Supply will resume following Routine Proceedings.

JUSTICE

*(10:00)

Mr. Chairperson (Conrad Santos): Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Department of Justice. Does the honourable minister have an opening statement?

Hon. Gord Mackintosh (Minister of Justice and Attorney General): I know there have been some discussions about trying to make effective the use of time available. We have had discussions about agreeing to 10 minutes each or something shorter perhaps, but I look forward to the questions and the views of the critic and perhaps, if he wishes, we could move more expeditiously to that.

I did want to say one thing though. I want this to be on the record more than any other thoughts that I have. I want to commend the work of the staff of the department. The last four years has been a time of very significant change in the delivery of many of the Justice initiatives through the department. As well there have been initiatives and circumstances arising in the course of Justice, whether it be the Soponow matter, for example; there have been legal aid challenges; there have been wage negotiations and of course there are many issues that arise from the Law Courts on a daily basis.

But we have seen over the last few years a very active criminal justice reform strategy and that would not have unfolded if not for the tremendous efforts, the insights, the hard work of people in the department beginning with the Deputy Minister Bruce MacFarlane, his Executive Assistant Mary Humphrey, all of the ADMs, and every single other person in the department. Sometimes we have had to prioritize items at the expense of moving some other ones along. That comes with limited resources, but it has been four years of, I think, some significant change that it is hoped will lay the foundation for a safer province.

I look forward to discussing any of the initiatives and the other changes. As well as new programming and some pilot projects, we have gone back to some basics. That is to strengthen policing and prosecutions in the province to historical levels. We have invested in new resources. At the same time, we have worked with our partners in law enforcement for different organizational structures. In the department, notably in Prosecutions, there are some different organizational efforts to target specific challenges, whether it be gangs, auto theft, by introducing specialization to an extent never seen in this province or perhaps even in Canada.

The early indications from the changes are positive. I see one of the main imperatives over the next few years to build on those new initiatives, those organizational efforts to ensure that they are robust features in what the Province can do in our criminal justice system, recognizing always that the role of the Province is sometimes frustratingly circumscribed between the criminal law from the federal parliament and the decisions of the court from the independent benches. As well, recognizing that when it comes to crime and crime prevention, every Manitoban has a role.

*(10:10)

I will just conclude by saying that we recognize more than ever before the need to partner with and empower Manitobans in all walks of life, in different capacities to have crime prevention as an objective, everyone from schools, notably parents; everyone who volunteers with a youth organization, perhaps; citizen patrols; neighbourhood watch organizations; community justice workers; volunteers. Those are some of the more obvious, but even the person that invites their children's friends into their home is likely engaged in crime prevention. We all have a role to engage youth and pass on community values to our youth, to pass on our ideas of limits and expectations of community behaviour.

Just to return to where I started, it is the foundation of the work in the department that has enabled change to take place. We have now initiatives in place that are being looked at by

other jurisdictions. Many of these new initiatives are being assessed as to their effectiveness.

It is my hope that during the course of Estimates and otherwise that we can have some positive dialogue to share some ideas. I have always been one to believe that there are 57 members with excellent ideas in this Legislature. Manitobans send 57 people here to work on their behalf and in their interest. So perhaps the near future will open some opportunities to work with the critic or others on some initiatives and sharing ideas. I am open to that. I was very proud, for example, to have worked with the former opposition critic on some issues. In fact we cosponsored an amendment to a bill that I think was in the public interest. I think that serves the public well. The public deserves that. They should expect that.

The member opposite has been putting forward ideas in the area of legal aid. I welcome his contributions there. Perhaps we can have some discussion if that is on his priority list and move ahead with that issue.

The Justice ministers meet for their annual meeting at the end of this month, and I had a visit from the federal minister just two days ago and a meeting with five provinces in February. One thing is certain. There are some issues where there is a galvanization of response across this country. For example, on conditional sentences there is a document produced by five provinces representing three different political parties that has said: Time is up, in fact, time is overdue. It is time for change. There are four or five areas of change to the Criminal Code that are absolutely necessary and I would look forward to the views of the Opposition on those changes. Thank you.

Mr. Chairperson: We thank the honourable minister for those comments. Does the Official Opposition critic, the Honourable Member for Lac du Bonnet, have any opening comments?

Mr. Gerald Hawranik (Lac du Bonnet): I do have. I thank the minister for his opening remarks and just to begin, I do not want to alarm the minister about the volume of paper that I brought here this morning. They are not all full of questions. I know we do have only today and

tomorrow to talk in Estimates so that is of comfort, I think, to the minister.

I too think, and I thank the Justice Department employees for all their hard work that they have done in the last four years and in the last year, and I commend the employees for doing the work that they did during these trying times in the Justice Department, the most difficult times in the Justice Department, particularly in the last eight or nine months with respect to the legal aid crisis that we have seen, what I feel is a legal aid crisis in the province.

I reviewed some of the past Estimates minutes over the last couple of days, and one of my predecessors, the previous member from Lac du Bonnet, Darren Praznik, mentioned in the Estimates that our current Justice Minister is a graduate of the U of M law school as I am as well. I think to a great extent the Manitoba law school appreciates the fact that our graduates are Justice ministers and Justice critics. Having received a congratulatory letter from the Manitoba law school which kind of took me by surprise when I was appointed the Justice critic because I really had not kept in touch with the law school itself, having graduated in 1979, I believe that the law school is quite proud of the fact that its graduate is the Justice Minister of this province. The law school enjoys an excellent reputation. Sometimes we criticize it unnecessarily, but I think it enjoys an excellent reputation and provides an education that is probably second to none in the country. Of course, we all get out an education what we put into it, and I think the graduates have done very well over the last number of years.

My interest as Justice critic is really to ensure that the justice system that we have in Manitoba is the best that it can be, regardless of the politics, and that is my motivating factor. That was my motivating factor when I ran for politics. That is my motivating factor as Justice critic. This is my first Estimates in Justice, having gone through one last year in Aboriginal and Northern Affairs. Of course, this is quite different than Aboriginal and Northern Affairs, so I welcome and I like to hear some of the viewpoints in my questions of the Justice Minister in respect to different issues that are out there.

* (10:20)

I offer you, Mr. Minister, I offer you my experience as a lawyer. I have 24 years experience in general practice. I am not sure, to be quite honest, whether you have practised or not. You may have for a number of years. I have 24 years experience practising in all areas of the law, I could say, except for immigration. So I have experience in civil and criminal litigation, family law, corporate/commercial law, that kind of thing. I offer you my experience if you feel so inclined for a second opinion, and we all need second opinions.

Part of my job is really to make you a better minister. I would give you my opinion without the politics attached if you requested it. I look forward to working with you in the upcoming months and years to make this justice system in Manitoba a better justice system and perhaps the best justice system in the country. Our taxpayers and our residents, I believe, deserve nothing better than that.

Similarly, when we take power, and I believe we will after the next election, I would expect the Justice critic to do the same. With that in mind, Mr. Chairperson, I would like to start my questions.

Mr. Chairperson: Before we proceed, may I remind honourable members that they make their comments through the Chair.

Under Manitoba practice, debate on the Minister's Salary is traditionally the last item considered for the department in the Committee of Supply.

We shall now defer consideration of item 4.1.(a) and proceed with the consideration of the remaining items referenced to in Resolution 4. At this time we invite the minister's staff to join us at the table and we ask that the minister introduce the staff in attendance.

Mr. Mackintosh: Just before I introduce the staff here, just on the lighter side, I was at the opening of—I was very proud to be at this—a joint conference of prosecutors and defence counsel that was also attended by leadership in the police community and some judges.

One of the recommendations from the Sophonow report, the feelings of mistrust between prosecutions and defence counsel in Manitoba had to be dealt with. Last year the first council created absolutely a buzz. It was so strongly endorsed by prosecution and defence lawyers in Manitoba. There was a lot of wonderful learning, charter issues about eyewitness identification and many other issues, and as well of course the informal. This year the agenda was very, very strong, remarkably strong.

In any event, in calling me to the microphone, the person who introduced me called me up and on the way said that I was a man of convictions. There was only one person in the room who seemed to have got the joke. I am sure the rest of them thought, well, how rude of that one person laughing, but he was way ahead of everyone on this day.

At the table is Bruce MacFarlane, Deputy Minister, long-time serving deputy. Are you the longest serving deputy in Manitoba?

Mr. Bruce MacFarlane (Deputy Minister of Justice and Deputy Attorney General): No.

Mr. Mackintosh: No? Close, but you are the longest serving deputy in Canada?

Mr. MacFarlane: Yes.

Mr. Mackintosh: That is right. He is the dean of deputies and has been providing leadership, not only nationally, but internationally as well, particularly on issues of wrongful conviction and jailhouse informants. That is pretty good.

Pat Sinnott is a—I should go to my art chart to make sure that the actual description is accurate, but he is ADM in finance administration, Executive Director of Finance and Administration.

Mike Horn is Acting ADM of Criminal Justice Division, which is, I think, rather an exciting area right now. That was really where a lot of the areas of change are being seen in terms of innovation in the area of Victims Services, the safer communities act, and the investigation unit that enforces that legislation. That is where the

liaison really takes place with the police agencies in Manitoba. Mike comes from a background in law enforcement, actually CSIS, is it not, Mike?

Mr. Mike Horn (Acting Assistant Deputy Minister, Criminal Justice Division): Yes.

Mr. Mackintosh: Jeff Schnoor is the Director of Policy for the department. Of course, all of the ideas that are generated outside and within the minister's office, Jeff will have to vet and make sure that they are sound and look for options when it comes to issues that have to be dealt with differently. Jeff has been doing a wonderful job there. Jeff, along with the deputy in particular, really takes leadership roles when it comes to putting together the agenda items and priorities for Manitoba when it comes to the federal-provincial territorial meeting of ministers for Justice that happens usually every year.

By the way, it is September 11 today. Of course, our minds are on that more than most things as we wake up this morning. I should not say it is an annual meeting of ministers. On September 11, it was the day that we began the FPT meeting in Halifax, in 2001. A huge item on the agenda of a sex offender registry, positions being taken jointly by Ontario, Alberta and Manitoba—there, all three of us were standing before all the national media doing interviews on how the federal government was dragging its feet on this sex offender registry when the news came of whole tragedy.

As a result, the Justice Minister for Canada and some of the Solicitors General who were responsible for security in their jurisdictions had to leave, probably the last flights out of that area for a few days. That was the end of that meeting, right in the middle. I think it certainly put in perspective, though, that we have very serious issues to deal with in our justice system. We always have to be mindful of that imperative to guard against apathy, in making sure that our emergency response systems are sound and that we are talking to each other across the different boundaries. I think that in Manitoba, as a result of the all-party task force and the work of so many different stakeholders, we have moved ahead.

Just to conclude, the FPT certainly became not an annual event for that year. I think we had

three of them. We did do a lot of work that year though, when I think some of the issues on the agenda of the federal Parliament are a result of that work. If the member would like to hear more about some of those issues of national importance, I would like to share them with him. It is supposed to be a partnership between the Province and the feds when it comes to criminal justice. If they pass the laws, we administer them. We have not always seen it that way. There seems to be an attempt by Minister Cauchon to communicate better.

Mr. Chairperson: Does the committee wish to proceed through this Estimates in a chronological item by item manner, or have a general global discussion?

Mr. Hawranik: Mr. Chairperson, I would prefer to have a global discussion first and then go line by line at the end. I think that would certainly speed up the process on line by line. That is traditional, I believe, in this House.

* (10:30)

Mr. Chairperson: If they wish, they can have a global discussion and then pass all the resolutions all at once. It is a choice. You cannot choose both; you have to choose or.

Mr. Mackintosh: One thing that we have to be mindful of is that, where there are questions that relate to particular divisions, the staff may not be here that can provide some of the details requested. I think what we can always do is get the information. It is just that sometimes it takes longer than others. I know there is staff as well outside in other areas. So I defer to the wishes of the Opposition critic in terms of how he wishes to proceed. I can advise that I think that we have been doing it globally the last few times in here. I have no further view.

Mr. Chairperson: The honourable Member for Gimli may wish to clarify his preference—Lac du Bonnet.

Mr. Hawranik: I would like to proceed with a global discussion. I am prepared to be somewhat flexible. Certainly, if the staff that he requires are not here, I am prepared to defer the questions. We are in Estimates for two days—

today and tomorrow—so I think I can be flexible in that regard.

Mr. Chairperson: So we are proceeding globally with all the qualifications. The floor is now open for questions.

Mr. Hawranik: First of all, I would like to begin by thanking the department staff for being here today and being part of this discussion. I thank them, as well as I thanked them earlier in my opening statement, for all the work they have done in the department and in ensuring that the department progresses in a reasonable fashion and in an orderly fashion.

My first question is with regard to legal aid. During the legal aid crisis, as I call it, and I think probably most Manitobans call it, from January through April of this year in particular, when lawyers en bloc were threatening to withdraw services, would it be a fair statement to say that the reason the lawyers were threatening to withdraw services is because Legal Aid, without consultation with the service providers and the lawyers who were involved, unilaterally changed the rules midstream by reducing tariffs for cases already being handled and by also limiting the number of cases and the kinds of cases that would be handled through Legal Aid?

Mr. Mackintosh: First, I think I have to put on the record the important clarification that Legal Aid Manitoba is, by necessity, an arm's-length organization from the Government. In other words, its policies and methods of making change within the legislative framework, and within the financial framework, are decisions that rest with that board. The Province always has to guard against perceptions that it is telling the Legal Aid board how it deals with the financial management issues that, for example, were facing Legal Aid over the last year, or two, or three.

Moving to that then, there has been developing at Legal Aid a deficit, and that has been of concern to the Province certainly, certainly of concern to those on the Legal Aid board as it became increasingly apparent that the deficit was going to increase significantly if there was not some change in the way expenditures were being made by Legal Aid

Manitoba. As I recall, the Legal Aid board had gone on a retreat to look at these issues and took some considerable time to look at how they could manage their deficit. I do not know what all the deliberations were, of course, because the Government does not even have a representative on the Legal Aid board, but I was advised that there was a plan that had been put together.

As it all turned out, the board made a decision to make some adjustments in both the family and criminal expenditures, but I do know that it was the stated intention of Legal Aid that none of the changes would affect cases for which there had already been an agreement as to how remuneration was to flow.

I think there was some misunderstanding that came from an original communiqué, as I recall, in December or January of 2003, the beginning of the year I think it was. I remember seeing that when coming back from the Christmas vacation, and I know it was rather—perhaps, in retrospect, it may have been somewhat blunt in terms of its explanation of the changes, but I know that there was a clarification made shortly after that, about 3 weeks later or so, to explicitly make it known to those affected in the profession that any arrangements that were in place would be respected and it was only on a go-forward basis.

I will just say in conclusion because I do not want to speak too long on this, but I wanted to be full in my answer, is that I also recall—I think I will leave it at that. I just go by recollection off the top of my head, but if there is any further detail, I could attempt to get that for the member.

I know certainly that there were perceptions by those getting legal aid certificates that they wanted increases in remuneration and not the changes as proposed. I think that one of the issues remained, then, the very basic tariff. I also know, though, that there was concern on the part of the board about the top-ups that were being made in cases that had unusual complexity or length. That was the area that I did not want to just go by my pure memory on, but there were concerns about consistency in the application of that top-up. I think they were making attempts and they still are trying to better define when there should be payments made above tariff.

*(10:40)

Mr. Hawranik: The fact of the matter is, Mr. Minister, the legal aid system is under your department. The Province funds the legal aid system and therefore you are responsible for their decisions, board or no board.

On January 6 of this year I received an e-mail from Legal Aid without notice, as did probably all the law firms in the province, detailing the cutbacks that were necessary because of lack of funding. I believe that had Legal Aid discussed the matter with the service providers, with the lawyers who were involved, that we could have avoided this crisis altogether. I believe that it was their high-handed approach to cutbacks without consultation that led to the crisis.

Do you have any comment on that, Mr. Minister?

Mr. Mackintosh: I cannot comment on any specifics of what consultation may or may not have taken place between the Legal Aid board, the management of legal aid and private lawyers. I do not know whether there was a history of consultations when there were previous changes made and other cuts that had been made to legal aid in the nineties.

I do have two points. First of all, I have had discussions with representatives of family lawyers and criminal defence lawyers. We as a Government accept the suggestion that communication can always be improved in any area, but in the area of legal aid I think there is some value to having representation on the Legal Aid board from family, criminal defence and private lawyers. So the offer was made to the private lawyers' associations, to the Bar Association, an offer that the Government is open to that idea and asking them to suggest how that can be achieved. In other words, how can representation be arrived at? Who nominates and how is that to take place? So that is a change that I look forward to. I look forward to getting that advice from the bar association and strengthening the board in that respect. That is on a look forward basis.

I will just say the second point being that the Manitoba government is only one of three

fundes of legal aid. The other fundes are the Law Foundation of Manitoba and notably the Government of Canada, which, I think, is the main reason for many of the woes of legal aid programs right across the country because of insufficient funding from Ottawa and in particular declining funding from Ottawa, significantly declining funding since the mid-nineties.

That in no small way is responsible for serious challenges being felt right across the country. Indeed there have been, I think it is fair to say, some crises in legal aid in other jurisdictions. I am well aware of some of the happenings elsewhere by talking to my colleagues, notably in Ontario and British Columbia, but if I start listing I think I would end up probably listing every province. So there has been a concerted lobbying effort to get Ottawa to ante up and they did make some improvements, but we also had to increase the family law tariff in proportion to the criminal law tariff that was increased by the federal government. And in the result the federal government still does not have what I think is the real meaningful and robust contribution, percentage wise, that is necessary.

Mr. Hawranik: Yes, I was not asking whether Legal Aid, in fact, did consult with practising lawyers before the announcement on January 6 because I know it did not happen. It was well reported in the newspapers that that did not happen. And I note from your comments that you did have some consultation with Legal Aid and with the practising lawyers afterwards, but would it not have made sense, when we are making a major departure from a program like what happened in January—would you not agree that it would have made sense for the Legal Aid board to have consulted with practising lawyers, with the service providers? Would it not have made sense and would it not have avoided that crisis? I believe it would have avoided the crisis entirely because I believe it was the high-handed approach of Legal Aid that in fact created the crisis in the first place, not necessarily what they did but the high-handed approach. I think lawyers across the province are quite reasonable. I think they would understand if there is not enough money in the legal aid system and they would come up with a solution if the board could

not. Would it not have made sense, Mr. Minister, to have consulted with those practising lawyers before making that decision?

Mr. Mackintosh: As I say, I am not aware of whether there were in fact consultations, any formally or informally. But my interpretation of why there was a reaction is that, first of all, the memo, in my view, was rather terse.

Second of all, there was some ambiguity and I think the member noted some of that when he asked the question about change in midstream I think were the words he used, something to that effect, because I think there was an interpretation that cases currently being held by lawyers after negotiations on fee were going to be paid out differently. I also think that the main reason for the reaction was this: Throughout the nineties legal aid funding had seen reduced contributions from Ottawa and as well Legal Aid Manitoba or the Province under the former administration had made changes, had made reductions, and there was increasing pent-up frustration and perception by many private lawyers that they were carrying an undue burden, financial burden. I think that even though in the first year of our administration and in the second year we began, once again, for the first time I think since 1988 increasing tariff, the counsel, private practitioners felt that when we should be going forward with enhanced coverage in tariffs, it was a step backward.

Actually, when you look at other jurisdictions in Canada, we still provide in Manitoba excellent coverage for family law matters. When other provinces like, for example, British Columbia was instituting I believe a 37% cut in legal aid—that is a number that I recall—Manitoba was, in fact, significantly increasing its contributions. So what we have now in this Budget is an increase of just over 18 percent in legal aid funding, and we have \$1.5 million in respect of criminal legal aid that include two new Winnipeg duty counsel, \$800,000 for the private bar service and for services in family law matters and two new legal aid counsel to enhance the delivery of family legal aid services outside of Winnipeg, and there are other salary and cost adjustments that are in there. So I think this represents the beginning of a renewal of legal aid.

* (10:50)

But I will tell you the federal government had better ante up to a much greater extent, and, second of all, I will say that the Law Foundation contributions have to be stabilized.

As the member probably knows, the Law Foundation amounts of flow to legal aid depend on the interest on trust accounts, on lawyers' trust accounts. Interest has plummeted. Consequently, the contributions from the Law Foundation have plummeted. We cannot operate a public service like legal aid with those kinds of variables that depend on the market. We have to look at some way of stabilizing the flow of dollars from the Foundation.

Work has begun, I understand, to look at options to try and stabilize that. The monies from the Law Foundation certainly exacerbated what was a worsening financial position at Legal Aid.

Mr. Hawranik: I have to agree with the minister when he says that there was pent-up frustration in the private bar. I think a lot of it had to do with the fact that there had not been a review since 1988, and the fact that there were increasing demands placed upon lawyers because rules, Queen's Bench rules, had been changed since 1988 substantially and increased the amount of work that was really required in each file, and the amount of paperwork that is required in each file. So I think that had a lot to do with it but, at the same time, I think this was the straw that broke the camel's back, if I might say, in the sense that without consultation they would make such a change.

Getting back to in terms of cuts to services and the lack of funding, surely the minister must have known before the January 6 announcement that was made by Legal Aid to cut services and tariffs, I believe he must have known that Legal Aid was overextended before that and was suffering from a cash crunch.

When did the Minister of Justice know that funding for legal aid was a problem?

Mr. Mackintosh: When we came into office, we recognized that there were frustrations about

the level of tariff in Manitoba, and interprovincial comparisons indicated that Manitoba was certainly at the lower end of tariff rates. I recall, too, looking back at some of the commitments that had been made in the late eighties by, I believe it was former Attorney General Penner, a multi-year commitment to enhance tariffs beginning, I think, in '87 or '88, increasing by certain percentages over several years. When the administration changed in '88, that program for catching up was frozen and, indeed, as I recall the situation just got worse.

I know there is some record of actual cuts in family and the whole back issue became very significant cause for concern among lawyers. That was before the federal government slashed legal aid funding in '95 or '96 or is it '97, anyway around there. So that led to some expectations when we came into office that we would begin to address in an incremental way tariff issues, which we did begin to address. We did make new investments in legal aid, as I say, for the first time in over a decade, but clearly the perception from council was that it was not enough so when there was a deficit arising, the reaction was noted publicly.

I have to remind Manitobans that there are three funding partners to legal aid. We must remember the foundation of legal aid and that is to offset or to ameliorate the financial burden of providing pro bono work by law firms. I would remind the profession, in particular, that legal aid is for clients. It is not for lawyers. It was never designed to be the sole source of income for lawyers and yet we have seen, I think, develop in Manitoba and elsewhere in the country not only lawyers but firms that depend almost wholly on legal aid funding. The profession has a responsibility to assist those who are in financial need to access justice and it is my view that legal aid must continue based on that principle on which it was founded.

I also, though, recognize that indeed we have to increasingly commit to strengthening the financial base of legal aid to provide a reasonable yet fair tariff and one that is nonetheless still flexible when it comes to complex and lengthy cases which are becoming more and more common and are becoming a real challenge throughout the country. The member

may see what has recently happened in Alberta when it comes to lengthy and complex trials. There are many challenges and legal aid is one aspect of the new dynamic of multi-accused or what are called mega-trials.

I also think that and I will just conclude my remarks on this but as to this question, it is worthwhile to look at the ratio of in-house counsel to private bar council. Manitoba has had a mixed system, 60-40, 50-50, something along that line for the last 10, 20 years and there certainly are some positives to that but I think there are some negatives as well. I am interested in re-examining that balance. We do across the country have different approaches to legal aid. The member probably knows in Saskatchewan it is largely a public defender system. We have to be cautious, though, in terms of any very dramatic move because we have to be careful of cost and benefit.

I can say to the member in closing on this answer that I talked about the hiring of new in-house counsel in new positions. That does signal an interest and, indeed, a decision on the part of the Government, aside from legal aid, to fund more and start to shift the balance to more in-house counsel to ensure stability, to ensure access to justice.

I will also just undertake to provide the member with a chart that has been developed that shows the proportionate contribution to legal aid funding by federal and provincial governments over the last decade or so. To see the graphic, it really tells the story much better than I can describe in terms of what happened to federal funding and how the province has, under different administrations, tried to increase funding and indeed has increased funding, but I think that legal aid funding across the country requires some different approach from the federal government. That was an issue that I had discussed with Minister Cauchon when he was here on Tuesday.

* (11:00)

Mr. Hawranik: Your comments with regard to the private bar and their participation in legal aid are well taken. I can tell you, though, that having practised law for 24 years in the private system

and knowing many lawyers who in fact are in private practice, there are many lawyers who do not take legal aid certificates, for varying reasons. Instead, they prefer to give away their services rather than go through the bureaucracy that occurs when you go through legal aid.

Quite frankly, I can tell you I am one of them. I do not think I have taken a legal aid certificate since about 1983. Instead, I prefer to give away my services rather than go to Legal Aid. That is what I have done. I have done that many, many times over the years. I am not alone in that respect. Many lawyers do that.

So, even though I may say that a lot of lawyers will not take legal aid certificates, they still are doing work for free to clients who really need that service. I think we have to commend the private bar for that. I think, as I say, I am not alone. There are many, many other lawyers that do the same.

You have been in power since 1999. Were there any discussions since 1999 to January 6, 2003, about increasing the tariff for lawyers within the system who take legal aid cases?

Mr. Mackintosh: When we came into office the funding of legal aid was one of the priorities in our initial budget. As I recall, the tariff was increased in that budget from \$45 to \$48. I believe there are some other positive adjustments on the family side in terms of the block funding, as I recall and I believe, and I stand to be corrected on the latter, but that was my recollection.

The other change that had occurred was some reduction in the holdback. That was a decision by the board, as I recall, but in terms of decisions being made at the Cabinet table, there was that increase in the tariff from \$45 to \$48. As I say, that was the first increase in the tariff in over a decade. It signalled our intention to strengthen legal aid.

We then, in looking at how legal aid was being funded and what systemic challenges were across the country, talking to my colleagues we engaged the federal government and Manitoba took a lead to make this a national issue. That was done with the leadership of the Canadian

Bar Association. I recall at the ministers' meeting with Minister McLellan in Nunavut—it was my second FPT meeting. This was an item of national interest. Manitoba had a strong voice nationally that the federal government had to get back to 50-50 funding of legal aid. It was our estimation that across the country, legal aid funding from the federal government had dropped from what was 50-50 to around 25 percent, just to round out a number. Some places a little bit more; some places a little bit less, depending on the contributions from provinces for family law.

Ms. McLellan, at the time, said that she would propose to her counterparts in Ottawa increased funding to legal aid, but only if there were assurances from the provinces of Canada that they would not at the same time, then, withdraw provincial contributions. In other words, it had to, indeed, be a partnership strengthening of Legal Aid Manitoba. As I recall, I think I was the first one to commit to ensuring that the federal monies would be passed on and there would not be a backfilling effort. That all led to a federal initiative that went into the budget process for the current fiscal year of the federal government. It was a long process. It took some two years to get it in the budget, but the federal government did, two weeks after the local criminal defence lawyers said they would withdraw their services. I can talk about my concerns about that, but they did increase amounts.

What the actual specific amount will be that will flow from Ottawa is still under review, but the point is that Manitoba has committed provincial dollars to flow, based on our initial estimation of the new money to flow from Ottawa. So, no matter what flows from Ottawa, the Province will ensure a significant new contribution to criminal law.

I also was very pleased at the participation of family and criminal lawyers in the tariff adjustment. As I recall, I think they wanted to continue that work, but they got together and they rolled up their sleeves in a room somewhere and they worked on a new tariff. Everyone came out pleased, although there was a group, as the member knows, from Family Law that still had some outstanding questions, but they were

resolved. I think that communication and understanding of legal aid funding and how it flows and who pays for legal aid is really important to how we move ahead.

I will just tell the member this anecdote. When the Trial Lawyers Association met with me following the memo of January that he referenced, and at other meetings, I reminded them that, yes, this Justice Minister's office may be across the street from the Law Courts and where they do their business, but if we are to succeed in having a more robust criminal legal aid system, the focus must be, as the Bar Association recognizes in Canada, on Ottawa. I urged them to lobby, to focus their efforts on the federal Justice Minister and their MPs. I will continue to do that.

Mr. Hawranik: Mr. Minister, you mentioned that the tariff increased from \$45 to \$48 an hour for legal aid matters, and, really, that is cold comfort to many of the private bar, because, as we all know, a lot of the fees and a lot of the payments that are available to lawyers through the legal aid system are on a block fee basis. In many cases, it did not affect the amount of money that a lawyer would get. Was there any analysis done as to how much extra it would cost the Government, how much extra it would cost the legal aid system on an annual basis to have gone from \$45 to \$48 an hour? How much funding is it, really? How much money does it really mean to legal aid?

* (11:10)

Mr. Mackintosh: I should clarify that I was just describing the increase in the first year of our administration. Now and in the four years of our administration, the tariff has increased from \$45 to \$53 and that is just for basic tariff. There are other adjustments, and I understand that they are looking at other adjustments in terms of how legal aid files are to be prepared. The concern of the Manitoba government, and it was expressed to Legal Aid that they have to make the decision, was that we want to ensure efficiencies. We do not want to encourage proceedings that are not necessary by way of the tariff. Not only has it increased from 45 to 53, not 48, but the holdback has been eliminated and as well there is a new era of some collaboration and sharing of views.

On the tariff itself, aside from the holdback elimination, that is an increase of 18 percent. I remind the member, and this is as partisan as I will get today perhaps, but I recognize the member was not sitting around the table at the time, but the nineties were not a time of any generosity on the part of the Province when it comes to enhancing the tariff. The tariff had been frozen for over 10 years and every year of the Conservative Filmon government in Manitoba the tariff was frozen, and indeed there were cuts.

We are all interested in moving ahead, and so I take the member's comments.

Mr. Hawranik: This may be as partisan as I will be this morning as well, but I have to remind the member that in the 1990s we were undergoing the second-worst recession in history. There was quite a different economic climate in the 1990s than there is today. Cuts, I know, I was part of the private bar affected in the 1990s. The 1990s were quite different times, and the reason those cuts were made is to make sure that we preserve the legal aid system as we know it today. I do not think it is an excuse to say that in the nineties that cuts were made just arbitrarily and unnecessarily.

I believe you must have known, you knew, you would have known or should have known about a cash shortage in Legal Aid well in advance of the January announcement. Why would you not have requested additional funding for legal aid prior to that announcement or at least shortly after that announcement on an immediate basis, knowing the importance of a legal aid system to Manitoba and to Manitobans?

Mr. Mackintosh: I recall heading into the 1999 election how the former administration proclaimed how robust the economy was, but, moving on.

The Legal Aid board was—because of concerns of mounting deficit and, I might add, a deficit that was growing.—Yet, at the time, the Legal Aid board had reduced the holdback, so it became a concern. While the legal aid system was going into the red, they were providing increased remuneration to the lawyers, so the board certainly was mindful of pressures and

concerns from the private bar but that caused of course even greater financial pressure at a time when the law foundation funding was declining significantly year over year because of interest rate reductions. It was the view of the Government that it fell to Legal Aid to manage its budget and come within budget. It is a Crown corporation and there has to be accountability and responsibility on the part of the board to manage its affairs efficiently and given the dollars that were allocated to them. So, as a result, came the adjustments that were sent out in the memo and then some refinement of that.

I will advise the member that, in addition to the amount in this year's Budget of over 18% increase in legal aid funding in one year in the Budget that is before the House, there was supplementary funding in the last fiscal year of \$1.5 million to Legal Aid to deal with its deficit. We recognize as a province that Legal Aid could not extract itself from that deficit. The amount was growing and, in fact, we became surprised by the financial figures that were presented to us that the deficit was increasing at the rate that it was. So the intention was to eliminate the prior year accumulated deficits and the in-year shortfalls so that we could start '03-04 unencumbered.

It is our hope that Legal Aid now is on good financial foundation, but we shall see over the next year or two how well it does because we recognize that yes, there are pressures. I said to Minister Cauchon the other day that we will continue to look to Ottawa. We are concerned about how the money will flow but we, as well, have asked Legal Aid to consider other ways of arranging for private bar services. As I recall, the member had raised the issue of bundling. The member may be aware but there has been bundling done, there may be even bundling now, but there certainly had been bundling in the recent past. In fact, I think there has been some writings by the former executive director about bundling experience. I think there was some bundling done in Portage. I think there was some bundling done in Family, and the results were, I am going to be generous, mixed, I understand.

But I agree with the member opposite. We have to be innovative. Legal Aid has to be innovative and look at that and so they have

been asked to pursue other ways of assuring the provision of legal aid through the private bar. At the same time, I am interested in looking at how the ratio should evolve of private lawyer versus public defender.

Mr. Hawranik: Mr. Minister, given the cash shortage that Legal Aid was facing in January, certainly Legal Aid must have known about this prior to January 6. They must have known that they were facing a cash crunch in November, December, maybe even as early as October. They should have anticipated that. I would have thought they would have anticipated that. It should not have just occurred on January 6. Did Legal Aid consult with the minister at all prior to January 6 with regard to its cash crunch and with regard to their plans with respect to services?

* (11:20)

Mr. Mackintosh: I know there were concerns about the timely receipt of information about the status of legal aid overexpenditures, but when the Legal Aid board became aware of the mounting of deficits, something that would rest with the board but they certainly must have been aware of their mounting deficit over the previous year or two, they went into some deficits around an issue of some pension issues, some accounting issues initially. Then there was a reduction of the holdback, and there certainly was concern about the top-up of tariff practices and accounting around that.

As I recall, the January memo would have followed from board recognition of the deficit situation and projections of the deficit continuing to mount as we headed towards the end of the fiscal year. As I recall, the memo of January was in no small part trying to reduce current in-year deficit, based on projections. That is why some of the adjustments in there were put forward. By and large, I think the adjustments that they found would only deal with the deficit in the longer term. In other words, by January it was difficult for Legal Aid to extract themselves from the deficit situation by year end, March 31.

Mr. Hawranik: Yes, Mr. Minister. Did the board or your staff members in your department at any time consult with you regarding the cash

shortage at Legal Aid? Did they do that before January 6, and if so, when? When did you first find out that there was a looming cash shortage at Legal Aid?

Mr. Mackintosh: The available advice appears to be that the deficit of Legal Aid became of increasing concern over the course of '02-03 on top of what had been a deficit of about \$400,000 by the end of '01-02. So there was forecasting of about a \$400,000 deficit in 02-03. We understood sometime during that fiscal year, which would have been before the January memo, but it became obvious that the forecasting was not as accurate as was expected. I might add that as a result of concerns with that experience over that last fiscal year in particular, the Justice Department has made arrangements with Legal Aid by agreement to have on a part-time basis an individual from Courts work with Legal Aid to strengthen its forecasting and its financial management procedures.

This individual has expertise in this area and I think provides a valuable resource to Legal Aid Manitoba to ensure that the monies that are now flowing there are going to be expended and there will be hopefully no overexpenditure, but our people in Finance and Administration certainly had increasing concerns about the forecasting. That individual has been there for between four and six weeks I think now doing that work. We hope and we do expect a good, positive contribution. I am pleased that Legal Aid agreed to take up that offer and work collaboratively with the financial people of the department in moving that along.

Mr. Hawranik: It appears, Mr. Minister, from your answer that you were well aware of the possible cash crunch of Legal Aid well before January 6 of 2003. Why were you not concerned about this looming deficit enough to make enquiries and take action and have a positive or a proactive approach to this crisis that was looming, not a reactive approach?

Mr. Mackintosh: I recall a meeting with the chair of Legal Aid in the fall, as I recall, of 2002 to express the Province's concern about the forecasts of overexpenditure at Legal Aid. I emphasized and urged creativity and the development of options by the Legal Aid board

to deal with this challenge. I urged them to come up with a plan. That, I think, is an appropriate role for the minister. It is then the appropriate role of the board to consider my request and either act on it or not act on it. They did act on it and made decisions as their jurisdiction allowed.

Again we have to remind ourselves that the role of the minister is not to get involved in the management decisions of Legal Aid. Otherwise, the critic would have very harsh criticism for the minister. If I, as minister, am responsible for overseeing the Prosecutions Branch, was also directing the legal aid program in Manitoba, aside from requests to the board to consider options—I mentioned earlier about our request for Legal Aid to consider bundling and other modes of more effective delivery of service. The Province does appoint people to the Legal Aid board to a certain extent. But that is circumscribed by legislation, as the member well knows. The Government does not have, through appointment, the ability to name all that board. The legislation makes it very clear that representation on the board must be determined by a formula. Now we are looking to see if there are ways to tweak that formula for representation from family and the criminal defence bar that deal with legal aid cases.

* (11:30)

As I recall, since coming into office, there was one change that was made to the representation on the board at the request of the Legal Aid Lawyers' Association. I believe that in the legislation there can be a representative from Legal Aid Manitoba. The representative for some time, as I recall, was from management. I agreed that the representative should be from the legal aid lawyers. I asked the association to name a person. There was a person on the board whom I did not recommend to Cabinet from anything other than a list provided or a person whose name was provided to me from the association.

The central role of the Government, aside from filling those certain restricted number of board seats, is funding. Within that funding range it falls to Legal Aid to make decisions on how it manages. It also falls to the board to determine policy, how it delivers services, and eligibility, and so on.

Mr. Hawranik: I note from your comments that you state that you had a meeting with the Legal Aid chair in the fall of 2002. During that meeting you were concerned about the financial forecasts, and you urged a plan with creativity in options. Were you ever in receipt of a plan or options from the chair or the board or anyone on your staff, or any notice of a plan, prior to January 6, 2003? I am not asking you to get involved in management of the legal aid system. This certainly was a looming crisis and it could have benefited from intervention from the minister. Did you ever receive a plan of action or any options that were available to Legal Aid, or options that they were considering, prior to that January 6 announcement?

Mr. Mackintosh: The Legal Aid board advised the Government of options that it was prepared to exercise, so, in deference to Legal Aid's plan, there was authorization for the Legal Aid board to exercise its jurisdiction, its management responsibilities.

Mr. Hawranik: I have heard several numbers floated around with respect to legal aid. Can the minister confirm whether \$800,000 was added to the legal aid budget for family law, and can he advise over what period of time this extra funding covers? Does it cover from April 1, 2003, for instance, to March 31, 2004, or does it cover increased funding between other dates prior to April 1, 2003?

Mr. Mackintosh: The committee is being asked to vote \$800,000 to be expended by the Province on legal aid family law matters for '03-04, so that is a net increase for family law matters going to legal aid. I do not know what more I can say.

The new tariff for family law matters is to be developed within the \$800,000 add-on. The new tariff or the block structure is the result of those ongoing meetings. I do not know how many they had and what they were like, but we were not there. Although I can say that there was a request for us to be there, which we thought was not an appropriate role for the Government. Legal aid and family lawyers rolled up their sleeves to their mutual satisfaction. At the end of the day they will use that \$800,000.

Mr. Hawranik: In answer to the previous question that I put to you, you had mentioned

that the Legal Aid board advised the Government of various various options prior to January 6, 2003. The direction given by the Government to the board was that it was to exercise its responsibility.

Can you tell me what the options were? Secondly, what direction? Was any direction given by the Government as to which way to go?

* (11:40)

Mr. Mackintosh: The options were as set out by Legal Aid in the combination of their notices to the profession. In early 2003, those were options that were devised by the board and there was advice that that is what they wanted to do. They were so authorized to proceed recognizing their jurisdiction as an arms-length agency.

How the options were expressed or how they were perceived is one thing. As I recall, there was that subsequent memo to the profession from Legal Aid. I think it has to be read along with the January memo, in terms of how it expresses the options that Legal Aid thought were appropriate in trying to come within budget. If not in year, then at least in the longer term.

Mr. Hawranik: The options that were given to Government by the Legal Aid board in, presumably December or earlier than that in 2002, are you saying that the only options presented to Government was what was contained in the January 6 memo to the profession? Were there other options available?

Mr. Mackintosh: The approved options were those, as I say, that were expressed in the two memos. I do recall there was another adjustment that Legal Aid was going to pursue. As I recall, it was the elimination on the family side of coverage for adjustments to maintenance enforcement orders, I think. We can look back on our records on that one.

As I recall, the Government had asked Legal Aid to reconsider that as something they might want to revisit. I recall that they did tweak that and the result. That is my recollection.

Mr. Hawranik: I am concerned about proper funding, legal aid funding for family legal aid

lawyers because I believe these lawyers, well, first of all, basically they receive a block fee per file regardless of the number of hours worked on the file by the lawyer.

A lawyer handling a criminal file, as a comparison, in my view, has a much lighter work load on the average than a family law lawyer. There is an incredible amount of paperwork involved in a family legal aid file. The support staff that is necessary to maintain a family law file is considerably greater than for a criminal law file. In family law it involves pre-trials, case conferences and motions. It involves the family legal aid lawyer carrying the file forward as opposed to expecting a Crown prosecutor to move a file forward in a criminal case.

We talked about \$800,000 more for the family legal aid system. Are there any plans by the minister to substantially increase the amount of the fund for funding family legal aid cases in Manitoba in the future? Are there any plans for the minister in that regard?

Mr. Mackintosh: I do not want to accept the suggestion that criminal cases are not as difficult or complex as family cases, because I am certainly aware of the increased complexity of criminal proceedings, not just because of the Charter, which has been around now for some time, but the use of voir dire, the evidentiary rules, the many challenges that are in the area of criminal law are significant, as they are in the area of family law. So I will leave the member to his opinion and instead address the fact that not only was the tariff increased but the number of hours were increased, and I can just detail that for the record.

Another point that has to be made is that not only did \$800,000 flow in respect of tariff adjustments or adjustments that would result in enhanced remuneration to the private bar lawyers, but two more in-house family lawyers were added for outside of Winnipeg.

I am very aware of the increasing pressures over the nineties in the area of family law and the impact of relatively low tariffs or hourly rates for family lawyers resulting in service concerns to those in need of family law services.

In fact, that was the main point that Manitoba made to the federal minister when we demanded enhanced funding for legal aid. The federal government still did not come to the table on family.

They have clearly put a marker out there that they are going to be funders in the area of criminal law only, and that is why we are seeing such disparity in family law services across the country. I think there is very nominal service provided in several Canadian provinces, unlike in Manitoba.

The adjustments that were enunciated in the memos to the profession in early 2003, I think, put forward the decided options that were necessary in order to recognize the financial realities.

It is not a direction that everyone would like, clearly. It was a financial crunch, but since then there have been the changes and the Province did come with the \$1.5-million supplementary. Clearly the reaction from the profession was heard by the Government, and we now move forward with, I think, this renewal initiative.

* (11:50)

The initiative, I should note that while the hourly tariff increased by 10.4 percent from \$48 to \$53 in this Budget year, the block fees have increased as follows:

In criminal matters the percent increase in hours has gone from 6.3 percent to 22.7 percent; the percent increase in block fees for criminal matters increased from 17.1 percent to 34.8 percent; in civil matters the increases are 3.3 percent to 8.4 percent increase in hours and from 12.5 to 20.9 percent in the block fee; for domestic matters the increase in hours is 5 percent going up to 20.1 percent, the increase in block fees has gone from 14.8 percent to 32.1 percent.

So clearly the sentiment of the member was shared by those on that working committee that came up with the increases and how they should be allocated. I think that what was recognized was that it was not just a matter of a one-liner increase in tariff.

There were significant adjustments that had to be made, and I think there are still some remaining issues for those involved in terms of how to structure the hours, but that has to be left to Legal Aid in consultation and collaboration with the profession.

Mr. Hawranik: You mentioned in your response that Legal Aid hired two new family lawyers on staff. The funding for those two new positions, is that part of the \$800,000 of increased funding, and if so, then how much is really available to the private bar for increased tariffs, to the private bar who really are in the front lines of legal services in the province? How much is really available to the private bar for increased tariffs of that \$800,000?

Mr. Mackintosh: First of all, just to make it clear, the two new criminal lawyers are part of the \$1.5-million addition to the criminal side, but on the family side the two new family lawyers outside of Winnipeg are in addition to the \$800,000.

I cannot recall the location of those family lawyers. Is it Thompson and Dauphin? In any event, if it is not Thompson and Dauphin, I can get back to the member if he is interested in where they are located, but I know Legal Aid made a decision.

We left it to Legal Aid, as we should, as to where those positions should be allocated.

As we move into the next Estimates process which is beginning now, we will look to see how we can prioritize the resourcing of legal aid and continue on this path, hopefully, of ensuring that the tariff structure, the hour structure is more proportionate to that available in other jurisdictions where there are similar economic circumstances.

Mr. Hawranik: Are there any plans by the minister to partially eliminate or even eliminate the block fee arrangement with family lawyers so that they are paid for their pretrial procedures like the pretrial procedures, case conferences and motions?

Or would the minister prefer to stay with the block fee arrangement entirely with family law lawyers?

Mr. Mackintosh: We have deferred to the collaboration of Legal Aid Manitoba and the profession, and, as I say, my understanding is that that process was satisfactory, the outcome was satisfactory, given the availability of funding from the federal and provincial governments and the other funder.

As I recall, the new tariff structure, I will call it that because that also embraces the increase in hours, block fees, came over to the Government for approval in regulation form.

The approach was to defer and to respect the collaboration process and the views of the private lawyers as discerned and negotiated with legal aid.

I can say that the role of Legal Aid was respected in terms of its recommendations for a new remuneration scheme. If there is an eagerness on the part of family lawyers who do legal aid work to move away from block fees, I am sure that Legal Aid will hear about that and make recommendations back to the Government.

Mr. Hawranik: As a possible cost-cutting measure for Legal Aid, I have proposed, as you mentioned earlier, I proposed a few months ago that similar kinds of cases be bundled together in order for tendering out to the private bar as a possible cost-cutting measure.

You mentioned that some of that occurs at this point. Once I sent out my news release, I noticed that the minister in fact sent a letter to Legal Aid asking them for their comment on this and to determine whether or not it was a viable option.

What was Legal Aid's response to that letter?

Is the minister planning to act on this suggestion of bundling cases, not only in criminal law areas, but in family law areas in an increased way in order to cut down on the cost

of the legal aid system in Manitoba and to increase its efficiency?

Mr. Mackintosh: I could be corrected, but my recollection is that actually at the time the member had suggested that I think that we had already asked that Legal Aid consider that, but I cannot recall the dates, but, in any event, on the issue on the potential of that, I recall the former director, Mr. Fineblit had been a fan of this kind of approach to legal aid.

Most recently on Tuesday, in discussions with the federal minister, my understanding is in Québec I think they do some bundling or some tendering with a law firm or two.

We are going to follow up on that and ask Legal Aid for their view. As I recall advice from either Legal Aid or Mr. Fineblit, I cannot recall, was that there had been some mixed success. I think they had said there was a problem collecting.

There were amounts actually due back to Legal Aid as a result of a contract at some point in the nineties. There were some other concerns. I cannot recall the details of them.

In any event, the Legal Aid board has been asked to consider that as they move forward. We have not received a reply as of yet from the board.

I will certainly continue to develop my understanding of other models of legal aid. I know that this will be another topic of concern among the ministers across Canada at the end of the month. I will certainly learn from that.

The views of the federal minister and the information from him about how Québec has done some of their legal aid work as well, I will raise with the Québec ministers when I meet with them.

Mr. Chairperson: The hour being 12 noon, the Chair is interrupting the proceedings of this committee.

The Committee of Supply will recess, with the understanding that it will reconvene in the afternoon after Routine Proceedings.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, September 11, 2003

CONTENTS

ORDERS OF THE DAY

GOVERNMENT BUSINESS

Committee of Supply
(Concurrent Sections)

Health	335
Agriculture and Food	353
Justice	372