

Second Session - Thirty-Ninth Legislature
of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS

Official Report
(Hansard)

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The Honourable George Hickes
Speaker*

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Ninth Legislature

Member	Constituency	Political Affiliation
ALLAN, Nancy, Hon.	St. Vital	N.D.P.
ALTEMEYER, Rob	Wolseley	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
BJORNSON, Peter, Hon.	Gimli	N.D.P.
BLADY, Sharon	Kirkfield Park	N.D.P.
BOROTSIK, Rick	Brandon West	P.C.
BRAUN, Erna	Rossmere	N.D.P.
BRICK, Marilyn	St. Norbert	N.D.P.
BRIESE, Stuart	Ste. Rose	P.C.
CALDWELL, Drew	Brandon East	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CULLEN, Cliff	Turtle Mountain	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
EICHLER, Ralph	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
GERRARD, Jon, Hon.	River Heights	Lib.
GOERTZEN, Kelvin	Steinbach	P.C.
GRAYDON, Cliff	Emerson	P.C.
HAWRANIK, Gerald	Lac du Bonnet	P.C.
HICKES, George, Hon.	Point Douglas	N.D.P.
HOWARD, Jennifer	Fort Rouge	N.D.P.
IRVIN-ROSS, Kerri, Hon.	Fort Garry	N.D.P.
JENNISSON, Gerard	Flin Flon	N.D.P.
JHA, Bidhu	Radisson	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
MAGUIRE, Larry	Arthur-Virden	P.C.
MALOWAY, Jim	Elmwood	N.D.P.
MARCELINO, Flor	Wellington	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McFADYEN, Hugh	Fort Whyte	P.C.
McGIFFORD, Diane, Hon.	Lord Roberts	N.D.P.
MELNICK, Christine, Hon.	Riel	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
OSWALD, Theresa, Hon.	Seine River	N.D.P.
PEDERSEN, Blaine	Carman	P.C.
REID, Daryl	Transcona	N.D.P.
ROBINSON, Eric, Hon.	Rupertsland	N.D.P.
RONDEAU, Jim, Hon.	Assiniboia	N.D.P.
ROWAT, Leanne	Minnedosa	P.C.
SARAN, Mohinder	The Maples	N.D.P.
SCHULER, Ron	Springfield	P.C.
SELBY, Erin	Southdale	N.D.P.
SELINGER, Greg, Hon.	St. Boniface	N.D.P.
STEFANSON, Heather	Tuxedo	P.C.
STRUTHERS, Stan, Hon.	Dauphin-Roblin	N.D.P.
SWAN, Andrew, Hon.	Minto	N.D.P.
TAILLIEU, Mavis	Morris	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 8, 2008

The House met at 1:30 p.m.

Mr. Speaker: I'd like to advise the House that Tuesday afternoon's *Hansard* is now available and has been distributed to members, but Wednesday afternoon's *Hansard* is not yet available.

ROUTINE PROCEEDINGS

INTRODUCTION OF BILLS

Bill 211—The Environment Amendment Act (Methamphetamine)

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, I would move, seconded by the Member for River Heights (Mr. Gerrard) that Bill 211, The Environment Amendment Act (Methamphetamine), be now read a first time.

Motion presented.

Mr. Lamoureux: Yes, Mr. Speaker, this particular bill would assist in terms of recovering for costs that are incurred in terms of cleaning up hazardous wastes which is as a direct result of things such as crystal meth labs in our residential areas and beyond.

Thank you, Mr. Speaker.

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

PETITIONS

Child-Care Centres

Mr. Stuart Briese (Ste. Rose): I wish to present the following petition to the Legislative Assembly:

These are the reasons for this petition:

There is an ongoing critical shortage of child-care spaces throughout Manitoba, particularly in fast-growing regions such as south Winnipeg.

The provincial government has not adequately planned for the child-care needs of growing communities like Waverley West where the construction of thousands of homes will place immense pressure on the already overburdened child-care system.

The severe shortage of early childhood educators compounds the difficulty parents have finding licensed child care and has forced numerous centres

to operate with licensing exemptions due to a lack of qualified staff.

Child-care centres are finding it increasingly difficult to operate within the funding constraints set by the provincial government to the point that they are unable to provide wages and benefits sufficient to retain child-care workers.

As a result of these deficiencies in Manitoba's child-care system, many families and parents are growing increasingly frustrated and desperate, fearing that they will be unable to find licensed child care and may be forced to stop work as a result. In an economy where labour shortages are common, the provision of sustainable and accessible child care is critical.

We petition the Legislative Assembly of Manitoba as follows:

To urge the Minister of Family Services and Housing (Mr. Mackintosh) to consider addressing the shortage of early childhood educators by enabling child-care centres to provide competitive wages and benefits.

To urge the Minister of Family Services and Housing to consider adequately planning for the future child-care needs of growing communities and to consider making the development of a sustainable and accessible child-care system a priority.

To urge the Minister of Family Services and Housing to consider the development of a governance body that would provide direction and support to the volunteer boards of child-care centres and to consider the development of regionalized central wait lists for child care.

To encourage all members of the Legislative Assembly to consider becoming more closely involved with the operations of the licensed day-care facilities in their constituencies.

This petition is signed by Joe Manouer, C. Gomes, Natasha Dias and many, many others.

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

Long-Term Care Facility—Morden

Mr. Peter Dyck (Pembina): Mr. Speaker, I wish to present the following petition to the Legislative Assembly.

The background for this petition is as follows:

Tabor Home Incorporated is a time-expired personal care home in Morden with safety, environmental and space deficiencies.

The seniors of Manitoba are valuable members of the community with increasing health-care needs requiring long-term care.

The community of Morden and the surrounding area are experiencing substantial population growth.

We petition the Legislative Assembly of Manitoba as follows:

To request the Minister of Health (Ms. Oswald) to strongly consider giving priority for funding to develop and staff a new 100-bed long-term care facility so that clients are not exposed to unsafe conditions and so that Boundary Trails Health Centre beds remain available for acute-care patients instead of waiting placement clients.

This is signed by Mel Reimer, Bruce Salmonson, Kathy Friesen, Allison Friesen and many, many others.

Pharmacare Deductibles

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

These are the reasons for this petition:

The NDP government has increased Pharmacare deductibles by 5 percent every year for the past seven years, with the curious exception of the 2007 election year.

As a result of the cumulative 34 percent hike in Pharmacare deductibles by the NDP government, some Manitobans are forced to choose between milk and medicine.

Seniors, fixed and low-income-earning Manitobans are the most negatively affected by these increases.

We petition the Legislative Assembly of Manitoba as follows:

To urge the Premier (Mr. Doer) of Manitoba to consider reversing his decision to increase Pharmacare deductibles by 5 percent in budget 2008.

To request the Premier of Manitoba to consider reducing health-care bureaucracy, as previously promised, and to consider directing those savings into sustaining Pharmacare and improving patient care.

Mr. Speaker, this is signed by Scott Murray, Betty Lou Noble, Cheryl Brown and many, many others.

The Royal Lake of the Woods Yacht Club

Mrs. Heather Stefanson (Tuxedo): I wish to present the following petition to the Legislative Assembly.

The background to this petition is as follows:

Whereas an act to incorporate The Lake of the Woods Yacht Club was assented to March 10, 1909.

And whereas the act was subsequently amended and the name of the corporation changed to The Royal Lake of the Woods Yacht Club.

And whereas the incorporating statute requires updating to reflect the current operational status of the corporation.

We petition the Legislative Assembly of Manitoba as follows:

To amend The Royal Lake of the Woods Yacht Club Incorporation Act to modify the status of The Royal Lake of the Woods Yacht Club from a for-profit corporation to a not-for-profit corporation, to update the object, and to make other incidental changes to the act.

Signed by Joe Banfield, Arthur Fast, Tom Ormiston and others.

Provincial Trunk Highway 2—Glenboro

Mr. Cliff Cullen (Turtle Mountain): Mr. Speaker, I wish to present the following petition to the Legislative Assembly.

These are the reasons for this petition:

As a result of high traffic volumes in the region, there have been numerous accidents and near misses along Provincial Trunk Highway 2, near the village

of Glenboro, leading to serious safety concerns for motorists.

The provincial government has refused to construct turning lanes off Provincial Trunk Highway 2 into the village of Glenboro and on to Golf Course Drive, despite the fact that the number of businesses along Provincial Trunk Highway 2 have increased greatly in recent years.

We petition the Manitoba Legislative Assembly as follows:

To urge the Minister of Infrastructure and Transportation (Mr. Lemieux) to consider implementing a speed zone on Provincial Trunk Highway 2 adjacent to the village of Glenboro.

This petition is signed by Diana Richmond, John Vertz, Linda Snider and many, many others.

COMMITTEE REPORTS

Standing Committee on Public Accounts Third Report

Mr. Jim Maloway (Vice-Chairperson): Mr. Speaker, I wish to present the Third Report of the Standing Committee on Public Accounts.

Madam Clerk (Patricia Chaychuk): Your Standing Committee on Public Accounts presents the following—

Some Honourable Members: Dispense.

Mr. Speaker: Dispense.

Your Standing Committee on Public Accounts presents the following as its Third Report.

Meetings

Your committee met on the following occasions:

July 29, 2002

October 28, 2003

December 1, 2003

December 5, 2003

September 7, 2004

September 8, 2004

November 28, 2005

December 9, 2005

February 2, 2006

December 10, 2007

May 7, 2008

All, meetings were held in Room 255 of the Legislative Building.

Matters under Consideration

Public Accounts for the year ended March 31, 2003 (Volume 1)

Public Accounts for the year ended March 31, 2003 (Volume 2)

Public Accounts for the year ended March 31, 2003 (Volume 3)

Public Accounts for the year ended March 31, 2003 (Volume 4)

Public Accounts for the year ended March 31, 2004 (Volume 1)

Public Accounts for the year ended March 31, 2004 (Volume 2)

Public Accounts for the year ended March 31, 2004 (Volume 3)

Public Accounts for the year ended March 31, 2004 (Volume 4)

Public Accounts for the year ended March 31, 2005 (Volume 1)

Public Accounts for the year ended March 31, 2005 (Volume 2)

Public Accounts for the year ended March 31, 2005 (Volume 3)

Public Accounts for the year ended March 31, 2005 (Volume 4)

Auditor General's Report – Audit of the Public Accounts for the year ended March 31, 2005 including a Review of School Division Financial Accounting and Reporting

Public Accounts for the year ended March 31, 2006 (Volume 1)

Public Accounts for the year ended March 31, 2006 (Volume 2)

Public Accounts for the year ended March 31, 2006 (Volume 3)

Public Accounts for the year ended March 31, 2006 (Volume 4)

Auditor General's Report – Audit of the Public Accounts for the year ended March 31, 2006

Public Accounts for the year ended March 31, 2007 (Volume 1)

Public Accounts for the year ended March 31, 2007 (Volume 2)

Public Accounts for the year ended March 31, 2007 (Volume 3)

Auditor General's Report – Audit of the Public Accounts for the year ending March 31, 2007

Provincial Auditor's Report – Investigation of an Adult Learning Centre ("The Program") in Morris–Macdonald School Division #19 dated September, 2001

Committee Membership

Committee Membership for the July 29, 2002, meeting:

*Ms. Allan
Hon. Mr. Gerrard
Mr. Gilleshammer
Mr. Loewen
Mr. Maloway
Mr. Pitura
Mr. Reid
Mr. Rondeau
Hon. Mr. Selinger
Mr. Struthers*

Your committee elected Mr. Pitura as the Chairperson at the July 29, 2002, meeting.

Your committee elected Mr. Maloway as the Vice-Chairperson at the July 29, 2002, meeting.

Committee Membership for the October 28, 2003, meeting:

*Ms. Allan
Ms. Brick
Mr. Faurschou
Hon. Mr. Gerrard
Mr. Loewen
Mr. Maloway (Vice-Chairperson)
Ms. Oswald
Mr. Reimer(Chairperson)
Mr. Rondeau
Hon. Mr. Selinger
Ms. Taillieu*

Substitutions received during committee proceedings at the October 28, 2003, meeting:

*Mr. Dewar for Ms. Brick
Mr. Schellenberg for Mr. Rondeau
Mr. Maguire for Mr. Faurschou*

Committee Membership for the December 1, 2003, meeting:

*Mr. Derkach
Mr. Dewar
Hon. Mr. Gerrard
Mr. Loewen
Mr. Maloway (Vice-Chairperson)
Mr. Nevakshonoff
Ms. Oswald
Mr. Reimer(Chairperson)
Mr. Santos
Hon. Mr. Selinger
Mrs. Taillieu*

Substitutions received during committee proceedings at the December 1, 2003, meeting:

Mrs. Mitchelson for Mrs. Taillieu

Committee Membership for the December 5, 2003, meeting:

*Mr. Aglugub
Hon. Mr. Gerrard
Mr. Loewen
Mr. Maloway (Vice-Chairperson)
Mr. Martindale
Mrs. Mitchelson
Ms. Oswald
Mr. Reimer (Chairperson)
Mr. Santos
Hon. Mr. Selinger
Mrs. Taillieu*

Committee Membership for the September 7, 2004, meeting:

*Mr. Aglugub
Hon. Mr. Gerrard
Ms. Irvin-Ross
Mr. Loewen
Mr. Maloway (Vice-Chairperson)
Mr. Martindale
Mrs. Mitchelson
Ms. Oswald
Mr. Reimer (Chairperson)
Hon. Mr. Selinger
Mrs. Taillieu*

Committee Membership for the September 8, 2004, meeting:

*Mr. Aglugub
Hon. Mr. Gerrard
Ms. Irvin-Ross
Mr. Loewen
Mr. Maloway (Vice-Chairperson)
Mr. Martindale
Mrs. Mitchelson
Ms. Oswald
Mr. Reimer (Chairperson)
Hon. Mr. Selinger
Mrs. Taillieu*

Substitutions received during committee proceedings at the September 8, 2004, meeting:

Mrs. Rowat For Mrs. Mitchelson

Committee Membership for the November 28, 2005, meeting:

Mr. Caldwell
 Mr. Cummings
 Mr. Hawranik
 Mr. Maguire
 Mr. Maloway (Vice-Chairperson)
 Mr. Martindale
 Mr. Nevakshonoff
 Mr. Reimer (Chairperson)
 Mr. Santos
 Hon. Mr. Selinger

Committee Membership for the December 9, 2005, meeting:

Mr. Aglugub
 Mr. Cummings
 Mr. Dewar
 Mr. Hawranik
 Ms. Korzeniowski
 Hon. Mr. Gerrard
 Mr. Maguire
 Mr. Maloway (Vice-Chairperson)
 Mr. Reimer (Chairperson)
 Hon. Mr. Selinger
 Mr. Swan

Committee Membership for the February 2, 2006, meeting:

Mr. Aglugub
 Mr. Cummings
 Mr. Hawranik
 Ms. Korzeniowski
 Mr. Lamoureux
 Mr. Maguire
 Mr. Maloway (Vice-Chairperson)
 Mr. Reimer (Chairperson)
 Mr. Santos
 Hon. Mr. Selinger
 Mr. Swan

Committee Membership for the December 10, 2007, meeting:

Mr. Altemeyer
 Mr. Borotsik
 Ms. Braun
 Mr. Derkach (Chairperson)
 Ms. Howard
 Mr. Lamoureux
 Mr. Maguire
 Mr. Maloway (Vice-Chairperson)
 Hon. Mr. Selinger
 Mrs. Stefanson
 Mr. Swan

Committee Membership for the May 7, 2008, meeting:

Mr. Borotsik
 Ms. Braun
 Mr. Derkach (Chairperson)
 Ms. Howard
 Mr. Jha
 Mr. Lamoureux
 Mr. Maguire
 Mr. Maloway (Vice-Chairperson)
 Mr. Martindale
 Hon. Mr. Selinger
 Mrs. Stefanson

Officials Speaking on Record

Officials speaking on the record at the July 29, 2002, meeting:

Jon Singleton, Auditor General
 Bonnie Lysyk, Deputy Auditor General and Chief Operating Officer

Officials speaking on the record at the October 28, 2003, meeting:

Jon Singleton, Auditor General

Officials speaking on the record at the December 1, 2003, meeting:

Jon Singleton, Auditor General
 Bonnie Lysyk, Deputy Auditor General and Chief Operating Officer

Officials speaking on the record at the December 5, 2003, meeting:

Jon Singleton, Auditor General
 Bonnie Lysyk, Deputy Auditor General and Chief Operating Officer

Officials speaking on the record at the September 7, 2004, meeting:

Jon Singleton, Auditor General
 Bonnie Lysyk, Deputy Auditor General and Chief Operating Officer

Officials speaking on the record at the September 8, 2004, meeting:

Jon Singleton, Auditor General
 Bonnie Lysyk, Deputy Auditor General and Chief Operating Officer

Officials speaking on the record at the December 9, 2005, meeting:

*Hon. Mr. Bjornson
Gerald Farthing, Deputy Minister of Education,
Training and Youth
Bonnie Lysyk, Deputy Auditor General and Chief
Operating Officer
Jon Singleton, Auditor General*

Officials speaking on the record at the February 2, 2006, meeting:

Jon Singleton, Auditor General

Officials speaking on the record at the December 10, 2007, meeting:

Carol Bellringer, Auditor General

Officials speaking on the record at the May 7, 2008, meeting:

*Carol Bellringer, Auditor General
Hon. Mr. Bjornson
Diane Gray, Deputy Minister of Finance*

Reports Considered and Passed

Your committee considered and passed the following reports as presented:

*Public Accounts for the year ended March 31, 2003
(Volume 1)*

*Public Accounts for the year ended March 31, 2003
(Volume 2)*

*Public Accounts for the year ended March 31, 2003
(Volume 3)*

*Public Accounts for the year ended March 31, 2003
(Volume 4)*

*Public Accounts for the year ended March 31, 2004
(Volume 1)*

*Public Accounts for the year ended March 31, 2004
(Volume 2)*

*Public Accounts for the year ended March 31, 2004
(Volume 3)*

*Public Accounts for the year ended March 31, 2004
(Volume 4)*

*Public Accounts for the year ended March 31, 2005
(Volume 1)*

*Public Accounts for the year ended March 31, 2005
(Volume 2)*

*Public Accounts for the year ended March 31, 2005
(Volume 3)*

*Public Accounts for the year ended March 31, 2005
(Volume 4)*

*Auditor General's Report – Audit of the Public
Accounts for the year ended March 31, 2005*

*including a Review of School Division Financial
Accounting and Reporting*

*Provincial Auditor's Report – Investigation of an
Adult Learning Centre ("The Program") in Morris–
Macdonald School Division #19 dated September,
2001*

Reports Considered but not Passed

*Your committee considered the following reports but
did not pass them:*

*Public Accounts for the year ended March 31, 2006
(Volume 1)*

*Public Accounts for the year ended March 31, 2006
(Volume 2)*

*Public Accounts for the year ended March 31, 2006
(Volume 3)*

*Public Accounts for the year ended March 31, 2006
(Volume 4)*

*Auditor General's Report – Audit of the Public
Accounts for the year ended March 31, 2006*

*Public Accounts for the year ended March 31, 2007
(Volume 1)*

*Public Accounts for the year ended March 31, 2007
(Volume 2)*

*Public Accounts for the year ended March 31, 2007
(Volume 3)*

*Auditor General's Report – Audit of the Public
Accounts for the year ending March 31, 2007*

Mr. Maloway: Mr. Speaker, I move, seconded by the honourable Member for Selkirk (Mr. Dewar), that the report of the committee be received.

Motion agreed to.

* (13:40)

TABLING OF REPORTS

Hon. Stan Struthers (Minister of Conservation): Mr. Speaker, it's my pleasure to introduce for members the 2007 Annual Report of the Manitoba Association for Resource Recovery Corporation.

Hon. Greg Selinger (Minister of Finance): Monsieur le Président, j'aimerais déposer le Rapport sur les services en langue française 2006-2007.

Translation

Mr. Speaker, I'd like to table the Report on French Language Services 2006-2007.

English

Also, Mr. Speaker, I'd like to table the Supplementary Information for Legislative Review 2008-2009 Revenue Estimates.

Introduction of Guests

Mr. Speaker: Prior to oral questions, I'd like to draw the attention of all honourable members to the public gallery where we have with us from Réal-Bérard Community School 24 students from Iqaluit, Nunavut and Manitoba under the direction of Mr. Brian Martell. This school is located in the constituency of the honourable Member for Morris (Mrs. Taillieu).

Inuktitut spoken

Translation

I welcome them to Manitoba and to our Legislative Assembly Chamber. I thank them for coming all this way to come and visit us. Thank you.

English

Also seated in the public gallery we have the Bison Men's Choir Group, 53 visitors under the direction of Ms. Lucy Yamashita. This group is located in the constituency of the honourable Member for Fort Rouge (Ms. Howard).

Also in the public gallery we have former legislative page Evan Ramage and also Shane Reimer.

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

ORAL QUESTIONS

Bill 37

Government Intent

Mr. Kelvin Goertzen (Steinbach): Mr. Speaker, Bill 37 speaks more about the misplaced priorities of this NDP government than almost any bill before us in the Legislature today, and the NDP's biggest priority is taking millions of dollars from taxpayers to fund their next election campaign.

According to a downtown Winnipeg mission agency, it costs \$2.58 to feed a homeless person a meal. Will the Minister of Justice tell us whether he will withdraw his bill and use the \$2 million in political party funding to pay for 798,000 meals that it would provide for struggling Manitobans, or is his priority funding his political party over those who are struggling, Mr. Speaker?

Hon. Dave Chomiak (Minister of Justice and Attorney General): Mr. Speaker, when we talk about priorities, I think we need only look at the budget document that was tabled. It saw expansions of our health programs, our mental health programs,

our homeless programs, \$500,000 for inner-city recreation directors to help kids on the street, et cetera, and a leader of his party who said that health care was not a priority.

Mr. Speaker, the bill on election expenses is one of 40-some odd bills introduced. It's part of an ongoing reform. If the member felt this strongly, I think he'd return the \$14,000 he received last election at taxpayers' expense, and perhaps he could donate it and perhaps—

Mr. Speaker: Order.

Mr. Goertzen: The Minister of Justice makes my point. There was already enough taxpayers' funding going in to fund elections. They don't need any more.

Mr. Speaker, this morning seniors, who are being told to pay more in Pharmacare deductibles because of this NDP government, came to the Legislature in concern over the more they're going to have to pay for Pharmacare. The Minister of Health (Ms. Oswald) in her comments in response to debate this morning said that the NDP has no more money to prevent this deductible increase from happening. Well, we just found her \$2 million.

If the NDP won't feed the homeless with this money, will they use the \$2 million to keep our seniors from having to choose between milk and medicine, or is this Minister of Justice more concerned about lining the pockets of his NDP party than he is about seniors in this province?

Mr. Chomiak: Mr. Speaker, I would put the record of our government on seniors and what we've done for seniors against any provincial or federal government in this country any day. Pharmacare deductibles, property tax credit, palliative care free drug program, income-splitting, all put in place, the shelter benefit, all directed toward—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Chomiak: Mr. Speaker, I suggest that members opposite who attempted to privatize home care, who changed the very basis of the Pharmacare program to eliminate the deductible process and make it apply to everyone, ought to look at their priorities where they said health care was not a priority. They only need look at our record of delivering programs and—

Mr. Speaker: Order.

Mr. Goertzen: I would welcome the Minister of Justice to the year 2008 and point to him the choices

that he has. He's making a choice not to use that money to help disadvantaged people in Manitoba. He's making the choice not to use that money to help seniors in Manitoba. He's using it to fund the NDP.

In December of last year, Mr. Speaker, this government put out a press release that said it would be having consultations around the province on how senators from Manitoba could possibly be elected, Manitoba consultations on the federal Senate.

Since this committee has not yet begun hearings, I want to ask this Minister of Justice whether he'll commit today to include in the hearings Bill 37 so we can find out what Manitobans feel about the NDP party lining their pockets with taxpayer dollars.

Mr. Chomiak: I note that the member is part of a party that last year received \$600,000 in taxpayer-funded expenses. I doubt that a cent of that went to any of the homeless, Mr. Speaker. Not a cent of that was sent back because it's an attempt to provide [*inaudible*]

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Chomiak: –like the United States, perhaps where you have to spend a million dollars a day just to be in a campaign. It expands fairness and limits, Mr. Speaker, so that everyone can be involved and broaden the political spectrum, not to a system of elites at the Manitoba Club or some other gathering spots that can spend their way into power. That's a basic democratic right that we're moving on.

With respect to the Senate committee, Mr. Speaker, there'll be further consultations with the House leaders of the other parties.

Bill 38 Government Intent

Mr. Rick Borotsik (Brandon West): It's clear that the Minister of Finance is finally waking up to the fact that the equalization gravy train may be coming to a grinding halt. With an economic downturn looming, we are going to have our excessive equalization payments reduced. Now that his cash cow is drying up, this Finance Minister is looking for a new trough from which to feed. He has found it with Bill 38, the not-so-balanced budget legislation.

Mr. Speaker, Bill 38 is opening the door for the Minister of Finance to raid WCB, MPI and Manitoba Hydro. Will this minister be ready to take responsibility when the WCB payment premiums

increase, the MPI rebates stop and our hydro rates go up?

Hon. Greg Selinger (Minister of Finance): In spite of the fact that we gave the member a briefing, he fundamentally misunderstands the new legislation.

By having a full summary budget as recommended by the Auditor General, you cannot transfer money out of Crown corporations to balance the budget because it stays within the reporting envelope. It will not change the bottom line one iota.

Under their old law, you could sell off Crown corporations to balance the budget. You could take money out of Lotteries to balance the budget. You could take money out of the Fiscal Stabilization Fund and count it twice to balance the budget.

None of those things are possible now. The members are afraid of this legislation because they will have to be accountable for the expenditures that are made in this Legislature, as will we, and we will be balanced every year.

Mr. Borotsik: Mr. Speaker, I've had briefings with other individuals, and those individuals who understand accounting probably better than this Finance Minister don't agree with him.

Make no mistake, that GAAP accounting is simply a red herring. This minister is putting in Bill 38 so it gives him the flexibility to not balance that poor budget every year. It gives him the flexibility to, on an accounting page, look at MPI, look at WCB and look at Manitoba Hydro to balance his excessive spending. That is, in fact, the truth.

I wish the minister would stand up right now and come clean with Manitobans and explain to them that this gives him the absolute ultimate right to overexpend as he's been doing in the past and not be accountable for it.

* (13:50)

Mr. Selinger: Once again, after the member's rant, he actually didn't ask a question, so it gives me the liberty to once again educate Manitobans on the advantages of this legislation.

First of all, it will meet all the tests required of the Auditor General in terms of full summary budgeting including all entities. School divisions, Crown corporations will all be included for the first time ever.

No, money will not be able to be taken out of there to balance the budget because it's already in. You can't count it twice under this legislation. Yes, if there are any deficits that are run, they have to be used and balanced off in all future years. The rolling four-year average requires and makes it necessary that you cannot run away from any financial difficulties that you have. The result is you will have better balanced budgets, more transparency and more accountability to the people of Manitoba.

Mr. Borotsik: That, Mr. Speaker, is absolutely wrong. There will not be any more accountability. It'll be less accountability. There will not be more transparency. There will be less transparency.

In the existing balanced budget legislation, it requires that government's core operations, every year, revenue in, expenditures out; the core operations be balanced every year. The only reason why this Finance Minister would eliminate that need to balance every year was because he plans to overspend as he always does in every budget year.

Mr. Speaker, why won't the Minister of Finance come clean and admit that he's using the Auditor General's recommendation about GAAP and summary budgeting to wiggle off the hook, off the hook for not balancing the core budget expenditures?

Mr. Selinger: First of all, I'd like to commend the member. He actually got a question out this time instead of a rant.

What he didn't do was be honest about the old legislation. How did they balance the budget under the old legislation? They had to sell off the telephone system, and that's how they balanced the budget.

How did they balance the budget under the old legislation? They took an extra hundred million dollars out of Lotteries, while they borrowed illegally a hundred million dollars to pay for new casinos.

None of those things are possible under this legislation, and under this legislation it is a legal requirement to have the Auditor verify whether there's a balance, something members opposite avoided.

This legislation is more transparent, more accountable and more complete than any legislation in the history of the province.

Mr. Speaker: Order. I just want to caution members. I'm getting a little concerned on the language as where we're headed to, and I just want to caution

members that all members in the House are honourable members.

I see members are questioning what I'm talking about. The honourable Minister of Finance used the word of being "honest" with people. All members in the House are honourable members. So I'm cautioning the House to pick and choose your words very carefully.

Bill 31

Government Intent

Mrs. Mavis Taillieu (Morris): Mr. Speaker, in Estimates yesterday, we learned that the privacy adjudicator will likely only be a part-time person only called in on certain issues and not a true privacy commissioner like the Premier (Mr. Doer) promised eight years ago, not a person accessible to the public, not a person who will advocate for Manitobans.

Will the minister admit that the appointment of the privacy adjudicator and not the full privacy commissioner, like the Premier promised, is just window dressing?

Hon. Eric Robinson (Minister of Culture, Heritage, Tourism and Sport): I'm grateful for the opportunity to rise in the House.

As I indicated to the member yesterday in the Estimates process, I said that there are three major changes that are being proposed: First of all, the creation of a privacy adjudicator, a new independent office of this Legislature; secondly, changing the period that Cabinet documents remain sealed from 30 to 20 years and legislation that requires ministerial expenses be tabled on-line annually.

Further, Mr. Speaker, it gives me an opportunity, as well, to perhaps address the misunderstandings on these amendments, and I'm pleased to have the opportunity to clarify some of these important changes for the House and their consideration.

I will carry on with the response when the member poses the next question.

Mrs. Taillieu: Well, Mr. Speaker, also in Estimates yesterday, we learned that the Minister of Culture, Heritage and Tourism, by his own admission and his own words, doesn't have a clue about the legislation, Bill 31, the FIPPA legislation.

Mr. Speaker, aren't bills discussed in Cabinet? If the minister doesn't know anything about this bill, is this just another example of legislation crafted by the Premier's cabal?

Mr. Robinson: Allow me to advise the member, Mr. Speaker, I do know a little bit. The new role of the privacy adjudicator will strengthen the role of the Ombudsman. Despite the confusion, the privacy adjudicator will also be an independent officer of the Legislature, as I just said, with order-making power, and not a junior Ombudsman as is the opinion put forth in one of the *Free Press* letters to the editor.

Further, Mr. Speaker, my department officials will be briefing the member along with the critic of the official opposition for this particular ministry and we're only happy to do that.

Yes, I do understand the bill and I think it is a good one. We're moving in the right direction. Many times, Manitoba has been rated among the best in this country for access to information by independent media.

Mrs. Taillieu: Mr. Speaker, absolute power corrupts absolutely. We also learned in Estimates yesterday that it's now the Premier (Mr. Doer) only who will determine the release of information from Cabinet under this new FIPPA legislation.

Do the other ministers in Cabinet know that the Premier doesn't trust them? Do Manitobans know that the Premier has become a one-man show with absolute power?

Mr. Robinson: Mr. Speaker, let me respond this way. Our government has been very open, has had a very open culture here in the province of Manitoba with respect to access to information. I know that there is some confusion by members opposite. Perhaps the misunderstanding or the confusion could be in the title of the privacy adjudicator versus the privacy commissioner, as were the words previously.

I would suggest that they have an open mind. This made-in-Manitoba approach I believe is the right one and will strengthen an already strong system that we all should be proud of here in Manitoba, as noted by independent surveys that I alluded to earlier.

Bill 17 Effect on Hog Industry

Mr. Ralph Eichler (Lakeside): Mr. Speaker, I rise today to support the fact that all Manitobans believe in clean water. We all have a responsibility to protect our environment. It's important that environmental policies are based on sound science and that clear results will be achieved. As we've seen in Bill 17, it is not so much about protecting the environment as it

is about the government playing politics with the pork industry.

Mr. Speaker, I would ask the Minister of Conservation to justify why he is singling out one sector, the farming industry, and setting out to kill countless jobs with Bill 17.

Hon. Stan Struthers (Minister of Conservation): The Member for Lakeside is absolutely wrong. It's not a single-minded narrow approach. It's a comprehensive approach across the board to deal with everybody who is a source point of nutrients in this province who contribute to the problems on Lake Winnipeg. Mr. Speaker, we're asking everybody to play their share, play their part in tackling this problem and being part of the solution; the agricultural community, the cottagers, the municipalities, Winnipeg, Portage, Brandon, where they are all making moves toward strengthening their frameworks to deal with nutrients in Lake Winnipeg. Cottagers, people who live along the rivers, we're asking everybody to do their share. I think he should get on board with that kind of approach.

Mr. Eichler: Mr. Speaker, the question was very clear. It was about Bill 17. It's about all Manitobans doing their part. That was poorly answered, just as it was on Monday.

This government does not seem to realize the consequences of Bill 17. It will hurt farm families, hurt businesses, industries that supply the industry to lose job losses. It will affect municipal assessment rolls if farms are devalued. The whole economy will feel the economic impact. The Manitoba Chamber of Commerce, farm groups, businesses, industry stakeholders have all sounded the alarm about the effects of Bill 17.

Mr. Speaker, will the Minister of Conservation prepare to forge ahead with Bill 17 without considering the economic impact of this bill?

* (14:00)

Mr. Struthers: I would again suggest to the member that he broaden his mind on this issue. The economic impact—let's agree that it's the right thing to do environmentally. It's also the right thing to do economically. That is a big economic engine, that Lake Winnipeg. It's an economic engine not just in terms of agriculture but in terms of cottaging and tourism and fishing and, you name it, all down the line. It's in everybody's interest to get as much of those nutrients out of that lake and prevent as many nutrients in the first place from getting into that lake.

We've got the courage to make good, strong decisions and tough choices. I think he should develop that courage, too.

Mr. Eichler: Let me specify for the minister, this is Bill 17. There's only one moratorium and that's on the hog industry. Shame on this minister for not knowing his own bill.

The Clean Environment Commission did not recommend that the hog industry be forged ahead. This bill has a significant economic impact on Manitoba's economy. It will kill direct and indirect jobs in that industry. Yet the dean of Agricultural and Food Sciences at the University of Manitoba has pointed out that even if you took all the hog barns out of production, it would not make any sizable dent in the amount of phosphorus in Lake Winnipeg.

Mr. Speaker, I ask the Minister of Conservation again: Is he confident with his strategy, which will hurt farm families and this province's economy? Shame on this minister.

Mr. Struthers: I want the member to know that when Dean Trevan and I met the other day, he was very clear that we have every right, every ability to make these kinds of strong choices and he understands that.

Mr. Speaker, I want to also point out that the member—I think the member needs to turn his attention to page 10 of the CEC report where the commission recognizes that regional imbalances that have developed between the application and removal of nutrients and the potential impact of these nutrients on water resources constitute the most serious environmental sustainability issues facing the industry.

They very clearly said there are regional imbalances that have developed in this industry and that this government needs to do something about it. Well, we are, Mr. Speaker. Manitobans [*inaudible*]. I don't know why the opposition doesn't get it.

Chemical Fertilizer Use on Legislative Grounds

Mr. Blaine Pedersen (Carman): Yesterday, people were applying chemical fertilizer, including phosphorus, on the grounds of the Legislature, including the south lawn next to the Assiniboine River.

Mr. Speaker, will the Minister of Water Stewardship (Ms. Melnick) table in this House the results of the soil tests that were taken to develop a

nutrient management plan prior to the application of the fertilizer, and will she identify the fertilizer blend and the rate at which it was applied? Perhaps everyone can get on board.

Hon. Steve Ashton (Minister of Intergovernmental Affairs): Mr. Speaker, I just love it. Members opposite, you know, they have one set of questions attacking a bill that will make sure that we get a real regional balance in sustainability in terms of our water quality, and then they get up and ask this question afterwards. It's obvious the members opposite don't take the issue of Manitoba's water seriously. They didn't bring it [*inaudible*] in the 1990s.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. The honourable member had the opportunity to put the question. Let's give the honourable minister the opportunity to respond, please.

Mr. Ashton: Thank you, Mr. Speaker. I think the members opposite should also be putting on the record why they've continued to speak out against the water quality management zones, The Water Protection Act. They can get up in question period and ask all sorts of questions which prove they have no concerns about our water in this province, but if the member has very specific questions in terms of this, I'll be happy, on behalf of the Minister of Water Stewardship, to give a detailed response.

I just hope the member will get up now, though, Mr. Speaker, and say that the members are withdrawing their opposition to what we're bringing forward, which is measures to protect Manitoba's water for generations.

Mr. Pedersen: So I take it there are no soil tests, haphazard rates and blends. I find it passing strange that this government is banning food production with moratoriums, applying strict regulations to the farm sector when it comes to applying fertilizer, but can't even tell us today the blend and the rate of the phosphorus which was applied on the lawns of the Legislature.

Mr. Speaker, will the Minister of Water Stewardship (Ms. Melnick) tell this House if data is being compiled on an annual basis about soil nutrient levels on the legislative grounds as well as nutrient run-off, including the fertilizer on the walkway leading down to the Assiniboine River?

Mr. Ashton: Well, Mr. Speaker, the only thing that's clear from the members opposite today, they still don't get it in terms of water quality. They're opposing legislation we're bringing in following the Clean Environment Commission hearings. They're—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. Let's have some decorum here.

Mr. Ashton: Mr. Speaker, any party, the Conservative Party, that has a position that they're opposed to a moratorium in areas of this province where there's already saturation in terms of water quality issues, for them to get up afterwards, it's obvious the member opposite isn't concerned about a detailed response which I [*inaudible*] from the minister.

It's obvious that members don't get it. In the year 2008, either you're for protecting Manitoba's water quality or you're against it. They, Mr. Speaker, oppose legislation that throughout the province will make sure that we have sustainability as principle No. 1. That's their real position. They don't really care about water quality in this province.

Mr. Pedersen: Mr. Speaker, I'll try a little different tack then. It's absolutely astounding the remarks we get. But as a government that likes to ban food production and tell Manitobans what to do but says don't expect me to do the same thing, it's do as I say, not as I do.

Will the Minister of Conservation (Mr. Struthers) have his office investigate to ensure that Government Services will meet buffer-strip requirements for the Assiniboine River? Will he ensure that steps are being taken to monitor and minimize nutrient run-off from the legislative grounds into the Assiniboine, which, when I checked this morning, was still running into the Red River, which still runs into Lake Winnipeg?

Mr. Ashton: Mr. Speaker, the members might also want to check—in fact, if he had bothered to ask this question in Estimates to the minister—that for quite some time we have actually irrigated the lawns at the Legislature using river water, the ultimate in sustainability.

Mr. Speaker, the members should, in fact, recognize that that is a very good principle in terms of sustainable development. We're not using treated water from the waste-water system, and, indeed, I don't think the member really wants an answer anyway. But if he has any specific concerns above

and beyond why we shouldn't be doing that—maybe he feels that what's been a practice for many years shouldn't proceed. Perhaps he can raise that.

But the real question here is: Why do members opposite not get it in terms of water quality? Why are they going to vote against the best protection that we're going to get for Manitoba's water that's going to ensure, yes, the hog industry. It's going to be sustainable. It doesn't ban the hog industry. It has a basic principle of making sure we have a sustainable hog industry. They don't believe in sustainability.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. We have guests in the gallery. We have the viewing public. Let's have a little bit of order in here. The honourable minister, have you concluded your comment?

Building Canada Fund Implementation

Mrs. Leanne Rowat (Minnedosa): I find it passing strange that the minister that was just responding to that can't find a \$250-million budget line in his Estimates.

Mr. Speaker, the Riverdale Community complex in Rivers has reached the end of its lifespan and urgently needs to be replaced. The Town of Rivers met with the Minister of Intergovernmental Affairs (Mr. Ashton), who indicated his support for the project and called it doable. Yet the Minister of Infrastructure (Mr. Lemieux) has told the town that he hasn't got any funding for the complex because this government hasn't signed the Building Canada Fund.

Mr. Speaker, I ask the minister: How much longer will Manitoba communities be deprived of funding infrastructure projects while he stubbornly refuses to sign the Building Canada Fund?

Hon. Gary Doer (Premier): Manitoba's entitlement under the Building Manitoba Fund is on the Web site. It's quoted as \$282 million. Last February, the minister responsible for Transportation, Mr. Cannon, and Mr. Toews promised that that money for the floodway of \$140 million would not be subtracted when the 282 was announced.

Is it the position of the member opposite for Minnedosa that we should subtract the \$140 million from the federal infrastructure money, away from rural Manitoba, Mr. Speaker, or is it the position of the Conservative Party to have the \$282 million and

sign it intact? Subtract or intact? That's the position you've got to take, Mr. Speaker.

* (14:10)

Mrs. Rowat: This is coming from a Premier that gets 40 percent of his budget from the federal government.

My communities are more concerned about getting their infrastructure projects funded, not the battles between him and the federal government, Mr. Speaker.

The construction of a new recreational complex would be extremely beneficial for Rivers and area residents. Facilities like arenas, curling rinks and swimming pools are the recreational backbone of our rural communities. As representatives from the town of Souris have rightly pointed out, they need to get started on the new complex this year. It will take three months for architects to do the drawings, one month to tender the project and work needs to start before fall freeze-up. The clock is ticking.

Mr. Speaker, I ask the Minister of Infrastructure (Mr. Lemieux), again, how many more months will sorely needed infrastructure projects sit in limbo while this government refuses to sign the Building Canada—

Mr. Speaker: Order.

Mr. Doer: Mr. Speaker, the issue is very simple. The member opposite is saying sign a document that's half as much as what Manitoba per capita is entitled to.

Mr. Speaker, is it the position of the Conservative Party of Manitoba to maintain the 282, which is a commitment made in February 2007 by Minister Toews and Minister Cannon, or is it the position of the Conservative Party to take half as much for Souris, Minnedosa, Brandon, Rivers, Swan River, The Pas, Thompson?

Is it the position to sign for 282 which is our position, or 141? What's your position?

Mrs. Rowat: My position and the PC Party of Manitoba's position is to get up and show some leadership and sign the document and do the best deal you can possibly get for our province.

Mr. Speaker, we need a deal signed. We need a leader to show some leadership and sign a deal that will make Manitoba a stronger Manitoba.

Souris and Glenwood community's swimming pool is looking for leadership from this government to get a project completed.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mrs. Rowat: Thank you, Mr. Speaker.

The Souris and Glenwood's community pool is looking for some leadership from this government to start making funding announcements that actually will occur, where they will receive the dollars from this government and not press announcements that will go nowhere, Mr. Speaker. They want their dollars. They want them now. Can this minister do something about that?

Mr. Doer: Well, Mr. Speaker, showing leadership is getting off the picket fence and saying whether you want to sign an agreement as half—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. The honourable Member for Minnedosa had the opportunity to pose her question. Let's give the courtesy to the honourable First Minister to respond, please.

Mr. Doer: Thank you, Mr. Speaker. The issue is will all the communities she has mentioned get half as much money because they have to pay retroactively for the floodway capital after Minister Toews said it will not be subtracted from infrastructure.

Your position is half a loaf for Manitoba. We want the full loaf. That's the difference. That's why we're taking leadership.

Hog Industry Government Strategy

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, showing leadership means taking action.

When the cattle industry was in a crisis situation, Mr. Speaker, the government stood back and did very little. As a result, we lost a great deal of opportunities in the province of Manitoba.

Today we have a very serious crisis facing our hog industry, and once again we see the government not taking the action that's necessary in order to assist our hog producers.

My question to the Minister of Agriculture is for her to be precise in her comments and tell the hog industry how it is that her government, not Ottawa,

that her and her government are really helping the hog industry today.

Hon. Rosann Wowchuk (Minister of Agriculture, Food and Rural Initiatives): Mr. Speaker, I'm really pleased that the Liberal Party has finally recognized that there's an agriculture industry out there, and it's an agriculture industry that's facing very serious challenges.

Mr. Speaker, I can assure the member that I have met with the pork industry, and I have worked with them on a continuous basis. When the pork industry came to us in January and said we are facing a financial crisis, we need cash flow, they asked us to implement a loan program. We put the loan program in place. That is exactly what the producers asked for.

When the producers asked us to write to Ottawa for a targeted advance program, we did, and that money is flowing. Mr. Speaker, when they wanted an adjustment to that, we worked with them. So I assure the member I know the—

Mr. Speaker: Order.

Mr. Lamoureux: Mr. Speaker, I don't believe that the Minister of Agriculture really is in tune with what the average hog producer wants.

Mr. Speaker, they don't want a government to assist them to get into more debt. They don't want more debt. What they want is a government that cares enough for the family farm and the hog industry to get directly involved in assisting them in getting out of this crisis situation.

My question for the Minister of Agriculture is: When is she going to get off her rocker in terms of helping them getting further into debt and start directly assisting the majority of hog producers that are in need today?

Ms. Wowchuk: Mr. Speaker, I would say to the member that if he wants to help the hog industry, he should also listen to them, and I want to say to him that I have met with them on a regular basis and worked out what they want in programs. We have put additional money into the AgriInvest, AgriStability program, and we have worked with the federal government on behalf of the pork producers so that money can flow.

Mr. Speaker, the member may not realize but producers can apply for their targeted advance on AgriStability and get their money now for 2008. That's the changes that have been made to the

program. The producers have also said clearly they are concerned about trade action, and that's why they asked for a loan program to help them with their cash flow and that's what we—

Mr. Speaker: Order.

Mr. Lamoureux: Mr. Speaker, the Minister of Agriculture is assisting them in creating more of a deficit situation. The majority of the farmers are not taking advantage of the so-called loan program that the minister has provided, and there is a good reason. The hog industry needs to have more direct involvement by the government.

Other jurisdictions have recognized that, Mr. Speaker. We have seen the cattle industry and what the lack of action by this government has done. We're losing opportunities in the hog industry, and I ask for the Minister of Agriculture and this so-called New Democratic government to take a more proactive approach at dealing and saving our hog industry in the province of Manitoba, and I'm asking the Minister of Agriculture to start talking with the average hog farmer and doing things as opposed to creating more problems.

Ms. Wowchuk: Well, I can assure the member opposite that I have talked—I can guarantee him, I have talked to more hog producers in this province than he ever has. I know that for a fact, Mr. Speaker.

* (14:20)

Point of Order

Mr. Speaker: The honourable Member for Inkster, on a point of order? Are you up on a point of order?

Mr. Lamoureux: Yes, Mr. Speaker. The minister is imputing motives and no doubt she probably—*[interjection]* Yes, yes, be patient, all right.

Mr. Speaker: Order. I can't hear.

Mr. Lamoureux: The minister is quite right, she probably has talked to more hog producers, but I can tell her I've listened to more.

Mr. Speaker: Order. I want to remind the House, points of order are to be raised when there's a breach of a rule or departure from our practices. Points of order should not be raised for the purposes of debate.

The honourable Member for Inkster does not have a point of order.

Ms. Wowchuk: I would assure the member that McRib's at McDonald's doesn't count either, Mr. Speaker.

This is a very serious issue. Our producers are facing very serious challenges, because of the high Canadian dollar, because of country-of-origin labelling, but we also have to understand that our producers are exporters and they are very concerned about programs that are put in place that will cause a trade challenge. The producers have asked us for a loan program. We have put that in place, and I can assure the member that, indeed, producers are taking advantage of that program. In fact, they have asked us to expand it.

So, Mr. Speaker, he may think the programs aren't working. That program is working as are the other programs which will allow producers to take their payment from AgriStability earlier than they normally would.

Provincial Campsites Improvements

Mr. Rob Altemeyer (Wolseley): No soliloquy from me today, I promise. [*interjection*] Obviously it's disappointed—everyone in room 234 is ecstatic.

Mr. Speaker, I'm wondering if our Minister of Conservation could offer an explanation to the House on how it is he's done such a bang-up job working with his staff to get ready for the new camping season, which has finally arrived after winter.

Hon. Stan Struthers (Minister of Conservation): Indeed, Mr. Speaker, we have been working hard because Manitobans want to, after this long, cold winter, enjoy a good summer in our campgrounds and we've been investing in our campgrounds. We've put four new yurts in at Kiche Manitou campground, two new cabins and upgrades to other cabins at Hecla/Grindstone Provincial Park, 14 more electric-light sites at Betula Lake, 27 new sites at Hnaua campground, 15 new sites at the Whitefish Lake campground.

On opening day we booked over 10,300 sites. Today we're at 18,240 sites. I know that's a good-news story because nobody over there got up and asked me a single question about it.

Mr. Speaker: Order. Time for oral questions has expired.

MEMBERS' STATEMENTS

YWCA Women of Distinction

Ms. Flor Marcelino (Wellington): I rise before the House today to congratulate the outstanding women who were honoured last night at the 32nd annual YWCA Women of Distinction awards ceremony attended by many of my colleagues, including the Deputy Premier (Ms. Wowchuk) and the Minister responsible for the Status of Women (Ms. Allan).

Mr. Speaker, awards were presented to nine outstanding women yesterday evening, and I would like to take a moment to recognize each of them: Christine Penner, vice-principal of St. John's High School, won the Education and Training Award; Vincent Massey Collegiate honour roll student, Gladys Yeung, won the Gerrie Hammond Memorial Award of Promise; Professor Kelley Beaverford, a member of the University of Manitoba's faculty of Architecture and founder of Architects Without Borders won the Business and Professions Award; Trudy Schroeder won the Arts and Culture Award for her work as the executive director of the Winnipeg Folk Festival; Jane Polak-Scowcroft, enrolled in computer and electrical engineering at the University of Manitoba, won the Young Woman of Distinction Award; Margo Goodhand, the first female editor of the *Winnipeg Free Press*, received the Creative Communications Award; Dr. Rayleen De Luca, clinical psychologist professor at the University of Manitoba and advocate for women and children trapped in abusive situations, won the Health and Wellness Award. Nahanni Fontaine won the Community Voluntarism Award for her work on race relations and the rights of women. Dr. Karin Wittenberg of the University of Manitoba, won the Research and Innovation Award for her pioneering work in agricultural sciences.

Mr. Speaker, the recipients of the Women of Distinction awards last night, along with the 49 other nominees, have shown that one individual truly can make a difference in her community. I would ask all honourable members to join me in congratulating the women honoured for their hard work and outstanding achievement at last night's banquet. Thank you.

CBC Soccer Day in Manitoba

Mr. Cliff Cullen (Turtle Mountain): Mr. Speaker, hockey may be considered Canada's favourite pastime, but on May 10, this province will be celebrating another great sport. The Manitoba Soccer Association and CBC have partnered to make CBC

Soccer Day in Manitoba. The day will be filled with activities encouraging all Manitobans to get on the field and participate in this beautiful game. Soccer Day in Manitoba will be an annual event to coincide with the beginning of every outdoor soccer season. Throughout the day, youth and senior men's and women's soccer teams will compete for the inaugural CBC Cup in a tournament beginning Friday and concluding on Saturday. As well, there will be a celebrity beat the goalie penalty kick competition, and dedicated volunteer coaches will be leading skills clinics for inner-city youth.

Founded in 1896, the Manitoba Soccer Association is the body that promotes, develops and governs the game of soccer in this province. Among the many values the association adheres to in its practices is the importance of providing opportunities and access to the game. Prior to Soccer Day in Manitoba, the association has been collecting new and used soccer equipment. Today they donated this much-needed gear to KidSport Manitoba, the Sports Programs in Inner-City Neighbourhoods, known as the SPIN program, and the Inner-City Soccer League.

Of course, it is important to give children and youth the chance to participate in the game and through it they are engaged in constructive activity and learn the values of co-operation, respect and dedication that will act as a positive force throughout their lives.

Soccer is a growing sport throughout Canada with large soccer teams like the Toronto Football Club, Montréal Impact and Vancouver Whitecaps attracting new fans each season. Moreover, soccer is the No. 1 participating sport in the world and, given our diverse population, I have no doubt the sport will continue to grow in Manitoba.

I would like to commend the Manitoba Soccer Association and CBC for creating this special day in the province, celebrating the great sport of soccer and promoting the wonderful influence it could have on so many people. I hope everyone participating enjoys the day and certainly look forward to witnessing soccer grow in Manitoba. Thank you, Mr. Speaker.

Brenda Hasiuk

Ms. Bonnie Korzeniowski (St. James): Mr. Speaker, Manitoba is home to some of the most talented writers in Canada. One of the up-and-comers is a constituent of mine, Brenda Hasiuk.

Brenda made the prestigious short list for a Manitoba Book Award and the John Hirsch Award for most promising Manitoba writer category. The Manitoba Book Awards are put on by the Manitoba Writers' Guild.

I would like to congratulate Brenda on her fantastic achievement in being short-listed. Brenda is an award-winning short fiction writer. She has participated in the Writers' Festival and shared her work and readings with her peers. She is also a published author in the well-known *Prairie Fire* magazine. Her most recent book, *Where the Rocks Say Your Name*, is inspired by Flin Flon, Manitoba. It details eight weeks in the lives of four teens in a northern mining town, a must-read for young people all over the province. I look forward to Brenda's next book.

Brenda is a lifelong resident of Winnipeg and St. James. Born and raised in the community of St. James, Brenda is truly a local success story. She is truly one of the great up-and-coming stars in our literary community. Our province has a wonderful tradition of producing great authors who become well known the world over for their heartfelt writing and characters that we all come to love. I believe that Brenda is a wonderful continuation of this tradition.

I would also like to thank the Manitoba Writers' Guild who remain true to their mission to provide professional and personal support to Manitoba writers throughout their writing lives. Their effort to support and raise the profile of talented Manitoba writers indeed does not go unnoticed. Mr. Speaker, I would ask all honourable members to join with me in congratulating Brenda Hasiuk on her writing achievement and wish her much success into the future.

* (14:30)

World Red Cross and Red Crescent Day

Mr. Larry Maguire (Arthur-Virden): Mr. Speaker, today is World Red Cross and Red Crescent Day. Whether here in Canada or around the world, societies of the Red Cross and Red Crescent have made an impact on millions of lives through the worthy efforts they accomplish. While the origins of this day lie in World War I, the first Red Cross Day was celebrated throughout the world in 1948, and through subsequent name changes, it finally became World Red Cross and Red Crescent Day in 1984. This international movement is not a single organization but rather it is the world's largest

humanitarian network comprised of 186 national Red Cross and Red Crescent societies carrying out valuable activities in almost every country.

The Canadian Red Cross works in every province and territory and provides many important programs such as First Aid and CPR, violence and abuse prevention and disaster management. These organizations follow shared key values: humanity, impartiality, neutrality, independence, voluntary service, unity and universality. Their mission is to improve the lives of vulnerable people around the world and they provide this assistance without discrimination. Nationality, ethnicity, religion, class or political opinions have no consequence in the work the Red Cross and Red Crescent societies carry out.

The global network of the International Movement of Red Cross and Red Crescent societies includes over 97 million volunteers. Their reference in this country and around the world is invaluable. This day is an annual reminder to all of us of the worthwhile work they accomplish. When we hear tragedies around the world and people are in need of aid, Red Cross and Red Crescent organizations are amongst the first in the area and their assistance is always required.

Even while the full extent of the devastation remains unclear, thousands of Red Cross volunteers are working in Myanmar to support countless individuals affected by the cyclone that recently hit the country. With entire towns practically being wiped out, millions displaced from their homes, the work done by the volunteers ensures clean water is provided and shelter kits are reaching those in need. Our prayers and thoughts are with the victims of this terrible tragedy. Thank you, Mr. Speaker.

George Smith

Ms. Erna Braun (Rossmere): Every year the Premier (Mr. Doer) recognizes some of Manitoba's most outstanding volunteers at Volunteer Manitoba's annual awards dinner, held this year on April 30.

I was very pleased that a constituent of mine was awarded the Premier's Volunteer Service Award for Winnipeg in the individual category. Retired firefighter and community leader, George Smith was nominated by Alex Forrest, president of the United Fire Fighters of Winnipeg.

Being a firefighter is a job that is selfless, in and of its own right. After a long and distinguished

career with the Winnipeg Fire Department, George has continued to give of himself to the community.

George has led the department's very successful annual Toy Mountain campaign for two years. The Toy Mountain campaign collects new, unwrapped Christmas toys for children. All fire stations in Winnipeg and the training academy collect toys that are then donated to the Salvation Army and gifted to children in need.

George is the driving force behind the campaign. The Toy Mountain campaign collects over 17,000 toys valued at over \$272,000 for charity each year. We all know how a precious toy can bring a smile to a child. This extremely worthy cause brings smiles to a great many children.

His work with the Toy Mountain campaign is only one example of George's commitment to our community. During the 1997 flood of the century, George volunteered with the Salvation Army in supplying food and beverages to dike workers. It is obvious that George has a heart that goes out to anyone in need of comfort and consolation.

Mr. Speaker, together with firefighters chaplain, Mark Young, George has established a firefighters support group. This organization, unique in Canada, offers support and assistance to both active and retired firefighters and their families as they struggle with loss, illness or injury.

Last year, George volunteered to plan the memorial for the two captains of the Winnipeg Fire Department who tragically lost their lives while battling a blaze in St. Boniface.

Mr. Speaker, I ask that all my honourable friends join us in acknowledging and thanking George for his tireless effort, energy and compassion towards making our city and province a better place for everyone.

ORDERS OF THE DAY

(Continued)

GOVERNMENT BUSINESS

House Business

Hon. Dave Chomiak (Government House Leader): Mr. Speaker, would you please canvass the House to see if there is agreement for the House to sit until 6 p.m. today, with the understanding that this is to complete the Estimates, and, indeed, if the Estimates time is completed today, then the House will not need to sit in Estimates tomorrow.

Mr. Speaker: Is there agreement for the House to sit until 6 p.m. today, with the understanding that this is to complete Estimates, and if, indeed, the Estimates time is completed today, then the House will not need to sit in Estimates tomorrow? Is it agreed? *[Agreed]*

Mr. Chomiak: Mr. Speaker, I thank the House and yourself.

Would you also please canvass the House to see if there is agreement that, on Monday, all government bills that are listed for second reading are to be moved for second reading, with the understanding that the bills will be adjourned for debate, and, if not completed Monday, will be completed Tuesday.

Mr. Speaker: Is there agreement that, on Monday, all government bills that are listed for second reading are to be moved for second reading, with the understanding that the bills will then be adjourned for debate, and, if they're not completed on Monday, they will be completed on Tuesday? Is there agreement? *[Agreed]*

Mr. Chomiak: Mr. Speaker, I thank the House for their co-operation and your assistance in moving these matters along.

I'd like to ask that the House be resolved into Committee of Supply.

Mr. Speaker: The House will now resolve into Committee of Supply. In the Chamber will be Competitiveness, Training and Trade; Room 255 will be Science, Technology, Energy and Mines; and Room 254 will be Family Services and Housing.

Would the respective Chairs please go to their appropriate rooms.

**COMMITTEE OF SUPPLY
(Concurrent Sections)**

FAMILY SERVICES AND HOUSING

* (14:40)

Madam Chairperson (Marilyn Brick): Will the Committee of Supply please come to order. This section of the Committee of Supply will now resume consideration of the Estimates for the Department of Family Services and Housing.

As had been previously agreed, questioning for this department will proceed in a global manner.

The floor is now open for questions.

Mr. David Faurischou (Portage la Prairie): I appreciate the opportunity once again to participate in the Committee of Estimates regarding Family Services and Housing.

I understand that it is now the opportunity to ask questions of the Housing section of the minister's department.

Madam Chairperson: Yes, that's correct.

Mr. Faurischou: Thank you very much, Madam Chairperson. I will ask questions specific to Portage la Prairie, as it is my responsibility to do so.

The current situation facing the regional health authority in Portage la Prairie is the dire need for supportive and assisted living facilities. The RHA is extremely hard-pressed to find capital dollars for bricks and mortar, and it has been suggested that, potentially, Manitoba Housing Department could make available one of the existing properties that Manitoba Housing has in Portage la Prairie, or even partially make available, for these very, very needed accommodations. I would like to ask the minister: Has he had any opportunity to see this type of arrangement made with regional health authorities anywhere else in the province?

Hon. Gord Mackintosh (Minister of Family Services and Housing): Perhaps the member could just clarify. Is he suggesting that he would like to see supportive living options, in other words, a partnership with the regional health authority, or is he looking for office space for the regional health authority? And the second series of questions for him would be is he talking about a current place where there are vacancies, for example, or is he looking at empty land?

Mr. Faurischou: Well, I suppose my question was more general than perhaps it should have been. Let's take, for instance, the Stevenson complex *[phonetic]* in Portage la Prairie, which Manitoba Housing has. It is in close proximity to the hospital and clinic. There are identified more than 30 individuals that require supportive and assisted type of services from the RHA. I know that Regency towers has been converted to like a 24-hour care services, but not of the intensity to which supportive and assisted living's needs being addressed.

It was a suggestion that potentially this type of conversion might be made, but I should have perhaps asked also the question, are there significant vacancies at the present time in Manitoba Housing facilities in and about Portage la Prairie?

Mr. Mackintosh: We're getting better at breaking down these interdepartmental barriers. Marcia Thomson is—I never introduced everybody again. Deputy Minister Martin Billinkoff, and Joy Cramer, Brian Brown, comptrollership—ADM for Joy—and Marcia Thomson is the head of—she's been a senior official at Manitoba Health and now is heading a new initiative called the Cross Department Initiative program to get rid of any barriers between Healthy Living and Family Services and Housing so we can do just like the member envisions.

We're working away at trying to crack this nut in a different way. So what the member is suggesting, I certainly respect that interest. I'm advised that we haven't had any proposal yet from the RHA or from any other organization or stakeholder, but we would be pleased to entertain one. We have three initiatives right now outside of Winnipeg that are similar to what the member is suggesting. The one that's known publicly is the Yellowhead Manor over in Neepawa.

We're more than happy to have some discussions with the RHA. I just don't want to go knocking on doors where they might not easily open. I don't know if it's a priority for the RHA, but if the member has advice that we should go over there and see what's up, and if they have an interest in partnering, we'd be happy to do that. Perhaps, if the member can share anymore, whether he's had his ear filled on this from some sources or not, I'd take his advice.

Mr. Faurchou: I thank the minister for the opportunity in future to dialogue further with specifics. I know there have been personnel retire, and this issue seems to just be spinning in circles right at the present time. Originally, there was the Lions Club that was coming forward in Portage with housing, and then there was the passing away of the president. So this issue has not gone away, although it has been seemingly mired and not moving forward in recent times. I'll leave that point.

The other is a consideration as well. I'm glad the personnel is at the table and the initiative has been made to cross boundaries of departments. There was also discussion as well with the crisis centre, the women's shelter in Portage la Prairie. Just down the street is Oak Tree Towers, which is owned by Manitoba Housing. There are out-cottages outside the main tower. We have situations where women and their children are in need of a little longer term stay to stall off the crisis situation that exists at home. The abilities are only of a short-term nature in the current women's shelter. This is something I want

to leave with the minister as well that could potentially fill a vitally important need that has yet to be addressed.

If the minister wants to comment, I could move on from here.

Mr. Mackintosh: Well, when we came into office, there was a restriction on the number of days that a woman or a family could stay at a shelter, and that was lifted. So, if there is some local regulation being applied at the Portage centre, we'll certainly look into that one. I know there have been a lot of changes there with the board and administration. So I will ask the Family Violence Prevention Program people to make some inquiries to determine if they have some restriction.

What also might be relevant to the answer is that we do have a policy in Manitoba Housing to give priority to women and families who are coming out of shelters. That also might be part of the solution that the member seeks. So the shelter, though, can be key to us being informed of the need in the area for a family. So we'll make some inquiries on the member's behalf.

Mr. Faurchou: I truly appreciate the minister's response. Although the extended stays are still available to those women and their children, the current shelter construction is not conducive to family, and these smaller, outlying cottages that Manitoba Housing has, is more of a home-like atmosphere that the shelter does not afford. This is more like a transition back to, and yet still affording the security and support of the women's shelter, which is still needed.

* (14:50)

I'd like to move on and just ask the minister about availability of housing in and about Portage la Prairie. Is there significant vacancy at this point in time or is there a waiting list?

Mr. Mackintosh: This question does fit in with the earlier question about whether supportive housing options may be something we could explore, because there are some vacancies in Portage. It appears that the supply is greater than the demand, at least for now, which I think is heartening to the member's interest here.

I understand that, first of all, outside of Zelana Village—Villa, I correct the record—there are about 20 vacancies currently. Within Zelana, there now is a re-tenanting strategy that is proceeding. I understand,

actually, that the six new tenants have been identified for the coming month, for this May. So we're seeing a rejuvenation of that community as a result of efforts that have been made but I think there is an issue then of demand locally. If there is pressure on the seniors' side with regard to places that would have more support, then perhaps the member has just facilitated something that can evolve into a useful housing feature for Portage.

Mr. Faurchou: I thank the minister for his response and, indeed, I think it is timely. What also exists in Portage la Prairie is, the community has always welcomed those individuals leaving the residence of MDC and entering into community living in Manitoba Housing, though it is a concern when an apartment-type configuration exists and persons enter into residency there, where formerly it was a residence of only 55 or 60 years-plus. Admittedly, there is a concern from seniors of persons residing within the complex that are exhibiting a lifestyle or mannerisms that can cause concern to seniors.

I'm asking the minister if he and his department could pay a greater attention to having a community that is maybe more homogeneous than currently exists. If a facility is indeed earmarked for seniors, then I believe the department should recognize that fact and attempt to maintain the status to the benefit of all the seniors residing in the complex.

Mr. Mackintosh: The department is finding there's less of a demand for seniors' accommodations in Manitoba Housing, but, even in the face of that, over the last year or two in particular, there's been some re-conversion of some units. We're not sure about Portage la Prairie. I know that in Winnipeg and Brandon, for example, there've been some complexes that had mixed populations and are now being turned back to a 55-plus population or demographic.

Mr. Faurchou: Well, I appreciate the department is recognizing that persons do want to be within their own social grouping. It's important to feel safe and comfortable in their residence.

Might I just ask, is Addictions Foundation and residency program that is in Portage la Prairie, is this within the minister's portfolio? The Addictions Foundation of Manitoba youth residency in Portage la Prairie.

Mr. Mackintosh: No. That would be Healthy Living.

Mr. Faurchou: Thank you. Further to the vacancies, I would also like to ask the minister: Are

there significant arrears owing by current persons occupying Manitoba Housing units in Portage la Prairie?

Mr. Mackintosh: I mean, aside from the Zelana situation, which the member is aware of, going back to, what-'96? We've reactivated discussions, correspondence to the federal government to have that resolved. The member recalls this. But there's no pattern of arrears in Portage that's different than any other community.

Mr. Faurchou: Being that the Zelana complex is the unique, what is the policy currently for government as far as payment arrears for Manitoba Housing residents?

I just want to assure the minister that this is not a trick question, and I'm not looking to trip the minister up. It's just to understand on my behalf the current policy and making certain that it is being applied equitably amongst all Manitoba Housing residents.

Mr. Mackintosh: I was just looking for some numbers that I had in terms of evictions across the province. It's not very current here, but I notice that—I think probably the fairest way to answer the question is that the eviction proceedings, of course, are subject to The Residential Tenancies Act, and usually an opportunity given to the tenant to correct the arrears, and then there are rights under the act that can be exercised.

* (15:00)

But I just see, there's a note going back, actually, to last April. It says there that 11 tenants around the April '07 time period issued a warning letter, a notice of termination, or agreed to an RTB-mediated agreement to vacate, so those are obviously the remedies that the MHA pursues.

Mr. Faurchou: Yes, well, I do understand that there is, perhaps, latitude in various circumstances, but there is a specific case that perhaps I can discuss with the minister at a later date. But harkening back to the minister's statement regarding the uniqueness of the Zelana Village involving displaced persons from the Waterhen First Nations, Stoney First Nations, if you will, more currently named, and discussions with the federal government. Could the minister, perhaps, bring me a little bit more up to speed as to where those discussions are?

Mr. Mackintosh: I want to see this matter resolved. I mean, it's been 12 years or more of issues there, but

we think—clearly, I think the position of the former government, this government, is that there's a role, an important role for the federal government to resolve this matter. These are individuals displaced from a First Nations community, and I think attempts were made starting under the Filmon government. We're going to try and reactivate this with the federal government to get this behind us. So we sent correspondence to the federal minister from my desk asking for attention to this one with a view to resolution. We will be following up.

By the way, I undertook that I would let the member know last year in discussions on Zelana, if there was anything that he should be made aware of. So I will undertake again that if there's any activity that he should become aware of, I'll advise him. But, in the meantime, there are efforts being made to do necessary upgrades and to repopulate Zelana and perhaps the member can be part of that solution.

We were talking about having some kind of a more proactive, sort of a strategy in terms of raising awareness of the availability of these units in the Portage area. There may be some opportunities for some organization to partner in some way with us on that. So perhaps the member can just put that in his back pocket and give some consideration to that. He knows the community far better than I do.

Mr. Faurshou: I truly thank the minister for opening the door to community involvement. I know that his department has been very accommodating for parent resource centre, Lighthouses-type programs, as well as security for that complex and designated units for those purposes. If the department could acquaint themselves with Principal Naish at the North Memorial School where he and his staff have been extremely proactive in creating programs before and after school for the area residents—I think would be a tremendous resource in seeking out counsel as to how best to serve the community. So I encourage him to do so.

The North Memorial School has been reconfigured insofar as grades. It's an elementary school and has been very, very engaged with the community. So that's why I make mention of Principal Naish and his staff.

Mr. Mackintosh: We are going to advertise in the area, but I understand that there's been dialogue with Principal Naish over the last couple of years or so, but if the department says yes, they'll connect. So we'll see what we can do. I think there's an opportunity here, quite frankly. The Waterhen

population is declining rather significantly, I understand. So there are some opportunities here to repopulate and serve the community in ways, perhaps, we hadn't thought of before.

Mr. Faurshou: I thank the minister for his responses and look forward to further dialogue regarding the different issues.

I'd like now to yield the microphone to my colleague from River East.

Mrs. Bonnie Mitchelson (River East): Madam Chairperson, I will just start by—I want to thank the minister for the information he provided for me this morning. I find it passing strange that a lot of the information was asked for in last year's Estimates. I received it a couple of hours before we were going into Estimates this afternoon, but, nonetheless, I will have an opportunity to read through it and inform myself with what has been provided, what hasn't, and maybe we'll have to request some more information from the minister.

I would like to just turn to some of the issues that I have written to the minister on or some Freedom of Information requests that haven't been responded to, and ask whether the minister might indicate to me—I know that two of his staff were terminated and one retired as a result of investigations that took place around inappropriate activity on the part of the staff. The minister did indicate that the Department of Finance and the Civil Service Commission were both doing reviews. Could he indicate whether those reviews have been completed and what the findings of those reviews were?

Mr. Mackintosh: You'll have to just let the member know that part of the thinking around getting the questions answered on the North End Housing Project, we may have some discussions on that organization. That organization is undergoing some significant restructuring, and I didn't want to get the current board members to her. I had intended to try and get that to her earlier, but we can make best use of that information perhaps. I'm sure there will be more questions.

There was a comprehensive investigation, I'm advised, related to allegations regarding perceived or actual conflicts of interest that were conducted by the Labour Relations Division at the Civil Service Commission and the Department of Finance. Within Finance, it's called the Internal Audit and Consulting Services.

As a result of that investigation, two of the three were dismissed from their employment and the other one, as the member said, retired. Further to that, I'm just advised that there are further inquiries being made in terms of whether there was any impact then on the value of services provided by a related contractor that was part of the scenario. I'm also advised that a report is expected in the next six weeks or so because it's important to determine whether, in fact, there were any actual financial implications as a result of the actions by the employees.

* (15:10)

Mrs. Mitchelson: Can the minister indicate to me why the two employees were terminated? Was there a reason? There has to be a reason why they were terminated. Can he indicate to me why that occurred?

Mr. Mackintosh: I'm going to be careful because, of course, the privacy rights and appeal rights and so on of these individuals.

In the public interest, I think it's important to draw the conclusion at this table because the investigation was into allegations regarding perceived or actual conflicts of interest. The fact that they were dismissed bears out that there was a finding of perceived or actual conflict of interest. I think that would be self-evident from the nature of the investigation and the outcome then. I don't think I'm breaching any privacy issues by doing that.

Mrs. Mitchelson: I guess it's important in the interest of taxpayers who put their trust in government to ensure that programs are being delivered and their tax dollars are being used appropriately.

I think we should be able to expect a little more information from the minister. Can the minister indicate to us what appeal process he might be talking about?

Mr. Mackintosh: The pre-eminent option for a person dismissed like this would be a lawsuit, wrongful dismissal. I did see some draft response to the member's question on this one. I wanted to assure her and assure myself that we could be as fulsome as possible in responding in light of the concerns about privacy interests.

One thing that I think is important to clarify at this point is that, until we find out anything more, there was no evidence discerned from the reports. I'm advised of a loss of tax dollars, but that is going to yet be determined by the further inquiry into whether

there was a value for services provided under the contract.

Mrs. Mitchelson: What is the nature of the further inquiry? Maybe the minister could explain that.

Mr. Mackintosh: The internal audit that Finance is looking at the contract in question; what was paid for, what was contracted for. In other words, was there a fair practice, or was it influenced by any conflict of interest so that there wasn't full services provided for the dollar.

Mrs. Mitchelson: I'm not sure if I'm satisfied yet with the answers the minister has given me.

How long does the department wait to see whether there's any appeal? The minister indicated that that would be through a lawsuit. Does that mean that indefinitely we would have to sit and wait? Or, when were the employees terminated and how long do we have to wait until full disclosure can be provided to taxpayers?

Mr. Mackintosh: I think the primary consideration is just the long-standing practice of safeguarding or protecting the privacy rights of individuals. I recognize it has to be weighed with public-interest considerations, which is what I'm looking at with regard to the response to the member's question, and to say it's important that we be as fulsome as we can without getting into privacy or legal difficulties as a result of the answer.

That's the main consideration. That's why I'm being a bit careful today, until I've got full assurances as to what the privacy rights are. I would like to let the member know, by way of correspondence or today as much as I can, but I don't want to prejudice the taxpayer on the side of getting into breaching any confidentiality requirements that are imposed on a public employer.

Mrs. Mitchelson: Is the minister confident that the conflict-of-interest issues that presented themselves in this case have been cleaned up within his department and that there are proper processes in place now to ensure the same kind of activity doesn't occur again?

Mr. Mackintosh: That was the primary consideration following the revelation of these allegations. There were a number of deficiencies discovered by KPMG in terms of how we pursue procurement in Manitoba Housing. One thing was, of course, to separate out that function; director of procurement, separate procurement function is part of that.

Actually at the time that this was alleged, there had already been advances made and checks and balances put in place; this situation was nipped in the bud, I can say. In fact, I think one or two of these individuals had only been in the employ of Manitoba Housing for a very brief period of time, one for a matter of days or just a few weeks, a month or so.

Mrs. Mitchelson: I'd also like to ask the minister to comment or see whether he's had time to review a letter I sent to him just in April of this year, an issue that his department has been dealing with for a while, and that is an individual or a family—Ernest and Rochelle Cucheron, whom I have had the opportunity to meet and to visit their home, a home that was renovated, that they purchased through the home ownership program which they were very pleased to get, but you can understand that, when people have received support, they're very reluctant to come forward. I think some of the issues that Ernest and Rochelle are facing in their renovated home are issues that need to be addressed.

This was a home that was purchased through the North End Housing Project. There were significant deficiencies; I visited the home when it was an extremely cold day and the wind was whistling through the windows. I had a tour of the house and found that there were many things that were deficient in that home. At their own expense, after just having been in the house for two years, they had to replace all of the windows which was a significant burden for a family, understandably, that needed the support of this program in order to purchase a home.

* (15:20)

They showed me several other deficiencies; they worked and tried very hard to get some response from the North End Housing Project, from the contractor that did the work. I know they had been in contact or tried to communicate with the minister, the Department of Housing (Mr. Mackintosh), the Premier (Mr. Doer), the Member for Point Douglas (Mr. Hickes), who represented them, and they weren't getting calls returned.

Anyway, I guess I felt the last resort when there was no one that was providing any support for the Cucherons, that I would write to the minister. I wonder if he could bring me up to date on whether, in fact, he's had a chance to review this and what he feels his role, or the department's role, should be when taxpayers' dollars are being used for these kinds of programs. I'm sure the minister realizes that this is the first home that these people have had the

opportunity to purchase and they were thankful for that opportunity, but there's a significant burden left for them as a result of inadequate workmanship that was done.

I would ask the minister if he might comment whether he's had a chance to look or speak to the Cucheron family or whether anyone in his department has had a chance to review the circumstances and provide some answers to them.

Mr. Mackintosh: Yes, we made the inquiries as a result of contact by the family in question and later by the member. It's my understanding that this was a purchase in 2005 and to make a long story short—we can get into all of the details in terms of the warranties and checks and balances that go into this, we could do that—but it's my understanding that as of May 6, the North End Housing Project has advised that the contractor has now completed all the required work with the exception of countertops, which are currently under way. It looks like this is being remedied as we speak or has recently been remedied in the last week or so.

Hopefully, that will provide some satisfaction which appears to be have been overdue for this family.

Mrs. Mitchelson: I guess I would just ask the minister, based on this experience, and I was rather appalled when I had the opportunity to meet with the family to tour their house on the shoddy workmanship that did take place in the repair of this house and the renovation of this house.

What role does the department play in trying to ensure that the dollars that they are providing in grants and supports to organizations are being used in the most appropriate manner and are there any repercussions as a result of this? Has the minister satisfied himself? Have they done any random or spot checks of any other renovations of this magnitude to see whether the dollars were expended appropriately?

Mr. Mackintosh: Well, I asked the department if there was a pattern here of shortcomings or complaints. I think that's the best measure of whether there's a systemic problem either with the particular builders or with any of the community organizations that sponsor these. I've been advised that there have been no more than a handful of complaints out of 148 units for North End Housing Project. In fact, one of them, though, was with respect to an experimental energy unit, furnace, but, I think, too, we have to

recognize that, when we're seeing the rehabilitation of very old homes, some hundred years old or so, there are some inherent risks in trying to upgrade them. Even in light of that, quality control measures are important.

I think that what we've seen, particularly over the last two or three years, are some improvements to both the standards and the inspections. This is what I'm advised by the department, and, you know, whether it's the City of Winnipeg inspection staff, or if there are R-2000 standards that are to be met, then Hydro inspects it. As well, of course, the project management staff is to inspect it, so those checks and balances should take care of these issues.

I think the issue with this family appears to be a lack of timely response to a complaint there, so I hope it's been remedied now and, at the same time, I think we always have to be vigilant if there are systemic issues, but it doesn't appear to be the case. I understand there were two infills and there were some challenges with the builder on that and that builder was never used again. That was some time ago, though. Hopefully, this will remedy the situation for this homeowner.

Mrs. Mitchelson: So am I to understand from the minister that the handful or so of homes that there were some issues with have all been dealt with and remedied to the satisfaction of the homeowners, and any complaints that have been forthcoming have been dealt with?

Mr. Mackintosh: I don't want to pre-empt what Mr. Cucheron's view may be of the work done last week, but I'm advised that the other four complaints have been remedied to the satisfaction of the homeowners. It's the best information that we have.

Mrs. Mitchelson: I'd just like to move on to Carrigan Greencrest and I know that the minister and I have had some correspondence and he has responded to me, but I would like to ask him where the mould issue is at Carrigan Greencrest. Have all of the units been fixed and has all the mould been removed from all of the facilities?

Mr. Mackintosh: There was, certainly, according to my notes, a pattern of visible mould in almost, like about half the units there in May of 2006. As a result, there was a decision made to begin capital rehabilitation of the complex.

* (15:30)

Madam Chairperson, \$1.7 million was earmarked for that project for a complete interior renovation, and in an innovative way, using not only private contractors as is the usual course, but also the North End Community Renewal Corporation to provide some training. I think that's been a win-win.

My note is dated April 7. I shouldn't just rely on that. I mean, I've been there. I've got a tour of the project. My note as of about just over a month ago indicated that 50 units now have been completely—well, this is the latest. All but three have been completed. Geoff Bawden, by the way, joins Manitoba Housing and he's general manager of MHA. So we've got three to go: two by the 15th of May; the other one is into June, the last one.

There were, to my frustration, some relocation issues. There was some reluctance by—I'm not begrudging them, it was a challenge to work with the residents to ensure that they were all accommodated to their satisfaction while the rehabilitation took place.

So there were some time lines that had to be flexible in order to accommodate these families' needs, but I understand, then, that that's good news. But it's really quite extraordinary to see the complete rebuild of all of these units. Everything inside of it. So there's installation of electric forced-air furnaces, mechanical crawlspace ventilation. This is responding to what were identified as some inherent structural problems that were increasing the risk of mould at that place just based on the construction of it.

What I saw there, of course, were complete new kitchens. All new kitchen cabinets, new flooring, all new bathrooms. So that is the result of that investment.

So, essentially, except for the exterior shelves, everything has been rebuilt there.

I mean, there's a broader issue, though, in terms of mould. Manitoba Housing has hired an environmental officer to take the lead and to coordinate strategies on remediation, but also on prevention and tenant education.

What we did for the first time in light of ongoing concerns about mould and to try and deal with this once and for all was that Manitoba Housing went and they inspected every unit. They did that proactively. Last August it was completed. What was discovered was that almost all of the mould really was bathtub mildew and mould around some windows. Manitoba

Housing then went to remediate it; we're over 99 percent remediated now, but what the lesson there was, there's a real keen—there's a real need for tenant education and prevention and interventions early on. I should learn from this for my own house. But there has to be, clearly, a cleaning of the mildew when it starts to form around the bathtub and the windows; otherwise, it does grow and it does become, you know, ingrained to the drywall and becomes then expensive for taxpayers to clean that up.

With that in mind, we're just concluding now the tenant package for mould—yes, the information and training that's going to go along with BUILDING Foundations for a much more vigorous tenant education initiative because, you know, it's a shared responsibility. Manitoba Housing, I think, now has a much more efficient and responsive system in place to deal with this, but we really need a stronger partnership with our tenants as well.

Mr. Bawden advises that the next round of unit inspections is now beginning. We'll see how well we've done one year later, which is going to proactively look and seek out mould.

Mrs. Mitchelson: I know that there were some issues around the heating bills in Carrigan Greencrest. That was an issue that was brought to my attention. Was the minister aware of that, and has there been any assessment of the cost of heating? It appeared from what I had heard, and I would ask for the minister's take on this, whether it was as a result of renovations that the heating bills increased significantly, and they were having difficulty.

Mr. Mackintosh: When I went there, I had some discussion with the caretaker about that, and we've had some ongoing discussions with the department. The electric forced-air is providing warmth underneath the floorboards and in a way to heat the units from the bottom up to guard against any mould development. It's very good heat.

Now, electric forced-air can be more, marginally more, costly than baseboard heaters, but that can be ameliorated by a proper understanding of the adjustments. There's the baffle adjustment that tenants have to be aware of and able to manipulate to their advantage. So we've assigned staffing resources to work with the residents in terms of how to adjust their heating so that it guards against any undue expenditure. This will take place over the course of the summer because we just had the first experience with it, really, over the last number of months.

Mrs. Mitchelson: Madam Chair, I'll just ask the minister how the bedbug issue is doing in Housing facilities, and are we getting on top of it?

Mr. Mackintosh: This is where we all start to scratch.

First of all, I want to take this issue on in this way to start with. It's really important that we, all of us, not be always sending messages that only Manitoba Housing units have bedbugs. The member's nodding, I know, but we have to watch sometimes because it looks—we are responsible for public housing and so the questions are proper. They're appropriate. I don't want to suggest otherwise, but it is really important to recognize that the outbreak of bedbugs is a worldwide phenomenon. It's one that has hit North America hard in the last three years in particular. You can't go on the Web sites now without seeing the serious infestation issues.

Now, in Canada, we have been hit as well. Unfortunately, the federal government, I understand, has banned—and I'm sure appropriately—some pesticide that had been effective—more effective—in guarding against these bedbugs. That's a report that has come to my attention, but it also is difficult to do the eradication with the available chemicals without putting in place safeguards for human safety when we're talking about bedrooms, for example, living places. It's not like they're industrial places and we can go in and just do major fumigations, so there have to be repeated treatments. The bedbugs are across community. They're in high-end hotels across North America. They're on luxury liners. So it's not only in Manitoba Housing.

*(15:40)

But, of course, what's important to Manitoba Housing is the responsiveness then of Manitoba Housing to the control of bedbugs. I know that's what the member's getting at. I note the member had sent on some suggestions from a contact, and we've sent that over to the department, Ms. Alway [*phonetic*], and that will be looked at.

This year alone there's been an allocation of \$1.2 million for pest control. We now have for the first time a new pest control co-ordinator, Mr. Funk. We've got, as of January '08, a new pest management team to oversee the control process. I understand that there is to be a dedication of seven staff to that team. They've just implemented a comprehensive strategy for all MHA buildings that includes inspections

every 30 to 45 days and treatments every 14 to 21 days as deemed necessary.

The other part of this—there's some symmetry here, obviously, with the mould issue—is the need to engage residents in being part of the solution, again a shared responsibility. Informational sessions for residents are held, then, when there are any infestations identified in any of the projects. A pamphlet has been developed. I think we are ready for print on pest control pamphlet. It has information about preventative measures and life cycle.

We've also got a bedbugs control advisory committee. This is going really high-end now with representatives from all three levels of government, including representation from the MHA. So this is being taken very seriously. We are looking at different techniques, always keeping up with trying to get right up with all the latest technology by consultation with the private sector, City of Winnipeg inspections and the federal government, I think.

Now, there's another angle that we've been scratching at dealing with them. That's not the right way to say it, but we're also just beginning to start on some consideration of how we can work with the resale stores, have some discussions with that sector. For example, I know of one or two situations that have come to my attention in the last several months where there were indications that there had been eradication and then they showed up again. So there are some questions as to if people are bringing in blankets or other materials that may be infested back into a clean unit, then obviously we have to work not only with tenant education but perhaps we can have some agreements with the resale stores. How that would look, I can't pre-empt that. But, you know, is there some agreements that we can enter into, some techniques to deal with it. So that's sort of where it's going now.

Mrs. Mitchelson: I think we are all certainly concerned, and I'm glad that the minister clarified that it certainly wasn't my intention to indicate that Manitoba Housing was the only place where there were bedbugs. But there is a responsibility when government owns the properties to take the issue seriously, and it sounds like there are some things that are moving along that will hopefully have a positive impact on the situation, nothing any of us like to see.

Could the minister indicate to me, there was a Freedom of Information request sent on January 30—

oh, pardon me. I guess on January 29, and it asks for a complete list of all purchase orders made by the department, including the name of the individual or business who was paid and the value of the purchase order for three years. We received a response back on February 20 indicating that there needed to be an extension of 30 days to comply with this request and to date we have seen nothing.

I'm wondering whether the minister might be able to indicate to me—and one of the reasons for the 30-day extension was that this time was needed in order to consult with Manitoba Infrastructure and Transportation prior to determining whether access could be granted. We have had no response to that and it's now May. I'm wondering whether the minister might be able to shed some light on why that information hasn't been forthcoming.

Mr. Mackintosh: The best advice I'm getting is that we'll just have to get back to the member on where it is because we'll have to just do an examination as to if it's over in some other department or if people understand the timelines or not. But we want to get that back to the member.

Mrs. Mitchelson: Madam Chair, can the minister explain to me what the policy around purchase orders is and what purchase orders would normally be used for in the department?

Mr. Mackintosh: I'm advised that the policy is that purchase orders are used for smaller items. For example, the usual is for responding with services to tenant complaints. For example, there's a broken toilet or there's something like that that has to be repaired. Then it would go to Manitoba Housing and a vendor would be contacted from the list.

Mrs. Mitchelson: Was there any sort of tendering process for purchase orders or is there a list of contractors? How does that work?

Mr. Mackintosh: I'm advised that under 700—it could be a purchase order over 700; there should be three quotes.

Mrs. Mitchelson: Could I ask the minister to clarify that? Was that 700 dollars or what?

* (15:50)

Mr. Mackintosh: There is also another creature. It's called a standing service agreement. There may be a contractor who actually does tender though—or it's tendered out, and then, once that person is awarded the tender, that contractor can be contacted from time

to time to do different jobs that may be over \$700 on a job.

But it's at a fixed price because that's how the tender came back, with a quote. But 700 is \$700, including taxes.

Ms. Erna Braun, Acting Chairperson, in the Chair

Mrs. Mitchelson: So should this be my understanding, then, that there would be purchase orders only for under \$700, or would there have been purchase orders for larger amounts? I mean, I've just heard some rumours that purchase orders have been used pretty significantly rather than contracting processes that should have been in place, so I'm just wondering if the minister could get that information for me.

Mr. Mackintosh: The term "purchase order"—a simple purchase order is used for 700 and under, but if it's over 700, there can be a contract but it has to be tendered, over 700, or there has to be quotes. There has to be a process, but it's still called a purchase order.

If it's over 700, the purchase order is just the method of—it's just, I guess, the name of the document for actually concluding the contract. It's matched to an invoice.

Mrs. Mitchelson: So, then, if we were asking the department for a list of tendered contracts or untendered contracts, any contracts that were entered into via a purchase order would not be provided under that process. Would I be correct in assuming that?

Mr. Mackintosh: I'm advised that's correct. If it's under 700, it would not reported as an untendered contract. That's a different beast.

Mrs. Mitchelson: But I'm not sure the minister answered my question. I have, in the past, asked for and received from the department a list of tendered contracts.

My question to the minister is, if I ask for that list, would those contracts that were entered into under a purchase order be included in that list, or would they not be included for public disclosure because they were purchase orders and not contracts?

Mr. Mackintosh: I want to make sure the questions are answered accurately. As a result of the flow of oral discussions here, I want to make sure that the member knows the criteria for each category and

when tenders are required and when they're not, and when they're called a purchase order and otherwise.

So I've just got assurances that, in the next day or so, we could provide a one page or whatever it takes just to describe the different categories as to when a contract has to be tendered, when an arrangement is a purchase order. If there are any other questions on this, if the member could put it on the—if she's okay with that, because I think that's the fairest way to go. I just want to make sure everything is accurate for the member.

Mrs. Mitchelson: I'd like the minister's absolute commitment to get the information to me and I will tell him what I would like. Because we have a Freedom of Information request that is outstanding from January and we're looking at new privacy legislation which is probably going to be worse rather than better in providing information to members of the public and to members of the opposition, I would like a commitment from the minister.

Really what I'm getting at is, because I have heard that the department has used on a fairly regular basis purchase orders for larger projects than the \$700 and that those purchase orders would, in fact, not be disclosed if I was to ask the question, is it untendered or tendered, and that if I ask for a list of tendered contracts, even tendered purchase orders would not be provided to me because they were entered into under a purchase order and not a contract.

So I'm asking for clarification around that, and if, in fact, that has occurred, I would like a full listing of any purchase orders. I just want to make sure and I want to be clear that I'm hoping that the minister and his department haven't been trying to hide information by using different terminology other than contracts when they're disclosing information around who has received tax dollars for work that's been provided.

Mr. Mackintosh: Well, I'm advised that any contracts over \$700 will show up on any list of contracts. We'll just make sure that there's clarity in making sure the member has the process and the terminology right. I've asked the department to work on that immediately so that the member can have that at her disposal.

The ADM just says, is the member asking questions about capital or is it for services?

Mrs. Mitchelson: Both.

Mr. Mackintosh: I'm advised that purchase orders are only used for repairs and maintenance, not for capital.

* (16:00)

Mrs. Mitchelson: I guess I would be asking for, then, wherever purchase orders are used. If they're only being used for maintenance and improvement, then that's all I'm asking for. Are there purchase orders over and above maintenance and improvement that are contracts that are entered into, that are called something different than contracts? Is that a fair question to ask, and could I have an answer to that?

Mr. Mackintosh: I think I've got a solution here. In addition to any document that we can provide, a one-pager, but perhaps we could arrange a meeting, a briefing with the member, if she wishes, with the controller on that process. That might best because then she has a live Q and A that avoids some the gossip up here.

Mrs. Mitchelson: I'm not asking for that tomorrow but I would, in the next month or two, like that opportunity and maybe we can just arrange it to make it happen. Thank you, I appreciate that.

I want to ask a few questions about The Loan Act and the Loan Act authority, because I have a little difficulty understanding exactly what The Loan Act does and what the department uses the Loan Act authority for.

Mr. Mackintosh: Maybe we can start with what's approved from the Loan Act authority for Manitoba Housing for '08-09. That might be the best way. We can go through it because I think that would demonstrate then not only what the approvals are, but the breakdown.

This is all in the context of the capital asset policy that the member has now. She can read that at her convenience and that will explain what defines capital under the Loan Act authority versus other authority, like operating.

The Homeowner Emergency Loan Program has \$35,000 in program requirements for this year. Land development is \$23.1 million; that relates to approval by Treasury Board for the development of the south Fort Garry land bank, also known as Waverly West, which now includes all servicing and proportionate external road costs for the north east neighbourhood.

Then there is the non-profit mortgage funding of \$1 million; that's to provide second-mortgage

financing for projects developed under the Social Housing Agreement.

Modernization and Improvement, this was publicly announced, of course, \$24 million. That's up from what was \$12 million before the BUILDING Foundations initiative; that's for the revitalization of Manitoba Housing properties.

We're looking at capital repairs to our own stock and follows on concerns from the office of the Auditor General about the insufficient investment in our own stock to maintain the quality going into the future.

Last year it was \$24 mil, as well for the first year; then, next year is \$24 million for a total of \$72 million over three years. Then we'll have to re-assess what's necessary once the BUILDING Foundations initiative is concluded.

The next is HOMEWorks! for 8.5; that would be actual cash flow in the year. The Loan Act and builds, we're getting back in the building business with Manitoba Housing construction in Thompson, The Pas and Brandon. We just announced that in Brandon on Friday. For example, the City of Brandon is a partner with us on that, in the sense that they have sold us a property for a dollar. We'll have further discussions about hook-ups and so on, but that is to address on a timely basis a need for more affordable housing in that community.

We have \$6 million allocated for bridge financing. That's to carry on capital programs beyond '08-09 until a new loan act is passed for '09-10. The example there is—so we can commence the Modernization and Improvement Plan in the next fiscal. So there's a total this year of \$62,600,000; there's more than that for the new program requirements. There's also carry-over and we can talk about that, if the member wishes.

Mrs. Mitchelson: Madam Acting Chairperson, I wonder if—and I know that the minister did provide for me in the package he gave me this morning; I haven't had a lot of chance to look at it—if we go back to the Loan Act authority approval history, that was the page that was provided to me in my package.

We look at The Loan Act over the last number of years, and we've certainly seen the department increasingly using Loan Act authority for operations in the department. There's one anomaly that I see, and that is back in 2002-03, a loan and mortgage debt financing of \$53.52 million, and in 2003-2004, for \$4.7 million.

I'm wondering if I could have an explanation of what that loan and mortgage debt financing line would be, because I don't see it in any other years since the year 2000.

*(16:10)

Mr. Mackintosh: I'm advised by the comptroller that represents a debenture that came due from debt with CMHC. It was in respect to interest only. It's only interest-only payments, so it was refinanced with the provincial Loan Act, and in the following year, there was a smaller land debenture that came due, 4.7.

So this relates to social housing stock, CHMC's social housing stock. The terms are fixed now that we're paying P and I. We should get into some broader political issues around that social housing stock because it's going to be a key issue. Anyway, that's the history of that.

Mrs. Mitchelson: I am aware of that. I do know that when the housing stock was originally turned over, there was a lump sum of money, and then there was money every year that accrued in interest. I know that back in 2002, then-Minister Sale indicated that funded by superb management they've accrued quite substantial trust accounts in Manitoba Housing, which will not show here because these are Expenditure Estimates, but that there was a substantial trust account in Manitoba Housing.

Where would that show up, if it doesn't show up in the Estimates? Can the minister indicate where that money is? Is it in the annual report? Does it show up in the annual report and where would it show up?

Mr. Mackintosh: There was a one-time payment made to MHRC in 1999 of \$12.7 million, and that has been recorded as a risk reserve fund. It can increase by interest earned on it, but it's reduced as well, of course, as the corporation incurs expenses as a result of the identified risks. The balance at March 31, '07, was 10.8 roughly.

Mrs. Mitchelson: So there are recoveries that come. How much money came from the federal government last year, and where do we find that money? Is that under recoveries? Does that money flow directly to the Department of Housing from the federal government, or does it come through Finance?

Mr. Mackintosh: It's included as part of the recoveries. The member is right, under Manitoba Housing Renewal Corporation.

Mrs. Mitchelson: Is there recoveries in the annual report, and where would that be?

Mr. Mackintosh: In the annual report of Manitoba Housing Renewal Corporation, there will also be a display. In the financial statements.

Mrs. Mitchelson: Could I ask on what page of 2006-2007 annual report?

Mr. Mackintosh: Yes. It's at the back. Do you see the auditor's report? Office of the Auditor General.

Mrs. Mitchelson: Until we get things sorted out with the annual report here, maybe I could just go back again to the approval history under Loan Act, and back to the 2002-2003 year. The minister indicated that that was long-term debt that was paid to—and I just need to understand. Bear with me, because I'm not a financial expert, so I don't necessarily completely understand all the time. It may take a little bit for me to get my mind around this.

The \$53.5 million was money that had to be paid to someone? To the federal government?

Mr. Mackintosh: It was refinancing from MHR—to set up the debt with the Province. CMHC. The payment was made to CMHC.

Mrs. Mitchelson: How would that debt have accrued, and over how many years?

*(16:20)

Mr. Mackintosh: So the debt, going back to the '70s or the '80s here, when the social housing was being constructed, it's only for interest, the principal was the same year after year. But, in '02 or '03, then, there was a maturity date and the Province, then, took the debt paid to CMHC, and that's probably the best explanation of it—transferred the debt to the Province, and that occurred across the country, with one debenture.

Mrs. Mitchelson: So, then, if I'm understanding correctly, it was a one-time only. There was no further debt that would accrue. This was for the housing stock, then, that was transferred to the Province?

Mr. Mackintosh: As I understand it, there were interest-only payments, but the properties were MHRC properties but financed through CMHC. The

comptroller, if the member wishes, you get a full explanation on that line if she has further Q and As.

This was an era when the federal government was a funder of social housing that was built, and Manitoba Housing would have applied and got financing and constructed buildings in Manitoba.

Mrs. Mitchelson: So has the minister then made a commitment for me to sit down with officials in his department and try to get my mind around this, and it may take a while on this one because, as I said, I'm not a financial expert, but if I could have that commitment from him. *[interjection]* Thank you.

I'm kind of wondering how Loan Act flows. I did ask the Minister of Finance (Mr. Selinger) a couple of questions around Loan Act and I think I got some answers from him. I know that the minister indicated that the Loan Act authority that's been approved for this year, is some \$62.6 million, I think. He outlined what that money was for. But there is a carry-over, and I think I want to get into that line of questioning for a few minutes. There's a carry-over from last year of a significant amount of money, I think, and maybe the minister could attempt to explain to me why we would borrow, under Loan Act, 62 million when there was still over \$30 million left as a carry-over from the previous year.

Mr. Mackintosh: Well, MHRC carried forward about 36 million into '08-09, mainly due to the timing of cash flows. For example, the capital Modernization and Improvement Program committed almost its full allotment of 24 million. However, a significant portion of that work will be completed in the following months of the construction season so it's recognizing that you can't just—construction doesn't happen just on a fiscal-year basis, of course, so that's why it's necessary.

I guess another way to explain it, because I've been doing this around the HOMEWorks! initiative, is you make commitments and you earmark funding but the monies may not flow until the project is completed or in terms of there may be different payment schedules on projects. An initiative, for example, committed to last year, it may not even be built for another four years, five years. They always say that projects are built on paper. You have to go through all of the approvals, the zonings, get the contracting done so I think that's part of the description there as to why carry-overs are necessary.

Mrs. Mitchelson: So, maybe, if we go to the 2007-2008, 2008-2009 incremental Loan Act authority, and that was the paper that I think the minister gave me this morning, can he indicate to me in what lines the money wasn't expended then last year that would have carried over? He said part of the 24 million for maintenance and improvement wasn't expended and it will be expended this year? How much of that 23 million—I mean, he said something about 24 million. It couldn't have been the whole program that would have been carried over to this fiscal year, so what in the new program requirements for 2007-2008 wasn't done that would have led to a carry-over of some 34 million?

Mr. Mackintosh: The 36 is comprised of three main categories: First, the M and I is approximately 16, then Waverley West is about 10, and AHI loan guarantee is 10.

* (16:30)

Mrs. Mitchelson: So could the minister indicate then that, if \$16 million wasn't spent in Modernization and Improvement, or if it's carried over, how much over and above the Loan Act authority was spent on Modernization and Improvement in 2007-2008?

Mr. Mackintosh: Throughout the first year of the new level of M and I, the commitments and the flowing of dollars start. Some of it might not even happen until March 31, 2008, perhaps. I don't know if that's the question that the member had, that out of the \$24 million that was available to be committed, there is about \$16 million that is yet to be spent, cash-flowed. I think that's the right word to use, cash-flow. About eight was cash-flowed in the last fiscal, \$16 million will be cash-flowed now. Or, you know, there may be circumstances where it might be cash-flowed later, even. The timing of the commitments is what we really control more than anything.

Mrs. Mitchelson: I just need to understand because it seems to me that there's Loan Act authority carried over for next year, or for this year from last year. Was there money carried over from the previous year to last year?

Maybe I'm starting to get it a little bit, then. By looking at the paper that I was given, it would have indicated to me that the program was only \$8 million last year with some carry-over.

Mr. Mackintosh: Every year there would have to be carry-over because I can't imagine a year where your

commitments would end up in cash flows every year. That would be very unusual because you make commitments throughout the whole fiscal year. Last year, too, was unusual in that—I should double-check on this one, but the budgeting process began later in the year just by way of the timing of the whole cyclical process.

Yes, the answer is, in '07-08, there would have been a carry-over from earlier years. It might not just be '06-07, it could have been earlier depending on the nature of the project and the timing and the paperwork, all of the zoning requirements and so on. That wouldn't be zoning. This is maintenance and modernization and improvements. If the member wants the amount of carry-over, we can find that for last year. It's in The Loan Act.

Mrs. Mitchelson: I'm going to need someone to walk me through the Estimates of expenditures here. When I look at gross MHA operations, MHRC operations, and total housing operations being \$200 million, I guess, and we have rental revenue which is the rental that comes back. That's recoveries, plus the \$97 million in recoveries. Is that all federal money, or what other amounts would be included in that \$97 million?

Mr. Mackintosh: The recoveries are primarily from the federal government under the Social Housing Agreement. There are some other amounts in there. I understand the City of Winnipeg, there are some recoveries as well there, maybe some other sources, but that's the two primary ones, I understand.

Mrs. Mavis Taillieu (Morris): Just in regard to the Social Housing Agreement, going back to 1998, the contract and the agreement with the Canada Mortgage and Housing Corporation, was it the money that was coming for the social housing stock was to be used only for the social housing stock and that was the intent for the funding to last until 2031. Can the minister say whether at any time since this agreement's been in place that any money coming from this agreement has been used for any other purpose?

Mr. Mackintosh: The Social Housing Agreement that was signed in September of '98 and became effective October 1 of '98—the member's right that it transferred to specified annual federal funding for housing subsidies from CMHC to MHRC. The federal funding level was determined by applying the program cost-sharing ratios—75, federal, provincial, 25—to the '95-96 expenditure levels. Now the funding declines, as the member knows, on an annual basis as

each of the housing projects reach their amortization maturity date. There's a schedule that goes with that.

So under the agreement, MHRC is able to carry over to future years any funding that's not required. It's referred to a savings and recorded by MHRC as deferred contributions. Then, of course, through the annual Estimates process, the budgetary requirement for MHRC transfer payments is the balance remaining after applying tenant revenues and after applying the federal funding based on the program cost-sharing ratios to the gross budget. Any funding left over and not required after applying the cost-sharing ratios represents the savings.

So the federal savings have to be used for the cost of housing and specific programs under the agreement. The federal funds expended by MHRC are audited annually by the office of the Auditor General of Manitoba to ensure compliance with the Social Housing Agreement. So what we're seeing, of course, is the account declining. The trend is expected to continue until depleted and alarm bells are going off. This is a serious issue right across the country for every minister, for every political party, and it is an issue that I hope the opposition can join us on. We're hoping that we can engage the federal minister and federal government in addressing this and putting in place a long-term strategy.

I can talk about some of the strategies that are afoot so far. Under the leadership of Newfoundland and Labrador right now, the ministers plan to meet in Ottawa in the fall, invite national housing interests. The Federation of Canadian Municipalities is absolutely keen to assist.

* (16:40)

I made representation to the Manitoba Chambers of Commerce on the weekend hoping that they will join with us on this, but there are many other important stakeholder organizations that I think will enunciate the seriousness of this matter, and I look forward to the federal minister attending.

I don't know if the members want to go further with this, but I feel it incumbent on me to put this on the record, that this is one area of concern. The only difference between this and the other expiries is that this is a declining. It's not, all of a sudden, boom, all of the dollars are gone but March '09 represents the end of the RRAP program because it was only extended for two years. It represents the end of the Homelessness Partnership Initiative, and it will

represent the end of the flow of any federal dollars in respect of construction and rehabilitation.

The only thing that in Manitoba we have accommodated is a three-year HOMEWorks! initiative that will give us one more year of flow, but March '09 is a serious impending issue that's going to affect every provincial government in this country. That's the most serious. We need the federal government to be part of a national housing strategy. Housing is expensive.

Mrs. Taillieu: The longer the answers get, the more we know we're hitting a nerve here, so I can see that the answers are just going to get longer and longer.

But I just want to say in the 2002 Estimates the then-Minister Sale was asked questions around this, and he did say: So we have both the monies that were intended to provide the long-term mortgage and maintenance and we have a surplus to that. We are drawing that down for these programs. Now, obviously, that's not going to last forever. At some point we are going to have to augment these monies with general revenue money.

So I'm just wondering: Can the minister say what the amount—the dollars coming through the Canada Mortgage and Housing Corporation that was used for social housing, what other things was that money used for?

Mr. Mackintosh: This is not about getting close to a nerve or anything except for the impending federal termination of agreements. But the Auditor General is the one who provides the vigilance on this, the oversight, so the monies have to be used for social housing, and we have to defer to the findings and examinations of the office of the Auditor General. That's part of the agreement and understanding. That's a supervision that's required.

Mrs. Taillieu: There is \$55 million in deferred contributions which, as the minister explained, was money that is available, I understand, that should be available for the social housing stock. So is the minister now saying that there is no money left? Is that what he's saying?

Madam Chairperson in the Chair

Mr. Mackintosh: I should add that in addition to—I mean, it has to be used for social housing that's required and audited by the Auditor General, but as well, there have to be reports to CMHC. They also provide the oversight on the investments that are made with the amounts.

I just want to introduce Mr. Darryl Jones, who is the new chief operating officer for Manitoba Housing and Renewal Corporation, and we welcome him. He comes from a stellar background since the early 1980s in housing in the province of Saskatchewan, and what I understand has been a very highly respected housing organization in that province. So I welcome him to the province. He's looking for housing, and so he's going to learn first-hand what he's into here.

Mrs. Mitchelson: I know that time is running out on Estimates. It's too bad we got left till the end, but I only have a few more minutes to ask question on Housing so you're going to be off the hook.

I would like to ask some questions on Waverley West and the capital draw on Waverley West. When I look at Loan Act authority, I see up until the end of this year, this fiscal year, the Loan Act authority has provided \$61 million then for Waverley West, and so far there has been a draw, not including this year, of \$28 million.

What's the anticipated draw on funds for the construction of Waverley West?

* (16:50)

Mr. Mackintosh: Madam Chairperson, 28.3 drawn to date, '08-09, 33.8 million anticipated, and that includes a carry-over of 10 million. So, a total of 89 and then, of course, as repaid from lot sales with a profit for you.

Mrs. Mitchelson: So this money, then, will be paid back to the Department of Finance before it goes into any pot for inner-city revitalization?

Mr. Mackintosh: It's actually continually paid back as lots are sold.

Mrs. Mitchelson: How many lots have been sold to date?

Mr. Mackintosh: I'm advised that 3.5 has been paid to date. We can get that number, momentarily. That's as of March 31. We can get an update, but our understanding is that there have been 160 lots sold.

Mrs. Mitchelson: What is the anticipated capital draw for the completion of Waverley West? I guess it will be phase 1.

Mr. Mackintosh: The projection is 89 million.

Mrs. Mitchelson: That's all the questions I'm going to be asking for now. There are a lot of other issues that I haven't had a chance to touch on today, so I

will be corresponding with the minister in writing, asking some questions. I also would like to ask the minister who I might be meeting with in his department to go over some of the issues we've agreed to go over. Then, what process would the minister like me to follow in order to set up those meetings?

Mr. Mackintosh: I think the best is to have the department just look at *Hansard* on Monday when it comes out, or Tuesday, and then they can make a decision as to who is best qualified to meet with the member and then, perhaps, she and myself can arrive at a mutually convenient time for her to come in whenever she wants. If she wants to do that during the session or after, I'll leave that to her.

Mrs. Mitchelson: I just want to thank staff from the Housing side of—I know major challenges. I also have said many times in the House before that I haven't any experience with Housing, but I do know that both Family Services and Housing are very heavy areas of responsibility. There's a lot of hard work. You're dealing with a lot of really, really big issues. I don't envy the task ahead of you. And for the minister, too. I do want to say that I had my hands full with Family Services alone and to have something like Housing added on top of that is extremely taxing. So I do want to say thanks to the staff and to the minister for the answers and look forward to getting responses to some of the questions I'm having trouble getting my mind around the answers for. So thank you very much.

Mr. Kelvin Goertzen (Steinbach): Thank you, Madam Chair.

I thank my colleague from Ste. Rose for the opportunity just to pose a couple of short constituency-related questions. I did speak to the minister in the House. I do want to put on the record, though, because sometimes we have a lot of challenges, obviously, that happen within the department. We don't always get the resolutions we're looking for. But I did raise with the minister the need for a constituent of mine in Niverville, Ryan Becenko [*phonetic*], who had four days of assistance to work in the community—and dealing with some intellectual disabilities—and he needed that fifth day of support. The department, through the staff, did work that through and I appreciated that. I did say to the family that I would express that as well. So I do that for the record.

In the community of Grunthal, one of my predecessors, Albert Driedger, is the president of the

Menno Home in Grunthal. They're working through—Mr. Driedger's still not only alive and well, as some might ask, but very active in the community, fundraising for the expansion of the Menno Home which has, obviously, a personal care home component to it. But also, they're looking to add a supportive housing and assisted living portion to it through the continuum of care, which I understand is the model that the Province is looking to go towards.

My understanding is that they had received a grant from Family Services and Housing for the design work, the conceptual design work on the project. Can the minister just provide an update on what the next steps are, whether or not applications have gone forward to move beyond the design work and what the procedure will be in terms of the time frame?

Mr. Mackintosh: Well, it's great to have seen Albert's name on this community-action project. I was certainly heartened by the partnerships and the eagerness that the community has rallied around it. So I know the project development funds had flowed and so, hopefully, the project has accordingly been developed and we just now await the proposal to be submitted. So, until it's been submitted and the department has analyzed it, there's nothing really more to add at this point, other than to send those encouraging words and appreciation for the rallying of the community.

Mr. Goertzen: I'll just leave it then with some comments on the record, Mr. Minister. Certainly, I'll pass along your words of encouragement to Mr. Driedger and the board and the team at the Menno Home who's working on this project. It has been a long-term project. They've gone through a number of different conceptual models in terms of how it should work out. Working with the department, this was seen as the best way to go. There's been tremendous support for fundraising in the community. I think there'll continue to be, as it goes ahead, and it's really a regional project, it's important for the region because of the shortage of those sorts of facilities throughout southeastern Manitoba. So, certainly, it has my full support. I'm glad to hear the words of encouragement from the minister, and we look forward to the successful completion of the Menno Home. We look forward then, if it's completed before the next three years, which we hope it will be, to you coming out to the event to join Mr. Driedger, myself. We'll have a nice celebration at its opening. If it takes a little longer than three

years, then we'll see who does the opening, but I do thank the minister for the comments.

* (17:00)

Mr. Stuart Briese (Ste. Rose): One more housing issue and then we'll let the Housing people get home for supper. The rest of us will stay here, working hard.

Madam Chairperson, this is a local issue too. The Yellowhead Manor in Neepawa is a Manitoba Housing building. About a year ago, there were two floors of the Yellowhead Manor that—it's a five- or six-storey building—were vacant. What we were told in the community at that time was that they were going to do some repairs and some upgrading on those floors and then use them for assisted living. It's a 55-plus building, I believe.

Since that time and, I think, without any renovations, the two floors have been filled. It appears that it's not a 55-plus anymore; they're taking tenants of any age. I know there's one in there that's, I believe, only 18 years old.

What I want to know is what the plans are and if they are going to do some upgrading and some renovation on that building and if it's going to move into an assisted living project.

Mr. Mackintosh: There have been some great community efforts, including by the MLA, which certainly have attracted the attention of the health authority as well as Manitoba Housing. There's been an analysis by our new co-ordinated unit that crosses the departmental lines to make sure that our departments are working well together, for Manitoba seniors in particular.

I think that there's a sense that there are some good opportunities here. Yes, there may be some relocation of some tenants needed on those floors if the project proceeds, but my understanding is that this initiative is under active consideration by the government now. Hopefully, in the next month or so, there should be some determination as to whether it's a go or not.

Mr. Briese: I might just add, talking to the local people on the board that is at that place, there's been considerable frustration with—it seems every time they turn around, they're talking to a different person. There's been a couple of job changes and transfers, and it just seems like they have to start all over again. So I'll look forward to hearing, I hope, from

the minister on the progress on that one as time goes on.

Mr. Mackintosh: Actually, what strikes me is there's a lot of movement in government generally. It unnerves me sometimes. I understand that the project manager, the person responsible, has recently retired so that would explain why there have been some shifting personalities involved. Once the position is filled, I hope the MLA can look forward to some stability there and some continuity as we proceed.

Mr. Briese: There will be no more questions on housing. I'll switch back to Family Services now; as far as I know, none of my colleagues are coming in on anything else. Well, they may come in on Family Services.

When we left off this morning—do you want a moment to get some different staff here?

Mr. Mackintosh: I was just wondering if the member is going to deal with child welfare. If so, we've got a little challenge here.

Mr. Briese: I'm going to deal with child sexual exploitation and about the summit that was held on Tracia Owen, and then, if you want my agenda here, I'll give you a little bit of it. I want to deal with fetal alcohol syndrome and persons with disabilities a little.

Madam Chairperson: Honourable Member for Ste. Rose, are there general questions that you could pose, just for—

Mr. Mackintosh: I wonder if the member is comfortable dealing with disabilities issues first. We could start on that right away, just in case there are questions where the ADM responsible for sexual exploitation and Changes for Children can—because I understand she's on her way, but we could deal with disabilities right away.

Mr. Briese: Actually, thank you, Madam Chair, I had a couple that I just wanted to follow up on prior to that anyhow. When we left off this morning I'd asked about the licensed foster homes and the licensed special facilities and the numbers and breakdown on a regional basis. We were cut off before I could get an answer on that.

Mr. Mackintosh: Just at that time I had seen a one-pager looked pretty good to provide the answers, so I expect that Ms. Loepky will be bringing it here momentarily.

Mr. Briese: I know when my colleague from Portage la Prairie was asking his questions we talked at length about the Manitoba Development Centre, and I think the number I heard was 27 that you plan to move out of there in the near future. I just wondered if there's a timetable on that, and if there are full plans in place for those people to—plans in place and supports for those people to move out of there.

Mr. Mackintosh: Well, we had put a target in place to enhance the discharges, and to back that up, we put in place a team to help to deliver that. What we did run into though were some challenges in placement of some of these individuals that were scheduled for discharge. We're going to continue to work on that one with the specialized team, recognizing that there were a lot of complex needs that had to be addressed in an environment where there were some concerns about some agency capacities or notably including just the facilities that were available.

The construction costs have certainly changed the lay of the land in terms of the ability of some of these agencies to provide the unique accommodations that are necessary for people with complex needs, but there is progress being made. I mean, the numbers are certainly ramping up in terms of the discharges. It's not at a level where we're satisfied yet, but, at the same time, the population is certainly declining rather noticeably since we've come into office.

* (17:10)

Mr. Briese: In March, my staff requested a copy of the report on the examination of the implementation and impact on The Vulnerable Persons Living with a Mental Disability Act. We were denied a copy of that. Can the minister commit to giving us a copy on that report or indicate why they are not releasing it?

Mr. Mackintosh: I've had a read of that now. It's a difficult read actually, but there's a lot of work that was done by stakeholders looking at how services can be enhanced. So our intention is to release it publicly along with an action plan. We think that's the responsible way to release the report along with a plan so then people aren't left hanging in terms of what we're going to do.

We're going to have some further discussion with our stakeholder, with the Association for Community Living in particular about that. We hope to get that out very quickly in the next month or two

at the very outside. I think there's actually a time limit under the FIPPA laws to do that.

There's been some follow-up work and some involvement with the Public Trustee. I've met with senior staff and with a vulnerable persons commissioner on some of the issues raised, and have thumbed my way through that report to the extent where I think now I have some comfort level of being able to discuss it publicly. I think the member might find it a bit on the technical side and quite a unique public policy area, but an important one for some people that really need the process to work for them.

So I think we're on the cusp of getting something out, and I say, whether it's in May or June, but we're certainly hoping that we can get that all wrapped up and out the door.

Mr. Briese: I found the title difficult enough, minister, but I do have some staff that I think can handle the technical part of it. Thank you very much.

We're still waiting for your—*[interjection]*

Mr. Mackintosh: I think we should just try and address all the questions and, you know, there may be some answers that we can get a bit later in the afternoon, but I think the member should be free to ask the questions that he has in front of him.

Mr. Briese: Based on the recommendations that came out of the Tracia Owen inquest, there was a child exploitation summit held.

Can the minister indicate why—I know that in the House one day on debate on a private member's resolution, the Member for Burrows (Mr. Martindale) said, we already have a strategy, and the judge in Tracia Owen's case felt the need to recommend a strategy. I'm wondering where you're at with the process on that.

Mr. Mackintosh: A strategy was rolled out in 2002, as I recall, with Justice and Family Services and the community. It was the first time there had been a comprehensive strategy unveiled in the province, if not the first one in Canada, that looked at the range of interventions that were necessary. Everything from Justice responses to intervention as well as prevention.

Then I can go through some of the components, but I can just tell you that when the strategy was first unveiled, it was highly regarded by observers, and over the last number of years other components have

been added to it. For example, relatively recently a new organization called, Ka Ni Kanichihk, an Aboriginal organization that provides services to Aboriginal youth and children in particular, that not only has developed a specialized foster bed program for children who have been sexually exploited, it's to provide the specialized interventions that are necessary; that sensitivity, that insight that is required by the fostering families.

Last year we, for the first time, I think, anywhere in the world, started a new initiative with Red River College, with Education notably, and Ndinawe, to train former sex-trade workers to provide youth services so that they could work with girls, in particular, who are at risk of being exploited. A remarkable program and, I would say, a successful program, although there was some lessons learned.

As well, in the last little while, in fact, one of the first things when I came into this portfolio from Justice was the unveiling of the Stop Sex With Kid's campaign through the national Centre for Child Protection to raise public awareness about the extent of the exploitation of youth in Manitoba. Those are three fairly recent add-ons to the strategy.

So the answer to the member is, yes, the strategy was unveiled in 2002. People from actually across Canada who work to counter sex exploitation have remarked on Manitoba's leadership and have come here last year to find out more about Manitoba's initiative.

Having said that, it is the view of the government and obviously other observers including Judge John Guy that more has to be done because more has to be done. There's an estimate of 400 girls or youth at any time that could be exploited on the streets of Winnipeg, that's how serious this is—some as young as eight-years-old, I understand, which is just unfathomable. It's just unacceptable.

We have to build on the strategy and take it to a whole new level which is really what I think the inquest report was getting at. So, as a result, on a very timely basis, we had the tremendous efforts of people, notably Ms. Loepky and many others, it was sort of a drop all files and let's get this summit organized.

So we had this summit, I called it Tracia summit, in March. We had about 195 stakeholders participating, 65 in Thompson, 130 in Winnipeg. We followed the judge's recommendations to engage those immediate stakeholders, those workers like

police, for example, child welfare, the social agencies that are involved, other advocates for the cause.

There was this remarkable experience of everyone rolling up their sleeves and going through a list of options in different subject areas starting with suppression, interventions and prevention. The work then started of going through all of the findings and recommendations that were made and looking to see where the common elements were.

I can just say that, as a result of the summit work, we expect to be able to publicly discuss what priorities were enunciated in that summit and how we expect to respond to it. I think it's important that we continue to move in a timely basis for such an important issue.

Mr. Briese: Is there a list of recommendations that came out of that summit and, if so, will you share those with us?

Mr. Mackintosh: Those are being compiled under different categories, under different topics so we can look forward to releasing those publicly. It's my hope and expectation we can do that still this spring. I really want to keep moving this file along.

There's been a lot of development work done, a lot of continuing discussions then with some of the organizations. Drilling down further, there are some ideas that came from this that really require some more fleshing out. It's important to have an idea but what is the cost of implementing the idea? How can it be done? What organization would be the sponsor? So that work is continuing.

I might just say that we are also looking at some other practices that have built up in other parts of North America. There are some other lessons that have been learned.

* (17:20)

I can tell you one thing that has been clearly enunciated from the summit at both Winnipeg and Thompson, and that is the need to, as they say, end the silence and deal with the challenge of child abuse, incest in particular, and communities that are in silence that aren't addressing this challenge, because it has been one of the great correlates of sexual exploitation is a background of childhood sexual abuse. There were some remarkable and sad, tragic presentations on how that impacts on the well-being of, in this case, it was women. It's not always just women, but how that disproportionately then

leads to exposure and involvement in the sex trade and exploitation.

So, yes, the answer is that we hope to get the results of this out, once we have further fleshed out some of this. I might also just add, though, that this is a joint initiative, it's not the Province doing this, it's law enforcement and, in fact, Sergeant Michele Benoit of Winnipeg Police Service was the co-chair of the summit, along with Sonia Prevost-Derbecker who's the executive director of ANCR. They were the co-chairs. There was an advisory committee comprised of representatives from many organizations. I might just add, notably, Aboriginal organizations and agencies, as well.

I forgot, I think the most important thing that I wanted to put on the record is that, arguably, the most important stakeholder is actually those who have been exploited themselves. Unlike the old days, when everyone thought that they knew better, we now are engaging people, we call them experiential women, but people who have been there, who have been literally around the block, I guess you could say, but have experienced the exploitation and have been able to put it behind them and can provide insights and lessons on how to deal with it. So youth, as well, were involved.

So the summit, not just in keynote addresses, but as part of the ongoing round-table discussions, heard directly from experiential women and youth. Elders, as well, were a part of this. We had some wonderful elders that were providing ongoing advice and leadership and consultation. I hope we can find a continuing role for elders.

So I think it was a respectful process. It's one, I think, where people felt invigorated in terms of being able to express their views and, now, it's time to get down to working out some of the details as to what the next steps have to be. I can assure the critic that we will continue to move this in a timely basis to give respect to Tracia Owen.

Mr. Briese: Thank you, Mr. Minister. I presume I can go back to my question, now, on the foster care and the licensed foster homes and the licensed special facilities.

Mr. Mackintosh: I have data as of March 1, 2008. It shows a grand total of 898 beds, which represent the number of foster beds created since the recruitment initiative called Circle of Care was launched. So this

isn't the total, this is the total of additions under the Circle of Care campaign.

The member wanted a regional breakdown. It comes close to that if you consider that there are some disproportionate regional representation of the different authorities. If broken down by authority and by agency, which is even better, I think, for what the member—I think he asked for a regional breakdown.

So I'll just go through this very quickly then. With the general authority, which is all over Manitoba, though, we have 372 beds. Within that, Eastman—these aren't going to add up. I've got numbers in two categories, November to August and then September to March of '08. I can just tell you that the total is 372 for the general authority, and from September '07 to March '08, there is some breakdown that gives the member an idea of region, and maybe this comes as a result of some questioning earlier then, this further breakdown.

But the Eastman region had 39 of the beds. There are four in Interlake; 10 in northern region; Winnipeg Child and Family, 126. So it gives you some idea there. Then the Métis authority has recruited 98 more beds. These aren't homes. They're beds, and, of course, there's only the one agency there. The northern authority has 102 beds recruited, and Awasis is responsible for 22 of those; Cree Nation, four; Island Lake, four; and KSMA, four; and then southern authority, a whopping 326 beds recruited. In that latter time period, it's one at Anchor; Anishinabe, 12. Dakota Ojibway, 27. Peguis is 29. That's very good. Sagkeeng is six and Southeast is 41; west region's one.

So I think there's some analysis there that might help the member in terms of region, recognizing that, of course, with devolution, though, the agencies have responsibility off-reserve and will likely disproportionately be in Winnipeg. So the numbers aren't entirely regional but usually would be either Winnipeg or the home community.

Mr. Briese: Actually, I appreciate you sharing those numbers, but last year one of the figures you gave me was the number of licensed foster homes in the province. Then you also gave me a number on licensed special facilities, and those are actually the numbers I'm trying to locate here. That was last fall so it's really only been about a six- or seven-month period since I received those numbers, but I'm wondering whether you've been able to increase those numbers.

* (17:30)

Mr. Mackintosh: We're still looking here for that. Maybe they will have to provide that by way of follow-up for the member. The numbers are available and the compilation's somewhere, but we just can't identify it here at the table.

Mr. Briese: Okay, thanks very much. I appreciate that. There are a couple of other small issues that I just wanted to touch on, one being what I refer to as special cases. They're ones that seem to fall through the cracks or be exceptions to the rules or however you want to approach them. I've worked with the minister on a couple of these fairly closely, and I'm really curious whether you have a strategy in the department, kind of a crisis team or something that reacts to those situations.

The one was Ray Malazdrewich [*phonetic*] which I brought to the minister's attention, and another one, more recently, was the Tricia Kell case. You make all the rules and all the regulations that you want and there are always going to be those exceptions to the rules and how you deal with them I think probably proves the metal of the department as much as anything.

Mr. Mackintosh: Well, there are some flexibilities built into, I think, most of the systems that I've come across so far in this department. It's also backed up by, I think, a very humanitarian workforce in the department in all its divisions, but sometimes it does take an extra little push to have additional analysis done of some cases.

I think, as well, there are little mechanisms in place for appeals and so on. You hope that people don't have to resort to that. I'm interested, for example—I'm looking to see if we can deal more at the front lines with individuals who are dissatisfied with determinations made in EIA, for example, you know, can there be more internal review done so that a person doesn't have to go and launch a formal appeal and engage all those resources and so on.

So we're just looking for some options on that right now, but I know the cases that the member raised. I think in both of those there were some extraordinary solutions that were sought and obtained to recognize the need there. It may not be enough to satisfy, but at the same time, you have to have that balance between having an exercise of some flexibility but not creating a precedent that then becomes severely problematic for taxpayers and for

others who expect to be treated according to established criteria.

So there's that balance that is always attempted to be achieved. I know with Ray the staff spent some extended more time with that—I mean, that really bothers me what an individual like that has to endure, you know what he's gone through and how your life can change so quickly in so many ways, and nothing can be more stressful, aside from your health issues, which many of these situations are about, and then having the financial pressures.

So I know that there were some additional arrangements made that really, I think, went to push the boundaries of, I think, what could be done there, but he may have a different opinion. I know that we have to be careful as well, and I understand that there's further appeal being exercised by him, and there may be something more that comes because I also know the people on that appeal board and these are big-hearted people that are very concerned about the well-being of the individuals who come before them.

With the Kell case, I understand that there has been an agreement there now to provide some additional assistance to the daughter. So I think that was another example. It may not be everything that was requested, but there were some extraordinary circumstances recognized there. It doesn't just involve our department. I think really what has to be notably recognized is that, in that case there, we had deputy ministers really drilling down on what could be done to recognize the uniqueness of that situation.

I know that not only my deputy, but I am aware of the deputy minister of Health took a real personal interest in this one to make sure that there were special arrangements made, special accommodations. I don't want to get into details on the public record on this one, but some extraordinary efforts that, I think, speak highly to how government can work.

I commend the member for pursuing that humanitarian consideration by staff. As the member said, sometimes the old floodgate argument maybe isn't applicable because the circumstances are so unique in a person's life that you can take a singular approach to it.

So, I think, we've had some, as a result, part of the member's interventions. I think that those extra steps have been taken. I hope that these individuals will have a better quality of life as a result of the role of the Province.

Mr. Briese: Thank you, Mr. Minister, for those comments. I know there's always a consideration that you may be setting a precedent and you have to be very cautious of that but, when you get specific cases like that, I—and I do appreciate what you did in those cases. I know you talked to Ray in person on the phone after I'd recommended that; that was much appreciated by him. He was very pleased to have that happen.

Another area I'd just like to touch on for a second is the Child Advocate's office. We did the bill and the transfer of the desk of investigations that went from the Chief Medical Examiner's Office to the office of the Child Advocate. I'm curious as to whether that transfer of responsibility is complete now and if they're dealing with any cases. I'll have a couple more questions, I expect.

Mr. Mackintosh: I know the Children's Advocate; I expect to meet with her on this in the coming days in terms of the status of how are things going. A tremendous amount of preparatory work is required. I know that additional staff have been put in place. The LAMC has done its work as well.

My understanding is that—I'm advised that the proclamation of the bill is targeted for June 1. We're getting close to that one and that's been contingent on a number of matters to be dealt with, including accommodations and staffing and so on.

Mr. Briese: You said June 1, so the staff haven't moved out of the Chief Medical Examiner's Office to the—or are they moving out? Do they stay there or just come under a different direction?

* (17:40)

Mr. Mackintosh: Effective transfer of responsibility, any staff would be for June 1. Right now, they're just going through a transitional period, making sure that the transition's going to be smooth.

Mr. Briese: I believe there will have been budget allocated then. How much more budget has gone to the Children's Advocate office for this duty that they're taking on?

Mr. Mackintosh: We're just going by some memory here, but, as I recall—and this was announced at the time of the bill being introduced. We had coupled it with the resources because that was part of the recommendations from the external reviews, is that there were really insufficient resources historically attached to this function. But I think around over \$350,000, \$360,000, was allocated by LAMC to the

Children's Advocate as additional dollars and that was for, as I recall, two investigators. There was some money for travel because that had been a challenge over the years in the north, for the investigators to actually travel to the north as part of the investigation. As well, there was some administrative support that was included in that amount, and there would have been some operation money as well.

As I recall, I think the advocate has arranged for other accommodations. So she'll be moving in the fall and so some interim accommodations have been acquired I think in the same building. She's over across from the University of Winnipeg.

Mr. Briese: So the allocation for two staff members, that's actually two staff members that are being transferred from the Chief Medical officer or they're new staff members?

Mr. Mackintosh: The Chief Medical Examiner had two permanent staff resources there. I think one had been vacant for awhile. So the investigation staff is doubling. The permanent staff is doubling from two to four, and then there's the administration support on top of that.

Mr. Briese: I haven't quite got it yet, I don't think. You're hiring new staff into the office of the Child Advocate and whatever investigative staff might have been there in the Chief Medical Examiner's office will remain there, too.

It was my understanding at the time of the bill that the Chief Medical Examiner can still investigate any death they so wish to examine. The Child Advocate will only be examining deaths that are under CFS care, was my understanding.

Mr. Mackintosh: Yeah, the member's analysis is correct. But the two-staff years at the Chief Medical Examiner's office that have been doing section 10s, those two positions will be transferred to the Children's Advocate. Those two positions were always dedicated to section 10 reviews.

Mr. Briese: I know our time is growing short here, but I want to move a little bit to fetal alcohol syndrome.

We did notice that there was an RFP for spectrum connections issued in September of 2007. Has there been a contract awarded there, and to whom and when will the work begin?

Mr. Mackintosh: The RFP that was issued ended up in an awarding to an organization called Life's

Journey, which is an organization that has been working with persons living with FASD. As a result of that, it leaves about \$500,000 initially. It will be flowing to them and it's expected that services are—ADM says the services may actually be starting already in terms of intakes. So they're on the ground now, I understand.

Mr. Briese: Thank you. I'm not even very clear on how some of this works. I understand that the CFS authorities are to appoint FASD specialists. Have they all done this? I'd like to know somewhat what those positions entail.

Mr. Mackintosh: When the member said understanding the spectrums connections role—it's really to connect the clients which will be largely, but not entirely, the youth who have transitioned out of the foster-care system living with FASD. They're young adults, by and large, at least initially. We hope to look to see how we can expand this but you do one step at a time. It will be to connect them with supports, whether it's financial, it could be issues around banking, issues around housing, I think that's one that will be key, employment. There could be addictions issues there, mental health issues.

It's not a matter of creating a whole new service spectrum. It's really connecting them to existing services to make sure that they have the supports that they need. It's really the hub in a wheel. That's how we see it. That's why I think this service can be remarkable for not a huge investment. It's just making those, well, it's called connections, right, spectrum connections. The second question then, all the authorities have hired specialists now.

Mr. Briese: So those specialists, what I take it from what you just said previously, it's somewhat of a transitional from child to adult—no, I may be wrong on that. The specialists that they've hired then, are they working in concert with that organization to try and do this.

Mr. Mackintosh: I think they're distinct initiatives in one sense. There may be some connections between spectrum connections and the FASD specialists, certainly. The FASD specialists will be housed with the authorities to work with the child welfare agencies to identify gaps and service needs for the children in care. They'll be looking at prevention; they'll be looking at training, issues

around diagnosis, which is a long-standing issue and concern that has to be advanced.

I also understand that they've been connecting with Healthy Child Manitoba to make sure that we're connected across the government departments. It's really to make sure that the provincial strategies are going to work on the ground. They're going to be developing standards that are specific to the challenges around FASD programming. This is something unique. I think Manitoba will provide some interesting leadership as we move this forward.

Mr. Briese: I think that signal meant our time was running out, so I'll end my questions here.

Madam Chairperson: Thank you. Seeing the end of questions, I'm now going to put the resolutions.

Resolution 9.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$43,030,900 for Family Services and Housing, Housing, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 9.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$609,558,300 for Family Services and Housing, Disability Programs and Employment and Income Assistance, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 9.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$399,538,100 for Family Services and Housing, Child and Family Services, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 9.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$125,168,200 for Family Services and Housing, Community Services Delivery, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 9.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$6,272,300 for Family Services and Housing, Costs Related to Capital Assets, for the fiscal year ending March 31, 2009.

Resolution agreed to.

The last item to be considered for the Estimates of this department is item 9.1.(a), the Minister's Salary, contained in Resolution 9.1.

The floor is open for questions.

Seeing no questions, I will put the resolution.

Resolution 9.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$13,194,800 for Family Services and Housing, Administration and Finance, for the fiscal year ending March 31, 2009.

Resolution agreed to.

This completes the Estimates for the Department of Family Services and Housing.

This also concludes our consideration of the Estimates in this section of the Committee of Supply that has been meeting in Room 254.

I would like to thank the ministers, the critics, all the staff and all the honourable members for their hard work and their dedication during this process. It has been a very commendable process.

Committee rise.

**SCIENCE, TECHNOLOGY,
ENERGY AND MINES**

* (14:40)

Mr. Chairperson (Rob Altemeyer): Will the Committee of Supply please come to order. This section of the Committee of Supply will now resume with consideration of the Estimates for the Department of Science, Technology, Energy and Mines.

As previously agreed, questioning for this department will proceed in a global manner. The floor is now open for questions.

Hon. Jim Rondeau (Minister of Science, Technology, Energy and Mines): If I may, one of the questions was the opposition critic had some questions about the climate change plan and all this. If he would like to have a briefing on our plan and the role of the plan, I'd be pleased to provide it like we have with the bill.

Mr. Cliff Cullen (Turtle Mountain): I certainly appreciate the offer by the minister and certainly may take him up on that offer as well.

I want to get into a sector that has tremendous potential, I think, in Manitoba and that is the whole idea of the wind energy sector.

I guess maybe the first question that's outstanding is there has been some discussion in papers and certain media about the St. Joseph project in southern Manitoba, but there hasn't been anything formal from either Manitoba Hydro or from the Province of Manitoba that I've seen. So I'm just wondering if the minister could comment on the status of that particular project.

Mr. Rondeau: Mr. Chair, I'd like to introduce Jim Crone. He's the acting ADM of energy and climate and the Green Initiatives branch. He's an acting position and has provided us with a lot of good advice in that capacity.

Responding to that, what's happened is I understand, with our department and our government, we've made a commitment to move forward on the wind file. We do have the St. Leon project that's moved forward at 99 megs. We understand that there has been an RFP and some discussions about the wind file with Hydro, and, right now, the whole file is with Hydro who's discussing how they're going to move forward on it.

So any questions should probably be put to the Minister of Finance (Mr. Selinger) because, right now, it's no longer in Science, Technology, Energy and Mines. It's more in Hydro and the minister responsible for Hydro would be the honourable Minister of Finance.

Mr. Cullen: What role, then, did your department play in the wind energy initiative?

Mr. Rondeau: The role of the department was to help facilitate the design of the RFP by Hydro. So we'd work with Hydro to develop the RFP. Hydro would then issue the RFP. They would then evaluate the results, and, as I understand, it had to do with cost and connectivity, et cetera, but, again, the details would have to be done through Hydro because they're going to evaluate the contracts and they'd have to integrate it into their own system.

So we're more on the policy approach, helped design the RFP. We would not be involved in the awarding of the RFP or the contract.

Mr. Cullen: In coming up with the parameters for the RFP, you're saying that was fundamentally your responsibility, I guess probably in conjunction with Hydro. My comment is a substantial number of

companies expressed interest in doing business in Manitoba, and these companies, some of them have been in existence for six, seven years. They've been doing the groundwork and the background work and trying to get the technical information together and looking at the environmental sides of things, and they have spent considerable time and considerable equity in coming up with their proposals. I think a lot of the frustration is they're not exactly sure what the real criteria are for bringing forward proposals.

So, when you put out your RFP, were there specific criteria laid out there in terms of what are the main things that—say, it was me as a company; what should I be looking for in terms of the key components to my proposal?

Mr. Rondeau: There are two things to that. As far as the interest in wind, I'm very pleased to see that—I understand that there are lots of companies that were interested in the wind opportunity. I'm glad that St. Leon has been up and running, and I'm very, very pleased that there was lots of interest in the RFP, as I understand it.

It was a competitive process, though, and the RFP contained the details on that. It was the same level playing field, and the good part is that, although there's an RFP out, we would hope that there would be additional opportunities for more developers in the future. We have moved forward in the 99. This one is, I understand, a 300-meg RFP, and I would hope that we would look at future opportunities with Hydro and with future developers in the future.

* (14:50)

Mr. Cliff Graydon (Emerson): Thank you for that, Mr. Minister. Do you believe that the wind power is a reasonable alternative to hydro-electricity?

Mr. Rondeau: From what I understand from reports, wind power is very complementary to hydro power, because what happens is that when the wind is blowing, you hold back the water power so that you then conserve the amount of water going through the turbines. When the wind stops blowing, then you can use the water power. So we understand that hydro and wind are complementary, but it's a process. What we want to do is make sure that wind power becomes part of our energy advantage.

I believe that Manitoba, one of the ways we will become a have-province is developing our hydro and energy potential, becoming a super power in hydro with energy. I truly believe it's possible. As a government, we believe that, by looking at our clean

energy advantage, that's a huge marketing advantage. It's also a huge advantage economically. So we are looking at developing our resources in conjunction with Hydro, in conjunction with developers, to see where we can go.

Mr. Graydon: Thank you, Mr. Minister. I agree with you that when the wind is blowing—and Manitoba does have a lot of potential for wind power development. It certainly has been demonstrated by the uniqueness of St. Leon. However, these are being restricted. When they hit their 99 megawatts production, they're shut off. I think, if we're looking at a drought here, are you going to try and tweak the 99 to more?

Mr. Rondeau: The environmental licence for the St. Leon project is for 99 megs and so, therefore, it can't go beyond that unless there were other extenuating circumstances. If there's something that's going to be beyond that, that would have to go in front of the Minister of Conservation (Mr. Struthers) who would have to look at the issue, look at the licensing, et cetera, beyond that.

One of the neat things is that we have to learn how to grow the option of wind. I don't think it's an alternate energy source. I think it's an energy source that we can integrate and can use. I think that we can also make sure that it's effectively employed. I think that St. Leon, which is now the second biggest tourist attraction in the province, really has the creativity and excitement of the people of Manitoba. So we think it's a potential, and we look forward to growing that potential into a reality.

Mr. Graydon: Do you have, in your portfolio, because there's an overlap, it goes from you to the Minister of Finance (Mr. Selinger), and so on, do you have an incentive program for development of the wind power here or is it just strictly, we'd like to see wind power, and you just sit back and let the Minister of Finance do all the decisions.

Mr. Rondeau: We don't have any direct incentives for wind power. The federal government has some incentives; they were called WPPI before; it was 1 cent a kilowatt. Now they're called EE/RE. It seems that every government that changes has to change the name of their incentive. So what's happened is that there is a federal incentive. I can provide you details, get details to you if you need to.

Where we've found that the best assistance that we can provide, is we have acquired some wind-monitoring towers. What we find is that the best way

of providing incentive for communities, is providing the data to show how big the wind is, how consistent it is and get that data there so that companies can make good economic decisions. Hydro can make good economic decisions. So what we've focussed on is getting the wind-monitoring towers out into different parts of the province so that people can evaluate the resource, their wind resource, and then make the economic decisions.

So we found that that was very positive. We have had great interest in the wind towers and monitoring towers. In fact, it was neat when there was one put up by The Forks and there's been lots of people, lots of inquiries about it because people are really excited about this energy source.

Mr. Graydon: Mr. Minister, are you saying that you own the wind-monitoring towers and that you provide those to communities?

Mr. Rondeau: We have been focussed on, right now, the off-grid communities. So there are four communities I believe that are off grid—two and one coming. Okay, so we have two monitoring towers in those communities, one is coming and what we're doing is looking at the communities that are off grid that are now utilizing diesel fuel for their generation of their electricity. So what we're trying to do is we are putting up the monitoring towers there to see what the resource is, and to see whether wind could be an option to either supplement, or to replace or what we can do as options in the diesel communities. As you know, the price of fuel has gone up. You've got the concern about the greenhouse gases. So maybe wind will be a very good option in those communities.

Mr. Graydon: I would take it from that answer, then, that there are no—you own no wind towers as it stands now in southern Manitoba where the development has taken place or has been proposed and has been applied for.

Mr. Rondeau: Right now the private sector owns the majority of towers throughout Manitoba, and it's the private sector that has monitored most of southern Manitoba. I don't know. I can make inquiries as to whether Hydro had ever previously done any data mining earlier. I understand they've done some data and had some towers up and got some data, but that was done previously.

Mr. Graydon: Mr. Minister, would you agree that wherever these towers are that they are certainly an

economic boost to the communities and to the R.M.s?

Mr. Rondeau: We strongly supported this because we think that it's a good energy source, clean energy source. We also believe it's a boost for the farmers, the land owners, and we also think it's a boost for the rural communities. I know that when I went and toured St. Leon they were talking about just the industry. Where 12 to 15 people were hired in this industry, and for a smaller community like St. Leon, that's a huge amount of employment. Then they talked about how they did the revenue sharing, where even people without towers got some source of revenue. That it wasn't just if a tower was located on your property. So there were economic benefits that way.

So we look at it as it's a gain for the rural economy, a gain for industry, a gain for green power and very, very good for the local tax base. It's been a very good process in St. Leon, and we hope to replicate that as we move forward. I don't see very many negatives in the industry so far.

* (15:00)

Mr. Graydon: Mr. Minister, I agree with you that there's certainly a lot of economic generation from the wind towers. Would you then support someone like the R.M.—I don't know the name—but just north of Brandon, that would include the town of Forrest? That municipality would like to have a tower for themselves or a group of individuals would like to put up towers. Would you support that type of development?

Mr. Rondeau: We have been working on a community wind strategy which are smaller projects with Hydro within our own department, so that we can figure out how we move forward in smaller projects. That might be a consideration that we take when we're moving forward with that strategy.

Mr. Graydon: Mr. Minister, I understood from former questions that a lot of things were in Hydro's department, so that would be Hydro which has to figure out how they're going to deal with it.

The question was clear. Do you support it from your department? Do you support that type of private development in rural Manitoba?

Mr. Rondeau: What we are going to do is we're going to look at how we can create triple wins in this area where it benefits the local community, it benefits the owners and it benefits the province. We

want to look at where we can create very successful industries.

We see this as being a green industry. We see it as being very good for the local economy and we want to move it forward. Now we will work with our partners, which includes Hydro, to figure out where you want to put this in.

One of the concerns is you also have to use the power. It doesn't do you any good to make a huge wind farm in a place that doesn't have good connectivity. One of our concerns, of course, is to make sure that the power can be utilized, that it can be marketed and that's one of the concerns.

You have to work with Hydro as a partner to make sure the wind can be integrated into the system too, because it wouldn't do you any good to have 10 towers by Churchill because you couldn't use 10 towers of power at Churchill. What you have to do is make sense of the entire economic and energy argument.

Mr. Graydon: Mr. Minister, then I take it from what you're saying that you do support individual-owned, smaller than 99 megawatt units. Is that so?

Mr. Rondeau: We actually have a very interesting thing where we have a net metering policy. If an individual wants to get a solar panel or a wind tower or whatever, they can produce energy and they can sell it back into the grid. They net meter to zero and they can sell it back into the grid. We, actually, through that policy and others are encouraging people to be innovative. We as a department and we as a government would like to hear what people have to say.

One of the things about our whole green-energy plan is we want to listen to people on how we move forward into future. One of the problems with being on the cutting edge in some of these areas is because we have to go where no one's gone before, to use a show that I'd seen before.

What we want to do is we want to make sure that we do it right so we will—*[interjection]*—I know, but we want to make sure that we a) work with partners, b) listen to them and c) create win-wins. So, if someone has a proposal, I have a department that really believes in working with the public; if someone had a proposal or an idea, you can come and talk to the department. They would provide assistance and guidance and see where we can work together so that Hydro wins, individuals win, we

have a good energy policy and we move forward into the future.

Mr. Cullen: I certainly thank the Member for Emerson for bringing forward some of those concepts.

Just maybe to go a little further in a little more detail on this particular case that he might have been referring to, the group at Elton Energy, it's kind of a co-op proposal. I know they've sent their proposal and their vision of how they foresee their particular development going forward.

They've sent their proposal to, I believe it's the Minister of Finance (Mr. Selinger) who's responsible for Hydro and the Minister of Agriculture (Ms. Wowchuk). I'm just wondering if you, Mr. Minister, have seen a copy of that particular proposal.

Mr. Rondeau: What we'll do is we will work with any company that has a proposal to listen to what they're doing and try to see whether we can work with them to create a win-win-win situation.

Mr. Cullen: So, in terms of process, we have a group of individuals. I think they've formed a co-op. You're the minister, the lead minister on this, would you be? Is that the question? Where do they go for answers? Who should they be dealing with here? Obviously, they're looking at the Minister of Agriculture and the minister responsible for Hydro. I guess my view is you should be in the loop. Is that correct? Who would be the lead minister on these kinds of developments? Is it you?

Mr. Rondeau: Hydro would be the lead minister on the purchase of any wind resources. This department would work with Hydro and would also with the community groups or any companies that wanted to develop proposals or move things forward. So we'd provide guidance and expertise.

Mr. Cullen: Well, my gut feeling is there's a lot of frustration out in these small communities who are trying to move their local projects forward. It gets quite frustrating being bounced around from Hydro and from department to department. It may be important to have someone take the initiative here, take the lead role in this because, certainly, from my perspective, from what I hear, there's a lot of frustration.

Mr. Rondeau: I understand my department's talked to this specific proponent. They've had discussions and provided them some advice. But the other thing is that part of the frustration is that people are very,

very excited. They want to get it done and do it. We also have the responsibility to make sure that not only projects move forward but they move forward successfully. We want to make sure that happens.

The other thing is we have to make sure that the biggest problem with power is not necessarily that you can't generate power. It's often that you can't utilize it where you need to, or you can't transmit it where you need it. As was shown in the case of a power line between Edmonton and Calgary, they couldn't build a power line. They couldn't build a power line because of all these issues, not in my backyard. It doesn't just have to do with the proponents. It has to do with the proponents of getting the power sold and utilized appropriately. It has to do with the transmission lines, integration of the power into the system.

It's interesting to note that we've gone from zero to 99, and I hope to be a considerable amount more very quickly. What's interesting is once we build the next 300, we'll be where Québec is, which has got a much larger electrical system, and I understand Québec is at about 400 megs now. So we are going to catch up to Québec and hopefully still be in the game and continue to move this important file forward.

My department is excited about the whole potential, and I said, one other thing is we're working with the big RFPs. But now we're working with Hydro and with community groups to have a community wind strategy. These aren't the 99 meg farms, these are the smaller operations that people can finance locally. That's where there is a lot of interest and potential.

Mr. Cullen: Well, that's exactly right. I think there is a tremendous potential there. We do have a number of communities that do want to move forward. You talk about developing a strategy for these community-based projects. I'm just wondering where you're at in developing that strategy so that people will have a framework so they can understand what they're working with. So whereabouts are we in that process, and when do you expect to have something formal that you can take to the public?

*(15:10)

Mr. Rondeau: Hydro, I understand, is focussed on getting the 300 megs out, the one that the RFP has been out. They're focusing on getting the 300 megs out. Once that's done, the same staff would then start focussing on the community wind file. What we

want to do is the same engineers, same sort of staff in Hydro that would be involved in the first 99; next 300 would also be involved in the community wind file because that's their focus.

My ministry would be responsible for working with Hydro. So the lead minister on getting the wind file out, the community wind file out would be the Minister of Finance (Mr. Selinger). My job would be to work—my staff would work with the Minister of Finance to make sure the policies are out there and some of the supports for community groups would be out there.

Mr. Cullen: Well, that's certainly an issue, I think, that has to be addressed: the policy component of it. You know, you're telling me earlier that Manitoba Hydro, they are basically now kind of responsible for the 300-megawatt project. Basically, my understanding is the government's washed their hands with it. They've turned it back over to Hydro. Correct me if I'm wrong here, but now you're saying we have to wait for Hydro and your departments to get together to develop the next policy component.

My view is there should be—the government's role in this thing should be developing policy and the Hydro people should be the hands-on, let's-get-things-built-and-constructed. Am I missing something here?

Mr. Rondeau: I think it's important to know, and to note, that it's not just one or the other. It doesn't do you any good to set up policy, say you're going to do something, if the policy doesn't have practical effects.

So what we're working with is, we're working with Hydro to make sure that a) wind farms are built; b) Hydro can incorporate the wind and use the wind in their system and integrate it and make money at it. Make sure—and that's up to the Minister of Finance. The Minister of Finance, who is responsible for Hydro, is then responsible for taking the wind that company—purchasing it and going through Hydro to then sell it. Part of the policy is, yes, we're doing wind, we work with that. We work with that wind, it is an important part and that it's going to be a win for all the different sectors.

What we will then do is work with Hydro just like we have with the first 99 and the second 300. We will work to develop a community wind package and we will get information out to the communities. We'll get them out to interested parties. We'll work with them and we'll set up policy and work with

Hydro to set up a policy that Hydro then can work within and communities can be successful. That's what my department will do.

Mr. Cullen: Well, then, the question in mind is we—I think we know where we want to get and we want to get communities involved. I think they expect some kind of a time frame when the government's going to be there to help them through this process. So, you know, I think we do need to develop a formal strategy on how this is going to move forward.

I don't know if it has to be restricted just to the wind energy component, but maybe it should be open more to all other forms of energy and how communities can be involved in a bigger picture and, again, I see the role of government is to facilitate that framework and that strategy. I just want to get a sense on where we're at in that big picture in terms of developing that framework and putting that strategy forward.

Mr. Rondeau: Any community or group could talk to our department. We'd be happy to talk to them through the energy development group. What we would do is we would start the process, because the process might involve the wind monitoring towers. They might involve all sorts of different things. So, if they wanted to know how to move forward with a proposal, my department would be more than happy to meet with them and talk to them about it. It's with any of the new energy developments like ethanol or bio-diesel or wind or geothermal, it's something that we as a department, help work with partners to facilitate.

We don't actually produce the ethanol or the bio-diesel, we will work with them. My department through the EDI will be happy to work with any proponents or communities to facilitate this. Sometimes these projects take a few years to get up and going but we've done well. From zero, a few years ago, to have 100 built and 300 moving forward through the process is very, very good progress.

Mr. Cullen: Well, that's a relative statement I guess as my perspective on things. I know Ontario is certainly moving ahead and they're talking 2,500 megawatts. I would assume there will be some substantial developments there. Again, there are people that want to invest money in this province and how we get it done, I guess, is really up to us.

As you know, the other component is trying to sell this particular product. I'm wondering if we had

any concerns or reservations or what our export market thinks of the wind energy component?

Mr. Rondeau: That would be something that you would have to probably discuss with the Minister of Finance (Mr. Selinger) with Hydro. Again, I'm more in the internal parts of the files.

One of the concerns that we have, one of the difficulties that we have, is we have a very inexpensive hydro resource. We pay about 5 cents a kilowatt hour.

I noticed that the member mentioned Ontario. It was interesting to note that Québec just issued an interesting RFP and they were paying about 8.5 cents per kilowatt for their RFP. I think it went up to 10.2 cents or something like that, 10.5 cents. They were paying between 8.5 to 10.5 cents per kilowatt.

We sell it to Manitoba customers at 5 cents. I know that in Ontario they have a hydro rate about double ours. So part of it is the economics within our own province. To me, it would be easier to reduce that 10 cents and sell it at 12 cents. In Manitoba, we actually sell our electrical power at about 5 cents a kilowatt. It makes it a little tougher.

Mr. Cullen: I recognize what our domestic market's worth but I know our export market is, I understand, somewhat higher than that. Does the minister care to comment on what kind of range we export our electricity on?

Mr. Rondeau: I don't know so I can't comment. That would definitely fall under the purview of the Minister of Finance (Mr. Selinger), but there's always concurrence.

Mr. Cullen: On the other side, does the minister know what we're purchasing our windmill electricity for in Manitoba?

Mr. Rondeau: I actually made sure that I didn't know that because it is confidential information and I would try not to know that. It's like, when all these companies came in, I never asked for one, who put in proposals, and I never met, I try to keep out of that entire process as much as possible because I don't want to be the decider. I'm not the decider. I set the policy and work with Hydro to set policies in the purchase decision, I don't sign off on the contracts.

Mr. Cullen: The minister made an offer earlier about sending me the RFP proposal. I wondered if we'd have his office send that to me.

Mr. Rondeau: Sure, with your package.

* (15:20)

Mr. Cullen: Would the minister be able to provide kind of the evaluation process? Again, this is a hydro prospective, or does he want me to get that information from Manitoba Hydro in terms of the criteria on which these particular projects are being evaluated?

Mr. Rondeau: We weren't part of the evaluation. That was definitely Hydro's, so you would have to talk to the minister responsible. We didn't set the criteria.

Mr. Cullen: The minister made reference to incentives being offered by the federal government as well. I wondered if the minister would be able to ascertain that information and pass it along as well, in reference to the incentives from the federal government.

Mr. Rondeau: I understand, although it's not controlled by our department, I can save you some time; it's actually a federal incentive. It's about 1 cent, so it's exactly like WPPI was, but the details are with the federal government. The developers themselves apply for that subsidy from the federal government. We're not involved in it but, if anyone wants to know, we'll give them the Web site or the information on the contact.

Mr. Cullen: When we're having the discussion about how much is being paid and how much is being charged per kilowatt, the Premier (Mr. Doer) alluded to it at one point in time that the costs didn't add up on wind energy versus what we're producing now in terms of hydro-electricity. As we've seen in our new hydro-electric developments, we've seen the costs skyrocket, quite frankly.

You look at the Wuskwatim dam, which is a relatively small dam, 200 to 220 megawatts; the price has gone from \$800 million to \$1.6 billion just in a matter of a couple of years. Manitoba Hydro has, quite frankly, a contractor to build it, so we really don't know what the final price is going to be on that 220 megawatts of electricity that we, as Manitobans, are going to have fund. It's obviously going to have to be funded as debt because Manitoba's Hydro is \$9 billion in debt. So it's just going to add to the debt that Hydro pays and that we, ultimately as customers and as Manitobans, are going to be paying for it.

On the other hand, we've got a potential in St. Joseph, let's say, 300 megawatts. I don't know that the capital cost is going to be on that project. I expect it's \$200 million or \$300 million, I'm not sure.

Maybe some of your staff would have a better insight into what kind of capital costs we're looking at but the upside for that is that we, as Manitobans, don't have to pay the interest or the capital cost on that. In my view, it's something we have to take a pretty serious look at.

Now, certainly, it's a given that, for the most part, these hydro-electric dams have a fairly substantial, hopefully, service life. There are, obviously, operating costs that have to be looked after but, again, we know what we're going to be paying for the wind-generated electricity. So I think it's something we have to have a pretty fundamental look at, where people or companies are prepared to make that capital investment and we, as Manitobans, don't have to make that capital investment. I think that's something we have to enter into the equation.

Mr. Rondeau: The whole idea about what to finance, what not to finance, how things are financed and which projects go forward, these are definitely into Hydro's purview. The debt on a dam would fall under Hydro, which would be paid by the ratepayers. The purchase decision on whether you purchase wind or not purchase wind in the contract is definitely a Hydro purview. So I would have to send you off to their—but you have to ask the Minister of Finance (Mr. Selinger) in this regard, because he is the minister responsible for Hydro.

Now, as far as the energy decisions, we as a Province, myself as a minister and my department really believe that wind has huge potential. It's not just the St. Leon project. It's the next 300 megs. But we believe that there's a future for more wind. Whether it's community wind or future developments, we understand that we made a commitment for more wind. We want to see more wind. What's happening, from what I understand, is the price of turbines are going down as the size goes up. So the economics of wind power keeps on getting better.

The one thing about Manitoba that people don't often comment on is the demand curve for power in Ontario, in Saskatchewan, in Alberta, in the States. They keep on needing more power. People use more power, more gadgets. So the price of power has been going up. So we believe that the economics of alternatives—and I actually don't like calling wind an alternative because I think it's part of the power supply.

So the price, the affordability of projects like St. Leon keeps on coming down. It's not going up. So we think that this will be better on the mix, and,

as the price of power goes up, the opportunity for Manitoba to become a superpower in energy is definitely there. We look at it as a policy of it's good to have an integrated policy. Sometimes—people don't say this—but if there's a drought, the price of wind power is really nice, because the wind is blowing. You don't have to flow the water and that's really successful. We think it integrates well with our hydro and we really like the policy.

I know that the Tory caucus has gone on a tour of the wind farm. We have, too. I think it's great. It was neat to just go out there with lots of people to see the project.

Mr. Cullen: I will agree with the minister on one point, that certainly the economics look more attractive on the wind energy side. The price is going down there, and, conversely, on the hydro-electric side, the prices are going up when we look at the escalating costs of those dams. Of course, the cost to transmit that power, too, to the south is a very substantial undertaking. It does come at some public discussion, as well, in terms of where and how and when that's going to be accomplished. So I will agree with you on that point.

But, fundamentally, I don't think it's necessarily Hydro's responsibility in this regard. I think it's the government's role to establish policy in terms of wind power and not just limit the discussion to wind power but other forms of energy, whether it be biomass or biogas or incineration, whatever the case may be. I think it's government policy that should direct how that's going to be viewed in Manitoba down the road and with a view that there's a tremendous economic impact for Manitoba.

I think that's where the government of the day has to say to Manitobans, we're open to play ball and this is the business we want to get into. We want to help create some economic activity in Manitoba. This is the way we see it being done in conjunction with Manitoba Hydro as a major player in it.

Mr. Rondeau: We believe that a lot of these energy opportunities are a huge economic opportunity whether it's wind power, whether it's biodiesel. I'm pleased to see that we're working to get some biodiesel companies, manufacturers up. Ethanol, I thought it was great that we actually have Minnedosa up and running, the new plant. I have to commend Husky for that operation. It's good economics.

* (15:30)

But we also have some wonderful opportunities in energy efficiency. Geothermal is another example of an excellent policy where we're trying to encourage geothermal by working with the industry, by getting the association, by getting certification, by getting training. So what we're doing is we believe that we want to have a broad policy objective of looking at energy, whether it's wind, which has good potential which we're moving on. We've made a commitment to do more wind. This is not the last tranche of wind that we're moving on. We will move on more. We've publicly stated it, and we will continue to work as a government and as a department on creating wind. We'll do it also in a lot of other files, and we think that this is a huge economic opportunity.

I find it interesting because when we're talking about the biofuels file, we don't want it just as a green fuel. We want to see it also as a benefit to the rural economy, a benefit to the farmers. So we don't think that we want to just have a green fuel as some regional governments, some governments are looking at as, oh, this is a fuel file. We're saying no. This is not just a green-fuel file. It's economic benefits. It's growth of industry. It's helping the farmers. So we think that it can be a triple play, whatever analogy you'd like to use, but we think it's a huge benefit for our economy too.

Mr. Cullen: I appreciate the minister, his response. I'm wondering if the Province has looked at what some of the other jurisdictions are doing in terms of moving into the field of this whole renewable energy, and a lot of different jurisdictions are looking at standard offer contracts and feed-in tariffs. I wondered if the Province is looking at something like that.

Mr. Rondeau: The deputy ministers, the staff, have worked together. They speak a lot across the country, and they're very, very much aware of best practices. They know what's going on in other jurisdictions, and we share best practices. We try to lead but where we can't lead, we try to follow very closely the leaders in any of these areas. So what we want to do is we want to make sure that we work with other jurisdictions.

One of the examples recently is we took the ethanol and we made sure that our regulations on ethanol were standardized with other jurisdictions. That's an example of where we've moved forward by having discussions with Saskatchewan and Ontario. We harmonized our regulations.

Mr. Cullen: I thank the minister for that, and we may get into the lead discussion at a later time, but I appreciate that response.

Talking about the economic spinoff here, I just wanted to mention the Assiniboine Community College. I know they're quite interested in developing some courses relative to the wind energy field here, and I think they're working quite closely with the City of Brandon and probably the people here at Elton Energy as well. I think they may be in the process of putting up a wind tower and possibly even getting a tower acquired there, or a windmill, to do some work on. I just wanted to mention that. It's a good opportunity for us and an opportunity for us to educate some young people and keep them in the province here, just as one small spinoff.

I wonder if the minister could tell me, as well, how many environmental licences we have in the province now for wind farms. Is there anything outside of an environmental licence required?

Mr. Rondeau: We don't issue the environmental licences, but I will endeavour to ask the Minister of Conservation (Mr. Struthers) to provide a list to us which we'd forward with your package. We don't issue the licences here, and so it's not our department, but in the spirit of goodwill and co-operation, I will ask the Minister of Conservation to see if he can get his staff to do that.

Mr. Cullen: Well, I appreciate the minister undertaking that for me.

There's been a group in the Killarney area in Turtle Mountain, a number of municipalities have worked together and looked at a few different things in terms of economic development. One was the biomass and Iogen quite a number of years ago. It just didn't materialize here in Manitoba. I know Iogen are doing some work east in terms of the biomass and what kinds of ramifications could come forward there. Once that kind of went by the wayside, the same group, the Turtle Mountain Sustainable development corporation, were pretty active in trying to seek someone to work with in terms of the wind energy, and they've done a tremendous amount of work there for a number of years. Obviously, we're pretty frustrated not even making the short-list after the RFP proposal, because they had spent a lot of time and equity into that and tremendous support from the community.

The frustration is fairly high there because now they are talking about moving forward and selling

energy direct into the United States, into the United States market. I'm just wondering if the minister has a comment on that.

Mr. Rondeau: Mr. Chair, the whole competitive process for deciding who won the RFP, it was a competitive process. It was based on the criteria established by Hydro, and what it was, was there was a whole pile—and I think in excess of 70 or 80 proposals. There were a lot of proposals, and so, yes, there was a lot of people who were disappointed that in this round their proposal didn't go forward. But that doesn't mean that their proposal is dead. What that means is that during next round or the next round they have the information there. They have the data there. They have the base work done. So it's not all for nought.

The other part response is that this group or any group can sell to the U.S. if they find a market. They're welcome to do that. However, they'd have to transmit through the hydro wires and pay the tariff to do that, and they'd have to figure out all the technical difficulties of doing it. It's not an easy thing and so it'd be a very technical process, but they could move theoretically to do that.

However, what we will be doing is we will be working to do future projects with wind companies to make sure that there are more wind farms built, because we don't see this at the end. If you look at documents in the past, we had larger targets that we want to get towards building in the wind, and it's certainly not 100, it's certainly not 300 more. There are quite large targets.

Now, part of it is how fast you bring it on stream and what percentage of the wind energy is in your total mix, and those are the things that we're working with.

Now, we will work with any proponents to make their project—work with them to see how their project can move forward. But we are not going to decide on the RFP, and we don't decide on the competitive process. We work with Hydro to develop the RFP. The RFP goes forward. There's a competitive process. The winners move forward. That doesn't mean that there isn't another RFP in the future. There will be more wind projects in Manitoba in the future.

* (15:40)

Mr. Cullen: I'm going to refer specifically to the situation at Killarney. From what I understand, you're saying, there's no policy in place to preclude

them from establishing a wind farm and selling electricity directly to a market in the United States.

Mr. Rondeau: I understand, through the non-utility generator policy, which I have not read, and the open tariff transmission agreements, that anybody who wishes to transmit can do so. They would have to get on the wires, they'd have to make a deal with the person who owns the wires, i.e., Hydro, and do that. There is a tariff. There's a cost for doing that, and it is a very technical thing. So that would be something that they would have to talk to Hydro who owns the transmission. They would have to figure out what type of power they would sell, and they'd have to try to figure out the sales agreement itself, and so it would be a very technical process. I know it takes our Crown a while to go through it, so therefore it would take any company a while to go through it. It's no different, from what I understand, than if you decide to put a solar farm on your roof, and if you produce more power than you need, it goes to net zero and then you can sell to Hydro, and they'll pay you money for your power that you generate, and it sort of goes into that type of policy.

Mr. Cullen: I appreciate the minister's response there. I'm going to assume, and he can correct me if I'm wrong, that it would be his department then that would be the go-to department in terms of government, notwithstanding they're going to have to deal with Manitoba Hydro. You, as the Minister of Energy, Science, Technology and Mines, I would think, would be the front minister on that kind of an endeavour. Again, we talked about all the great economic spin-offs and developments that can happen in wind farm. We don't necessarily have to sell direct to Manitoba Hydro as has been stated, so this might be a good opportunity for them to work with your department and Manitoba Hydro to make this thing work.

Mr. Rondeau: Mr. Chair, in addition to the wind, we have suggested that the Turtle Mountain group look into biomass, have offered to work as a department to work with that group, and as I have had in the past members on both sides of the House, if someone wants to ask for a meeting with my staff, I'll make sure that the staff meets with their group. It is not a huge staff of hundreds; it's a very small group, but they're very energetic. And so they would be willing to meet with them, times would be arranged whatever the project, whether it's biomass, whether it's wind, whatever it is.

Mr. David Faurichou (Portage la Prairie): Thank you very much, Mr. Chair. I appreciate my honourable colleague from Turtle Mountain providing me with the opportunity to participate. On the issue of wind energy, recently, there were two public open houses held in Portage la Prairie on two specific proposed sites for wind power generation at Macdonald and at St. Ambrose. The proposing company, though, expressed a significant frustration with communications between themselves and the on-going preparation for a wind generation site I see right in the minister's own documentation that it is his responsibility to optimize community participation and benefits from upcoming Manitoba Hydro development projects and to optimize value-of-sale for Hydro power and to facilitate the wind energy development.

So I would suggest if the minister hasn't already, that there be contact made from his department to all of those individuals that have been short-listed, that continue to prepare their proposals, to understand their frustrations because these companies that have come to Manitoba to prepare proposals are not just doing so in Manitoba, they're doing so all across Canada and into the U.S. as well. Their experience here in Manitoba is not a stellar one.

Current situations are tainting their experiences in Manitoba to a point where they will not be back for a second round, as the minister has alluded to—proposals. I want to ask the minister: Is he prepared to ask his department to reach out to the current proponents of wind generating proposals here in Manitoba and to liaison with them and understand their frustrations with the current process.

Ms. Flor Marcelino, Acting Chairperson, in the Chair

Mr. Rondeau: Thank you very much, Madam Acting Chair. We will continue to work with all proponents and we have been working with a lot of proponents. If you have any specific examples or any companies that you'd like to refer to us, we'd be happy to follow up. So, if you have any specific issues, specific complaints, or specific individuals that you can send to us, we'd be happy to follow up with staff.

We have been working with communities. We've been working with companies and I've been informed my staff has attended the open houses. So we're aware. On any process I would never say that anything is ever perfect when you're doing a process.

What you're trying to do is always continue to improve it, to continue to share best practice and continue to learn on anything that we do. I'm pleased with the department. They have been very energetic on this file. They work very, very hard on this file. They're trying to move this forward as expeditiously as possible creating the triple win situation.

Now, what we'll do is—if you have a company that has an issue please forward it to me. I'll ensure that the staff has a discussion and talks to that company and we'll definitely take it into consideration, anything that the companies bring to us.

Mr. Faurichou: I appreciate the minister's answer. As energetic and proactive as his department has been and as the minister leads us all to believe, I would suggest that the minister and department is aware of the short-listed companies. Just good business practices would be to check up on these companies and ask of their feelings and experiences thus far and to see whether you can assist them in any fashion because again, you state that you are there to create an environment conducive to development of renewal energy technologies. Being that it's the minister's mandate and I'm certain he knows the entities engaged in the short-listed proposals that he could very well do that tomorrow.

* (15:50)

I think he will find that there is significant frustration because of the intensity of creating these proposals. There's a lot of time and money invested, millions, I dare say, in creating these proposals. It is definitely something that is of concern because these companies have experiences in other provinces, and I will say in dialogue with the proponents in Portage la Prairie's constituency, we are a sad example when it comes to welcoming company proposals and entering into dialogue. Other jurisdictions are far superior in their experience to their experience here in Manitoba.

I will go farther to ask, the minister said that they're looking at being able to generate and transmit but without disclosure from Manitoba Hydro as to the existing capacity of lines in the proximity to the proposed area of energy generation.

How are we to go ahead and see whether or not developing a proposal, making use of Hydro transmission lines, would be workable? I would ask the minister as to whether or not he, in his mandate to have this conducive atmosphere of energy

generation, how can that be without knowing what line capacities are as well as the tariffs that are expected, if those lines are used?

Once again, I can be very specific, if the minister wants me to, but in generalities, I would suggest that it should be accessible to anyone that wants to generate electricity, that they have knowledge of what the line capacities are throughout the province as well the tariff that Hydro is expecting to be paid by energy-emitting proposals.

Mr. Rondeau: Madam Acting Chairperson, most of your procedures that you were talking about fall specifically in Manitoba Hydro's bailiwick. I would have to refer the member to Manitoba Hydro. The minister responsible for Manitoba Hydro is the Minister of Finance (Mr. Selinger).

However, I'll tell you what's happening with the proposals. During the RFP process, my department, prior to the RFP being finalized and moving forward, met with and talked to and worked with many of the companies, in fact, I believe, almost all of the companies. The process is still in the competitive process. We have not got the 300 megs out; therefore, the RFP hasn't been concluded. There hasn't been a purchase agreement done from what I understand, so it would be inappropriate for us to start working with the companies that are still in a competitive process.

There's still a shortlist. The 300 megs hasn't been awarded; that doesn't mean the companies are out of the competitive process yet. As I mentioned to your colleague, this isn't the final proposal. Hopefully, we'll see more wind projects in the future that are moving forward. The data, the information, the licence, any of the work that's been done won't be all for naught.

These are projects where we're bringing up, from zero to 99, another 300. We're working on community wind projects in the near future. That's what we're working on. What we say to the companies is that, once the competitive process is over and the contract is awarded, the purchase agreement is awarded, then we will be happy to go back to all of these companies on a proactive basis to talk to them to figure out how we can do it. Now, if they have made the short list, that means that they have very good proposals. That doesn't negate them being successful in the future. It just means in this round they weren't. However, the round hasn't been concluded as of yet.

Mr. Faurshou: I appreciate the minister clarifying that point that it has not been concluded because the announcement from Manitoba Hydro was reported in the *Winnipeg Free Press* that it could potentially or it indicated that all 300 had been allocated. In any event, the minister has straightened it out and only 100 has been indicated.

Mr. Rondeau: The 99 was the St. Leon. The 300 that currently has the RFP out has not been signed. There's no power purchase agreement signed, I understand. The negotiations are still ongoing.

Mr. Chairperson in the Chair

Mr. Faurshou: I understood by reading the *Winnipeg Free Press* that BowArk was recognized, that the St. Joseph location was in receipt of the green light for development by the department, and this was going to be the selected site for at least 100 megawatts and potentially 300 megawatts.

If this minister is telling me that there's nothing yet, what was the *Free Press* reporting based upon Manitoba Hydro's announcement?

Mr. Rondeau: I understand. Again, I'm not the minister responsible for Hydro. However, I understand that Manitoba Hydro is in discussions with a certain proponent in trying to finalize a power purchase agreement. Until that's finalized, there's no project that's moving forward. There are discussions on it. I understand that it hasn't been signed yet. Discussions are ongoing. Until there is an agreement signed, the RFP is still, and there's a short list and there's an RFP out there. It would be inappropriate for my department to start talking about, to the short list, until the RFP is concluded with a power purchase agreement.

Mr. Faurshou: Well, I understand the minister's situation. I will leave it with him to understand that he does have the responsibility to create an environment conducive to the development of renewable energy technologies of which I would include, I dare say include, wind power generation.

I would ask the minister to engage his department to contact the short-listed proponents for wind energy here in the province to ask how we measure up, if at the very least, with other jurisdictions. Because I'm under the impression that, even if we have a second round, the current proponents that are unsuccessful won't be back for a second round because they have invested all they're going to invest in Manitoba and there's a lot more out there as far as they're concerned in opportunities.

Mr. Rondeau: As per always, I'd always take your advice and listen to what you're saying in any process. As I said before, we can always learn from anything we've done in the past and continue to improve the process. I also believe it's our job as a government to go out into the community, listen to businesses, listen to communities to see how we can continue to do things better. I'm always willing to do that. I will instruct the department to follow up on your suggestion.

* (16:00)

Mr. Faurshou: Yes, on a very cordial note, I will say that I hope the minister dialogues with his Cabinet colleague in Conservation where permits are required, much to the surprise of persons that are wanting to be more environmentally friendly, reduce greenhouse gas emissions, and went about the engineering and installation of a cover over their effluent emanating from their intensive livestock operations—much later to be found in contravention of existing regulations in the Department of Conservation and having then to be in requirement of a very costly licensing process. Just because they wanted to be better stewards of the environment, now are having to shell out significant dollars because of a government regulation. I would suggest that people that are doing so, should be applauded rather than called upon to shell out more money just to be in compliance with government.

Mr. Rondeau: I'd never comment on another minister's area. But one of the things I will continue to do, whether it's building codes which is interesting, because again it's something that's in the Green Plan, the climate-change plan which is another minister's purview. Again, that takes awhile to change whether, it's just in reusing grey water which makes sense and that was in the *Free Press* this weekend; makes sense, takes time to change. Whether it's plug-in vehicles, I drove the ZENN car in Toronto. It was fun. The deputy and I went to Toronto, checked it out—it's something that takes awhile to do change. When we're looking at the new economy, when we're looking at climate change, when we're looking at new energy or whatever, it does take change of behaviour.

I just looked at the plug-in car and I just think with our hydro resources, with our ability to use this—it actually was funny because everyone was talking about having to build new infrastructure in southern states. We don't need new infrastructure, we have plugs. We can actually integrate that. Now, the

question is how you get past the federal regulations, the provincial regulations to make sure you can adopt this. I have a little Smart car. It works great. There's no difference between that and a plug-in vehicle but it's a change of regulations. We will work within government to try to change it to be more green, and I don't think we can ever be enough. I think it's funny that the younger people are pushing us, and I'm glad that they're pushing us because we have to continue to think about how we're doing things and think about how to be more green and climate friendly.

Mr. Faurichou: Well, I do appreciate the minister's response and for not commenting on another minister's portfolio. But I want to encourage the minister, if he is indeed intent on fulfilling his mandate as outlined in his Estimates material to create an environment that's conducive to development of environmentally friendly energy technologies, that he be in correspondence and communication with his Cabinet colleagues when it comes to his attention that there are regulations that are impeding this movement which his department is promoting. So I thank the minister and my honourable colleague for Turtle Mountain, for the opportunity to ask questions this afternoon.

Mr. Blaine Pedersen (Carman): Mr. Chairperson, low-speed vehicles, LSVs, where are we at in terms of getting them registered in Manitoba?

Mr. Rondeau: They're part of the plan. They're also in Bill 15 where we're trying to work forward with them. I noticed that your colleague, the Member for Portage la Prairie (Mr. Faurichou), has a brochure on a plug-in vehicle. I've had a chance to check out ZENN. I know there's Volt. There are a whole bunch of them. What we're trying to do is figure out how we can bring this type of vehicle into our roadways, do it safely and make sure that have another alternative.

One of the things we've done in governments, we don't think there's just one answer, whether it's building the hydrogen bus fleet, the new 10 buses that we're building for the Olympics, so New Flyers is part of the consortium building it, whether it's a plug-in vehicle, whether it's the hybrid rebate which I think is about 700—Thank you; I get a nod from my staff; about 700 new hybrid rebates have gone out—whether it's trails.

I think it's a lot of answers that we have to move on, and we're looking at trying to move forward with that very expeditiously.

Mr. Pedersen: Mr. Chairperson, my good contact at Northland Machinery, which I gave you the brochure on here a number of weeks ago, has just contacted me today and says Saskatchewan now has licensed low-speed vehicles.

If you know about it, can you tell me, or you don't know about it, can you find out the details and get back to me what the details are so we can get on with this in Manitoba? Obviously we don't need to reinvent the wheel here.

Mr. Rondeau: We would be happy to get the information from Howell, Saskatchewan. Sometimes they've been licensed in very restricted areas. What we are trying to do is find out how we can do it quickly and how we can do it effectively so that people can use them.

One of the things in the States, they're usually in gated communities. What we want to do is figure out how we can incorporate them in the average person's driving options. So that's where we're at.

I'd be happy to find out from Saskatchewan in the next couple of days. Hopefully, we can get staff to talk to Saskatchewan—they're nodding—and they'll find out how they did it. I know B.C. is moving forward on trying to incorporate them. We are, and so there are a few provinces that are trying to move forward. There is the issue of federal regulations in this case, where they're restricted to 40 kilometres an hour. I understand that the ZENN car can go faster than that.

But even, like, Westward Industries which is just out in St. François Xavier. I went out, toured it, great vehicle, used in all sorts of places, yet we can't figure out how to license them here. I think we are committed to figuring how to move forward on this issue very quickly. I think the legislation says within six months, but I would like to do it as soon as humanly possible.

So I'll get staff to go chase it, find out how they did it and see if we can incorporate it into our rules and regulations.

Mr. Pedersen: I just ask the minister, if when he's checking it out, if he could send me some kind of information back as to what Saskatchewan's doing, so I can turn around and tell Kryke Nussi at Northland Machinery, because maybe he hasn't got all the details.

Your department should be able to get all the details. Accuracy is utmost here in terms of getting details. If you'd commit to do that, I'd appreciate that.

Mr. Rondeau: We're sharing best practices, not only with Saskatchewan but also with B.C. It is in Bill 15. What's neat about Bill 15 is when Bill 15 passes it has a deadline that we have to act. I would like to do it before the deadline. I want to move on this because I think it's a huge option. I looked at Westward Industries, I saw the pamphlets that you gave me, and I have to compliment you because as an MLA, great, you knew industry in your area. You said, hey, what are you doing, and that's where we can grow. I think this is an area which we can really grow. I really like the roadster that the company was producing, but we will send you the information.

Not only will we send you the information, if you can convey to your constituent that we're interested in moving this forward very expeditiously, that would be great. So I want Bill 15 to pass quickly so that it puts pressure on the system and comes up with an absolute time line.

*(16:10)

Mr. Cullen: I guess it's referenced in Bill 15. I also made reference to it this morning, was the whole coal issue. You mentioned in your discussion this afternoon, too, that the wind energy or other forms of energy have a good opportunity for us to displace dirty coal. I know Bill 15 references the coal plant in Brandon itself. I know there's talk about just allowing it to operate on an emergency basis. I'm just trying to get a sense of the minister there, what he means by that. Maybe I'll just leave it at that for now.

Mr. Rondeau: Mr. Chair, what'll happen is that we have two transmission lines from the north. If they go down, we would definitely have to use Brandon for emergency or to sustain the power in Manitoba. Basically, we have two wires through the Interlake. I understand that during a wind storm a few years ago they went down and that created the issues. That's when we would use it. It would be used as a backup power, emergency power, and to help make sure the system can continue to provide power to Manitobans.

Mr. Chairperson: Just before I recognize the Member for Turtle Mountain, there's a lot of latitude under a global discussion and that's fine, especially as long as both parties agree. Technically speaking, we should deal with the Estimates itself which isn't legislation or bills—global difference?

If you're both good with talking about bills, you can talk about bills, but I just wanted to offer that reminder to everyone, so please, honourable Member for Turtle Mountain, you have the floor.

Mr. Cullen: Well, thank you, Mr. Chair, for pointing that out. We certainly want to be relevant to the discussion, but if the minister's up for kind of a global discussion on energy and policy and direction as it relates to Manitoba, I would certainly appreciate it.

Okay, well, thank you very much for that answer. We appreciate that. That particular facility in Brandon, the Hydro facility, there are a couple of turbines there that have been set up. There was quite a substantial investment made by the, I guess it was Manitoba Hydro to now use natural gas, I believe, to run those particular turbines.

My understanding is they're not very energy efficient, and it's something that I think the government should have some concerns about if we're going to be putting in these turbines that are going to be supplemental energy, and we're not going to get very good value for them in terms of using extra natural gas. I think that's something that we as government should have a concern about, especially in lieu of bringing out legislation dealing with greenhouse gases.

I am just wondering if the minister has any comment on that, and I'm just trying to get a bit of a sense in how often—you know we talk about the emergency use of coal and how does it all work in terms of these turbines as well. It seems like it could be an either/or situation. So I'm trying to get some clarification in when the natural gas turbines would be used and when the coal would be used and how that whole process works, does, I mean, over the long term have certainly implications to all Manitobans.

Mr. Rondeau: The use of the facility would be part of this legislation where we're setting up regulations on when the facility could be used. How the facility itself is being converted would not fall into this ministry. That's definitely Hydro. It's a Hydro decision. It's a financial decision passed by the board and by Hydro.

So that wouldn't be the responsibility of this ministry. The whole use of it, the part of Bill 15 is saying that it's for emergency requirements. Now, we would develop regulations on what exactly emergency means, but, so far I can tell you, if the

power lines go down, we'd probably use the facility. It's not meant to be used for everyday power generation on a regular basis. Again, the energy efficiency, how it's converted, what it's converted to would not in any way be the purview of this ministry.

I can tell you, though, on the coal reduction plant, what we've done, as was stated earlier; we are trying to encourage people to switch to biomass or other such ways of having energy. Maybe, we can build a biomass industry where they're compacting straw, hay, other things, compacting it and then burning it instead of coal.

What we've done is we've actually set up a tax—not now, but for a few years from now—and put the incentives in this year. So, if you notice on the climate-change plan and on the budget, we actually have a lot of incentives to encourage the switching of fuel from coal. It sounds interesting because everyone is saying, why are you doing a tax in a couple of years?

Then the Finance Minister (Mr. Selinger) actually said, we don't want to collect the tax; we'd rather not burn fuel and have everyone switch before that. So we've put the incentives to switch to other things.

We like biomass because, basically, you're taking away from burning crops, et cetera. You're taking what could be thrown out and you're using that as a fuel supply; it's actually a green energy source. We'd like to see more of that. We're hoping to work with industries, with farmers, with different groups to move forward in the biomass industry; that is where we want to go as a policy.

Mr. Cullen: I respect the minister's comments there and that's where I was going in this conversation. You mentioned these incentives this morning. Are those incentives then directed to new companies that might be looking at biomass? Is that how these particular incentives are going to unfold, because you mentioned that you're trying to get away from coal? So how does that incentive structure work?

Mr. Rondeau: There are two parts to the program. One is working with companies currently burning coal to convert to another energy source. The other one is the development of the fuel itself, so that people can pelletize their straw or whatever. They'll take it off the fields, compress it and then use it as a substitute for coal. What's nice about it is it's also very, very good, because what happens, not only is it

a green fuel but, if you can replace coal, that's a positive.

The other thing is that this might be, again, another economic development opportunity where companies can come up, they buy the crop off the farmers, they compress it, and that's creating new jobs, creating new opportunities and new economic activities in the rural economy.

We think that this is a huge boon. What's nice is that it's creating extra value-added in the farm economy. If you currently have hay there on the field, straw that is sitting there, rather than ploughing it under or burning it, now you can gather it and get some money out of it. Hallelujah. It's a neat opportunity, we think, for the farmers and the rural economy.

Mr. Cullen: I just wondered if the department has a sense of how much coal is being consumed throughout Manitoba, and of the number of companies and individuals that might be involved in the, well, proposed tax, I guess it's going to eventually be.

* (16:20)

Mr. Rondeau: The three big users are Hydro, Tembec and Graymont. I understand Hydro uses energy source, Tembec uses energy source. Graymont uses it as part of their process. I won't get into the details. I can provide you some information on this. I don't have it at my fingertips. It can be in that wonderful package.

The thing is that we don't have the exact numbers here, but there are basically three big users and there are some other people that use it for heat or smaller operations.

Mr. Cullen: Okay. I thank the minister for that. The question is there is a lot of agriculture producers and a lot of small-business communities or small businesses that are burning coal. I'm just wondering how that's going to impact them in terms of your proposed tax.

Mr. Rondeau: We're actually working actively now to convert those companies off coal, and what we're trying to do is we're working to produce a fuel that they can convert to. So we are hoping, as the Finance Minister said, that we don't collect the tax. We hope that there is no carbon tax on coal burning in the province. We are going to institute one. If we don't collect a nickel that would be a very positive thing because people would move from a dirty fuel, coal,

to biomass or something else which is a clean fuel. That would make economic sense. It would make sense environmentally, and it would be good for the farmers. So that's where we want to go, and have we got all the details worked out? No.

What we're doing now is we're working with the three main companies and now we're also going to be working with a number of the other people now that we're working through the assessment. Sorry, the encouragement of conversion of coal. So we're going to get the information out to convert, get the program's information out on the conversion, get people interested in it, start working with them to convert off coal onto other options. It depends on their particular circumstances what the options are. It might be biomass. It might be something else.

Mr. Cullen: Well, I understand where you want to go. I think the problem you're going to have is in practice. A lot of these industries and these larger farmers have developed equipment to specifically handle coal, and if they're going to go to some other biomass, my expectation is it will probably require a completely different system. Unless you go right to the whole concept where you're actually going to take this and pelletize it.

I guess the question then, in my mind, is, do we have companies in Manitoba that are presently doing that kind of operation, and given that, what kind of price are people going to have to pay for that particular pelletized commodity?

Mr. Rondeau: I've been informed by my staff, who know a lot about this, that there are some pelletized companies in Manitoba today. What they do is they do take the biomass supply, which could be hay or grass or remnants of straw or whatever, or woodchips or whatever, and they do pelletize it. They make it into pellets that are very similar to coal. I understand that the conversion costs are not extreme because they're designed to replace coal. So they take the straw or whatever, compress it so that it would be the same pellets as the coal and then they can use it in the same equipment often, or there might be small conversion costs.

What we're trying to do is also at the same time increase the supply because, as you know, if you increase the supply of these pelletized things, the cost goes down generally. Then our hope is that it becomes very equivalent to coal over time.

Mr. Cullen: So the expectation here of this tax, again, I'm trying to figure out how it is. It's a tax on

the actual greenhouse gas emission. Will the Province be looking at actually like a tax per tonne when you go to buy the coal or how will that particular tax work?

Mr. Rondeau: The tax would be decided by the Minister of Finance (Mr. Selinger), but we have put out the marker out there where it would be approximately—it would be an incentive to come off coal. I understand that the purpose of the tax is to make sure that options like biomass and all this are similar in cost to burning coal and so people with incentives will go to a greener fuel.

I don't know what the federal government—there are always interesting discussions. In the paper today, I notice one political party started talking about a carbon tax and coal—federal carbon or coal tax. These things I can't presume. I can't predict in the future. What we're trying to do is make it so that we have a coal conversion so that people can convert their existing operations into these biomass pellets or other option. We have an incentive out now. The incentive will exist for a while. The coal tax will come in in a couple of years. So intelligent people, which we all are, will hopefully convert from the coal, which will continue to go in price, will maybe be subject to future taxes, I don't know. So what will happen is people will convert from a dirty fuel to a clean fuel. Hopefully, we can, through our efforts, make the transition reasonably cost neutral over time.

Mr. Cullen: It appears the proposed legislation selects coal and we're not, at least as far as I can tell, taxing any other greenhouse gas. Why are we picking on coal, albeit it's supposedly dirtier burning product? Why are we picking on coal which, we could probably go to the three big polluters and deal with them, but we're picking on everybody else across the province and particularly coal and we're not, at this point in time, at least, prepared to tax other greenhouse gas emissions?

* (16:30)

Mr. Rondeau: If you look at the climate change plan, what we're trying to do is we're working with many sectors. One of our interesting challenges is we have a very small greenhouse gas imprint. We have about 20 megatonnes. To put it into context, Alberta had an increase of about 60 megatonnes in the '90s. So we had one-third of the total imprint of Alberta's increase, and ours is not one single sector. Even if you take the large emitters—we have seven large emitters—well, that's not a large amount.

So what we've done in our plan is we've looked at this as an overall strategy. We've looked at it as something that everybody needs to take action on. So there're 60 actions. They're through transportation, bike trails, fuel efficiency, all these sorts of things, agriculture, planting trees, ripartite zones, all sorts of different things.

So it's a lot of actions. It's not just a single one. One of those actions is try to get people off coal because coal is a very, very dirty fuel. So what we've done is we've tried to use the carrot approach, where we're trying to provide incentives for people to do positive change. So take Power Smart. It's providing incentives for people to conserve energy, and Manitobans understand it. You invest a little bit of money and you save over a long period of time. So whether it's trails, whether it's working in biofuels, whether it's any of those wonderful projects, we're trying to create a lot of incentives.

So what we've done is we have done an incentive to change off coal, a dirty fuel, into biomass for other cleaner things. That's the first part. The other big sector that we have control on is the transportation sector. I dare say that at—what was it?—\$1.299 a litre, I've had more people talk to me about my Smart car in the last few weeks. I actually had a great discussion at Co-op when I was filling up last time and it took me \$14 to fill up my car. It was interesting because the guy beside me was filling up at \$135, and we had a nice, interesting discussion about how good my car looked to him at \$135.

The thing is that there is the price of fuel, and, you know, if you listened to CBC this morning, as I did when I drove in, they were talking about transit and rapid transit, and they were talking about bike trails, because at \$1.30, people are starting to wonder whether they can continue to do what they're doing.

So the good part is it's part of our strategy. It's not all of it. It's one small component, is the coal tax. But, more importantly, before the coal tax comes in, you have an incentive to change off of it. So I think it's a neat idea, and a lot of people say, well, why did you do this and announce a coal tax then? Because this is giving people who are burning coal now time to convert. It gives the companies that are doing the pelletized biomass time to ramp up, and so everything sort of works together.

I think that's a good plan. Will it work perfectly? I hope so, but what we will do is we'll work with different people to try to put the plan together. That's a long answer to say it's part of a program.

Mr. Cullen: I think the interesting part of your comment there was the relatively small impact that Manitoba does have in terms of greenhouse gas emissions, which I expect is a good thing. I guess we have to be careful that we're not trying to discourage economic activity, as well, by bringing in any kind of overbearing regulations. That can certainly be a concern. We don't want to bring in regulations that are effectively going to turn down economic opportunities here.

Part of that problem might be if we have different rules and regulations in different jurisdictions across the country. So I'm just wondering how you feel we are in line with what the federal government's trying to do and then what the various provinces are trying to do in terms of what kinds of approaches they're taking.

Mr. Rondeau: We look at this whole program as an economic driver. Look at New Flyer buses, the first hydrogen fleet in the world being built in Winnipeg, thank you very much. It's an economic driver. Look at the fact that we have a bunch of window companies that build very energy-efficient windows. Look at the fact that we have Westward Industries, and I can't remember the name of the company with the other plug-in vehicle from Carman. It'll connect in a minute.

We have lots of opportunities here. We've invited ZENN to come here; I said, by the way, we have a Composite Innovation Centre which will make your vehicle even greener; come see us. We think this is a huge economic driver. One of the things we've done in our plan is we made sure that we didn't have different regulations than the feds on large emitters. We said we'd follow the same rules that the feds have done, so part of our plan has a small component that says federal regulations. The large emitters are following the same regulations that the federal government is doing, and so we'll work with them.

What we want to do is look at this as an economic opportunity. Whether it's building new-age buses, the new articulated biodiesel-electric buses, the hydrogen buses, the new planes, we think of this as an economic opportunity and we're going to seize it.

Mr. Cullen: The minister made reference to the Power Smart program with Manitoba Hydro; clearly, Manitoba Hydro invested a lot of money in that particular program. Their whole idea—in fact, this was a recent document that Hydro put out, talking

specifically about Power Smart; the president and CEO is talking about how much electricity they saved and how much natural gas they were able to reduce because of the program. Then he goes in and he talks about lowering our emissions by 134,000 tonnes or taking 38,000 cars off the road.

This is all well and good for doing this. Obviously, it's coming at a cost and I'm not sure what that cost is, but we'll try to get those from Manitoba Hydro at sometime. The other side of the coin is that Manitoba Hydro has been directed to build a transmission line on about the furthest possible route to get electricity to market. By our calculations, we think fairly conservative calculations, we're—*[interjection]*—we might be outnumbered when I get into this discussion here today but the fact remains, a line that is 500 kilometres longer, there's going to be substantial loss in electricity due to the line loss.

Whatever that figure is, the expert opinions are varied, but there's going to be substantial loss in terms of electricity as a result, of our potential to sell that product to the Americans. Just with that line loss, we're adding significantly more greenhouse gas emissions. We've calculated it could be 350,000 tonnes added back into the environment, because we don't have that electricity available to sell into the U.S. market, which would replace the dirty coal that we've been talking about.

From your perspective as the minister in charge of Energy and that whole portfolio, you should have, I would think, a concern about running this extra line 500 kilometres in terms of the impacts that it's going to have to the environment.

Mr. Chairperson: Before recognizing the minister, should he choose to answer, I need to remind all honourable members that we need to keep our questions relevant to the matter at hand in front of the committee. Not sure where this would appear in the Estimates of this particular department, and just wondering, for clarification, would the member care to indicate which resolution, page, book we might be talking about?

* (16:40)

Mr. Rondeau: To let the member know that the location and the building of transmissions lines would not be done by this department. I know you're shocked. It would be more the responsibility—what we have done is we want to believe that we want to grow the economy. I got some information from my

department on some of the investments on green industries.

Husky invested \$200 million just recently. I understand you guys went to the plant. That's a beautiful plant. Algonquin invested \$210 million. We've got lots of new investment on green industries. I see it as a very good potential.

I listened to Stephen Hawkins—I think it was Stephen Hawkins—who came up and said that if you are a late adopter of believing on climate change, it might cost you 20 percent of GDP, 1 percent, if you early-adopt. But he also, when we were having lunch, he had a chat and said, well, if you're a really early adopter, you could make money on this. You can bring the industries here. You could have an opportunity. We'd like to seize that opportunity.

Whatever we export, we're exporting green energy to other jurisdictions. I'm pleased that within Manitoba our climate change plan is reducing three megatonnes within Manitoba. That has nothing to do with export sales. That has nothing to do with exporting energy somewhere else. It has nothing to do with when we export, we're replacing coal. That's what we're doing and I'm proud of that as a Manitoban, because it's not just within Manitoba, it's also what we're doing outside our provincial boundaries as global citizens.

Mr. Cullen: Well, just for clarification, for the Chair, I just wanted to point out page 23 under the Energy, Climate Change and Green Strategy Initiatives, it clearly points out that part of the criteria there is to develop and implements energy development initiatives, climate change initiatives and economic development strategies involving hydro-electric resources and alternate energy development opportunities. So I rest my case.

I think it's important to recognize that we're all in this together. Manitoba just can't stand alone, because we all share the same environment, so it's all part of the big picture and that. I do thank the minister for his response and I'm going to turn the table over to the Member for Inkster. Thank you.

Mr. Kevin Lamoureux (Inkster): Mr. Chairperson, I do have a few questions I would like to ask. We've already heard a lot of discussion in terms of gas prices and so forth. There are a lot of people, including myself to a certain degree, that really tries to get an understanding of gas production right here in the province of Manitoba. To what degree is the

department involved in encouraging gas and oil development in the province of Manitoba?

Mr. Rondeau: We have a department that does that. Part of the Minerals division has a Petroleum branch. There are some people in Winnipeg, but the biggest complement of their staff is out in the Virden office.

Mr. Lamoureux: Is this particular department involved at all in regard to gas and oil incentives or programs to encourage that sector to be developed?

Mr. Rondeau: Yes.

Mr. Lamoureux: Could the minister give any indication in terms of in comparison, relatively speaking, and I realize we don't have an X-ray machine that scans the earth, but can the minister give an indication in terms of, compared to, let's say, Saskatchewan, what sort of a percentage does he feel that we have in terms of oil and gas opportunities, compared to a province like Saskatchewan. Any sense or idea of that?

Mr. Rondeau: I can get back to the honourable member about what our potential is versus Saskatchewan, because I don't have Saskatchewan's. I do know that a few years ago, we were at about a hundred million dollars worth of production. I understand that projections are somewhere in excess of \$500 million to \$600 million this year. I also know that the industry had record-breaking years last year as far as the amount of wells drilled and the amount of production. The previous year was also a record-breaking year and this year, there are lots of activity going along.

What happened was we had changed some of the incentives. People have been looking in new areas. We had the Sinclair field found, basically, or re-found about four years ago. There's been a lot of drilling on it and our production has increased rather considerably.

The interesting part and difference between us and Saskatchewan, though, is that in Manitoba the Province doesn't have all the royalties. Part of the interesting historical fact is a lot of the landowners in the area actually hold the mineral rights and so they receive substantial benefits.

It was interesting when I went to Virden a few years ago, you see the landowners who had had troubles with BSE and had troubles with some droughts. This truly was their ship had come in. They had received substantial net benefits because of the

royalties, because of drilling on their property, and it was very, very good for the local area.

Mr. Lamoureux: I guess it's good if what the minister gets back to me is quantitative in terms of the actual measurement of oil as opposed to when you say 500 million versus 100 million from a few years ago, because we know the price of oil really fluctuates and it has gone up quite dramatically.

What I'm hoping to be able to achieve through this is what is Manitoba's potential compared to Saskatchewan's potential? I'll move off of oil and then move on to potash. For example, Saskatchewan is moving full steam ahead on potash development. I'm told Manitoba has significant potash potential, but we don't even come close to being able to materialize that. It would be nice to get a better assessment in terms of to what degree Manitoba is maximizing on some of those natural resources that other prairie provinces have been very successful at developing.

Mr. Rondeau: I can get back to you on some of our production.

The trouble with when you say potential, it becomes economic potential. What are your resources or reserves at \$30 become very different at \$120 or \$200 a barrel. Also, it's what you know your potential resources are and what you can prove.

So, in the case of Sinclair field, in the '50s they knew that they had a field but they didn't have the technical ability to get the oil out at an economic basis. So what happened was, they came up with new processes, they came up with new techniques and then, lo and behold, in the year 2004 the process became so that they could economically get the oil out.

There are always potential reserves. There are potential deposits, but proven are usually what we work with. The other thing is, it's the same with minerals. I didn't realize this before I became Minister for Mines, but one person said, at \$2 a pound for copper, you have a certain resource. At \$10 a pound you have lots. It depends on the economics, the mine and what you're given. So it's the proven resource and whether it's economic.

In the case of potash, what's the percentage of potash? How thick is it? What's the proven results? Have they done the exploration? Have they done the seismic? Those are the things that we can't do. We can't provide it to you because it's actual commercial

confidential information. The companies do this. They do publish it.

I can tell you that for many years Manitoba Potash Corporation was a company that was owned by a French company and Manitoba. Nothing was happening. I'm pleased that we worked together with the French company to market their share. The share has gone to BHP. We're now partners with the largest mining company in the world who's looking at spending money and exploring this resource. Have they finished yet? No, they're exploring.

* (16:50)

Mr. Lamoureux: There is no doubt ownership becomes a critical issue in the development of natural resources. The minister makes reference to the potash, and maybe there will be additional development. My concern is that in areas—and we point out and we go back to the oil, where royalties go to the owners of the property compared to Saskatchewan. They would go to the province of Saskatchewan and the same thing in Alberta. Now, the question then comes, and I don't want to come across as, okay, let's go out and buy all these mineral rights, but, having said that, Mr. Chairperson, does the minister feel that that has had an impact on the development of oil and gas in the province of Manitoba because, even though we don't get all of the royalties, there are taxes and others that we do benefit by when we see the oil development? Is that not correct?

Mr. Rondeau: It was interesting to note that when the royalty cheques came out, there was a large boom in Virden as far as people purchasing vehicles, as far as people fixing up their houses, people making expenditures. So it is very good for the economics in the area. The area was very devastated with the mad cow, with the closing down of the agricultural industries in that area because a lot of it had to do with cattle. So this was very good for the area and the area's truly booming. Lots of people are employed. Lots of purchases are being made and so that has an effect on the area. It has an effect on what people purchase which, again, affects us, and I think it's great.

I think in one case, one lady had come up to me, and she was basically destitute and didn't have any income, and she came up to me, gave me a big hug and showed me a cheque for in excess of a million dollars of a royalty cheque. She said this is just wonderful. It gives me a new lease on life.

It was nice to see that because you hear stories about her from the town. It's just wonderful that she has economics to—money to provide for her family. Her kids are all looked after. Everything's just wonderful because she was able to have a good income from her mineral rights and the province isn't about right now looking at purchasing the mineral rights from the landowners. They own them.

Mr. Lamoureux: Why would it have been that Saskatchewan and Alberta would have retained mineral rights? Was there a legislation at some point, that was passed, that enabled Manitoba to give Manitobans—the province of Manitoba to give Manitobans their mineral rights or was it the governments of Saskatchewan and Alberta that had taken it away? Why the difference? Why'd it come about?

Mr. Rondeau: It has to do with when they became part of Confederation and we had the postage stamp which the people within the postage-stamp province don't have their mineral rights when Manitoba was extended to the boundaries of Saskatchewan. The people that were already homesteaders in that area had this historical rights for the mineral rights.

Mr. Lamoureux: Okay. The minister made reference to the ZENN car—is it ZENN or Z car?

An Honourable Member: ZENN

Mr. Lamoureux: And I believe it's coming out of Ontario where they were looking at putting up a plant right around Ottawa or they were—I was reading a couple of weeks ago in one of the newspapers there were actually two competing companies that were looking at the possibility of establishing or producing cars of this nature. Is the minister aware of that?

Mr. Rondeau: I understand ZENN's made out of Québec and it's called, zero emission no noise. I've talked to the president of ZENN and some of the people who work in ZENN to talk to them about the economic opportunities that might lie in Winnipeg.

We talked about the Composites Innovation Centre. We talked about being the centre of bus manufacturing. We talked about working together to make the ZENN car a more green car.

One of the things that's really bizarre about the car is that, when you drive it, there's no noise and so you get a lot of road noise. I made the quick connection with the fact that, if they use some of

these more natural fibres, they actually deaden the sound better than metal does. So I made that comment to the president and said, come visit. So we've written him a letter to invite him to Manitoba, to see how he could maybe utilize the Composites Innovation Centre or the Vehicle Technology Centre and maybe make the ZENN car even more environmentally friendly by using natural ingredients to make natural composite parts of the car. So I'm eagerly anticipating him to be here.

Mr. Lamoureux: The government last year came out with a program for hybrid rebates. Now, does this department have anything to do with that particular program?

Mr. Rondeau: Yes. What we did was we worked to design the program. I am informed there are about 700 cars. I'm being nodded by my staff, so there are about 700 hybrid rebates that have gone out.

I have to compliment the deputy minister who came up with the idea of when a new car is registered it's done through MPIC. So what we are doing is MPIC manages the rebate as part of their registration process and we pay a fee to MPIC to manage that and issue the cheques. The good part is then you didn't have to set up a whole new bureaucracy or do something new. So I have to compliment Mr. Clarkson for coming up with that suggestion.

Mr. Lamoureux: I would echo the remarks in terms of complimenting on the idea of avoiding or streamlining the process that allows for the program to be just as functional.

Having said that, I do think that there are some problems with the program. But before I get into the problems, I want to ask the minister: Is the program continuing on?

Mr. Rondeau: Yes.

Mr. Lamoureux: Can I ask the minister why it is that he feels that it's in Manitoba consumer's best interest that the rebate only be afforded to dealerships in the province of Manitoba? If you purchase a car from Manitoba.

Mr. Rondeau: When we were discussing with industry, when we were discussing with people, we thought that, again, getting the best economic benefit for Manitoba, Manitoba companies and getting more people to get economic benefit we thought that was appropriate.

So what happens is that if a person purchases it from a Manitoba dealer then they are eligible for the rebate. We put the criteria up on the Web. We've sent it to the different large users, like the taxi fleets, to make sure that they are aware of the criteria and that assists the dealers in Manitoba too.

Mr. Lamoureux: If Saskatchewan and Alberta came up with a similar program does he not feel that the dealerships here in Manitoba would welcome the opportunity to participate in that sort of a program?

Mr. Rondeau: I understand Saskatchewan and Alberta do not have similar programs.

What we have done, is we have our own program right now. The interesting part is that if you wish to participate in it I understand that there is a federal program currently that you can add on. So you can use our incentives and the federal incentives, but it's not the same program. They actually have a different bureaucracy. It takes a lot longer to get paid and it's more expensive to administer. So I'm pleased that ours was very effective.

Mr. Lamoureux: But the minister should recognize that his program is not as effective as he thinks it is because he's limited it to individuals being only to purchase here in Manitoba, thereby not allowing for competition. So one of the biggest benefactors, if not the biggest benefactor, is not necessarily the consumer. It is the car dealerships. So the minister might be thinking that the consumer is the one that benefits by it, but that is not necessarily the case.

I'd like to give a specific example. The taxi industry has led the way in terms of, as an industry, and I compliment all of those involved within that industry where they've taken up the hybrid. I believe it's really the Toyota Prius. We see them all over the streets, and it's because of the taxi industry. It was interesting, shortly after the program came out, I had a constituent who came to my office and he says, you know, I'm not allowed to get my rebate because I bought my car in Edmonton. Now, because he bought it in Edmonton, he disqualified himself. Because he went to Edmonton he got a better deal and he was able to actually get the vehicle, as opposed to having to wait three months for the vehicle to get here. So he was even better on the environment, and he had to get a replacement for his current taxi. So he didn't have too much of a choice. If he wanted the Prius, he had to go out of province or put his taxi on the side or get another vehicle and then wait for the Toyota dealership to come here.

* (17:00)

Now, I thought it was an interesting comment. I went and made it somewhat public that this is what's happened and the Province made a mistake. The Province should have enabled all dealerships to participate. I got a very interesting e-mail from a Toyota dealership, from a car salesman, and the car salesman had indicated that they had worked very hard with the taxi industry, and, quite frankly, they can pay the full retail price now because they're getting a rebate and they don't have to give them a discount anymore. This was coming from a Toyota dealership, Mr. Minister.

Now, you know, I would suggest to you that you should take a look at some of the newspaper ads, if there were any ads, what type of sales were created. Here you had an individual that was able to go out and get a better price on the vehicle which provided him the opportunity to put that vehicle on the road within weeks as opposed to having to wait months, and he should have been given that \$2,000 rebate. We could have still done it through the deputy minister's idea in terms of an MPI agent. The time that he registered it, he could have been given that \$2,000 rebate.

I'll tell you who the biggest benefactor would have been. The primary biggest benefactor would have been clearly the consumer, and that's what this idea was supposed to be about. It wasn't supposed to be a subsidize-the-dealerships-in-Manitoba approach.

In fact, for years I've always argued that in Canada we should be proud of the fact that we're in Canada, in the Prairies, and we should, as much as possible, encourage open borders. But the policy actually puts up walls because you're not allowing for fair competition, and in this case and I would suggest to you in the vast majority, because you're not going to get the car dealerships admitting to it—there was an interesting case in the province of Québec a few years back where there were allegations, and I believe there was a court ruling that came out that showed that there was a price conspiracy that was going on. It was one of those import vehicles. It might have been Toyota, I'm not sure, but if the minister wants to look into it, he can look into it.

The reason why I bring it up the way that I have is that given the minister says that we're going to continue with that program, I'm wondering if he would see the merit of rewarding the consumer and

allowing consumers the opportunity to get the best price they can for the hybrid car and then allow them to get their \$2,000 rebate from MPI when it comes time to register. I would think that that would be the most progressive way of dealing with this policy.

Mr. Rondeau: I'd like to thank the member for his advice. I'd also like to let him know that the federal incentives, if you bring in a car from the States, they don't apply. Often we have geographic incentives that do two things. One, it's not just the environmental, it's also the economic incentive. So, if a person is employed at a car dealership in Manitoba, that has an economic benefit, and we've spent the afternoon talking about where we're working with different groups to create win, win, wins. If we can create a benefit for the economy and an environmental benefit and a benefit for someone's pocketbook, that would be our best-case scenario.

People make economic decisions all the time. You can choose, tomorrow, to go buy a loaf of bread in Ontario, which is 2 cents cheaper than here, and you can drive there and do it. You have choices and people make them all the time. I encourage people to go make the economic choices that make sense to them. It is a free market.

We provide an incentive for economic benefits and environmental benefits, and I'm pleased that we've had about 700 that have gone out. We also proactively sent the information to the taxi industry. We sent it to numbers of people. We put it up on the Web site, so this is not a secret. Any benefit that government gives, they give it, and there are rules. There are time constraints. If you come through and you buy a car that's eligible for the federal benefit, and it's four months after the program ends, you will not get the federal benefit. If you go buy a car in the States and bring it across, you will not be eligible for the federal benefit. We follow the same consistency.

Now, the interesting part that I'd like the member to know that he probably isn't aware of is I've met with industry representatives about pricing of cars. I talked about them creating incentives; I've met with industry representatives to make sure that we were priced fairly and I've written to different industry representatives to ensure that discrepancies weren't around. It was really nice to push that, because, I think, that I also have an obligation to the consumers, and I took that seriously, and I took some interesting steps to ensure that proactive steps were taken.

Mr. Lamoureux: Mr. Chairperson, I'm going to add another comment, but, first, a very quick follow-up

to what the minister just said. The minister can have access. We can find out, out of those 700, there might have been, let's say, 400 Priuses. I'm sure the Prius is the dominant vehicle that's been receiving the rebates. It would be very interesting to see the last 300 Priuses that were actually sold, what was the sale price of those Priuses. Then, if you were to compare that to Alberta or Saskatchewan, now I'm being a little bit presumptuous here, I would suggest to you that you will find that the average sale price of a Prius was more expensive in Manitoba than Saskatchewan and Alberta.

I would ask the minister: Does he think that I would be wrong in that assessment?

Mr. Rondeau: I can let you know the number of rebates up to a little while ago. Firstly, this is as of March 31, 2008, 41 applications—sorry, okay, I'll go through the numbers: the Ford Escape Hybrid, there was 41; Honda Accord Hybrid, was 12; Honda Civic Hybrid was 143; the Lexus GS 450 was 2; Lexus RX was 16; Lexus LS was 4; Nissan was 3; Saturn was 10, Toyota Camry Hybrid was 196; Toyota Highlander Hybrid was 25; Toyota Prius was 116; Chevy Silverado was 3 and GMC Sierra 1500 was 9. So there are about 600, so far.

As far as the rules, the program eligibility rules, which are on the Web site, is that it must be hybrid-electric purchased new in Manitoba and registered or at least for a minimum of two years. Private or commercial fleet are eligible, and we did that purposely. They had to be purchased between November 6 and November 15, 2008. So those are the list.

As far as prices, I don't know, but when I bought my Prius, I actually went to the CAA Web site, found out what the prices were and then went and negotiated. I've been very successful in times to push prices down. People have lots of resources to find out what the prices are. I trust their ability of pushing. If you have any conspiracy of price-fixing, you would have, as an obligation, as an MLA, to go to the police for that, because it's against the law to conspire to set prices, and if they are, and they have set dealership prices that are inappropriate, go to the RCMP. They have a commercial crimes unit that you would have, not only your legal obligation, you'd have an obligation to your constituents to do that.

Mr. Lamoureux: Mr. Chairperson, I've had members of my family that have been involved in the automobile industry for over 40 years. I'm very familiar with how the automobile industry works, as

a whole, and the whole idea of price-fixing, and so forth, which are very, very serious allegations, I must say.

But what I would suggest that the minister look at doing is the last 116 vehicles, Priuses that were sold, it wouldn't take that much to find out what they were actually sold for. When was the last time there was a discounted Prius? How often does it happen? I don't know. I don't have those types of numbers but, you know what, the minister does have the ability to get those numbers. All I can cite is what happens within my constituency and others that come to me for whatever reasons and share their concerns.

* (17:10)

Here's the difference. If I were in the minister's position or in a government position, whether it's a backbencher or wherever it might be, I would be suggesting that, when it comes to a policy of this nature, that I want to be able to go to Saskatchewan. If they have a program, or Alberta, or Ontario, if they have programs of similar nature and say, hey, look, when we had the program it was wide open. That's a very strategic advantage to be able to do that.

Ultimately, I want Manitobans to be able to—car dealerships to be able to sell to the entire region. I think that's a bonus. Car dealerships, and I've talked to some car dealerships in regard to this program, and they will tell you that it should be an open process. So I would be taking the idea that the more that we can take down barriers—I'm not talking about the United States. That's night and day, apples and oranges. But within Canada I think that we need to have a consistent policy. Remember how many people were upset when the Québec buses—they said, well, you have to buy buses from the province of Québec. Yet Flyer Industries, the minister talks well about Flyer Industries. Well, Flyer couldn't sell buses to the province of Québec because of that internal trade policy. The Manitoba government was very upset about that. So I think that we've got to be very careful when we come up with policies of this nature.

The second issue that I would point out is from a consumer's point of view. I believe that the consumer would have been better served if in fact it would have been open. Now the minister's in a tough spot. I don't expect him necessarily to concede that I'm right because he'll embarrass his government. Personally and off the record, he might say something that might be different. Who knows? At the end of the day I believe that it's a bad direction for the

government. I think that it shows strong leadership to recognize when a program can be improved. I'm suggesting to you, especially that we're going to be continuing it, that we do allow for it, much like if the government would have initially thought, well, let's do it bureaucratically through the administration. I would like to think that if someone would have suggested we go through MPI, then it would have been recognized as a good idea, and we would have made that change. Why? Because it would have been the right thing to have done.

With those few remarks, I appreciate from the Member for Turtle Mountain to allow me to get a few questions on the record. The minister can choose whether or not he'll respond. Thank you.

Mr. Cullen: Well, I would certainly allow the minister the opportunity to agree with the Member for Inkster (Mr. Lamoureux) if he so desires at this point in time.

Mr. Rondeau: I thank you for your advice. One of the things is that this program does not exist in Alberta. The hybrid rebate program does not exist in Saskatchewan. When I look at programs, I look at current programs. I'd like to inform the member that just recently we expanded the program, again to include more hybrids that come on the market. This does not preclude other changes or different things that happen in the future.

You deal with the current and with the present. So this program has been introduced. It was nice that they could ladder it so that it became very cost-effective when we could ladder it with the feds, their program. What's nice is that's been taken up and the commercial fleets have been very supportive of the program, and we are very happy that's moving out as fast as it has. We have a lot of hybrids out there. I understand they are 2 percent of the new car fleet. That's a huge jump in just a couple years. So things are moving forward. I'm very pleased with it. I'm very excited about the potential for plug-in hybrids and other cars that are coming up. I think that, with the \$1.29 a litre, we're going to see some different changes very quickly. Things are going to speed up as technology changes, as vehicles change, as the mix change.

I understand from Toyota they want to go 100 percent hybrid by 2015 now. There's going to be some interesting changes in the market. We've got the new Volt, we got GM finally getting into the act, so it'll be interesting to see what happens in the future.

Mr. Cullen: Mr. Chairman, I want to talk a little bit about the biofuel industry here in Manitoba in terms of where we're at and where the province is headed. Just for the Chair, again, I could reference page 23 in terms of policies, initiatives and related provincial programs just so the Chair's familiar. It's certainly within the mandate of this department.

I think the first thing, and we can't really ignore it. I think it's a fundamental interest where Manitobans are—it's a global discussion we're having right now—it's the whole concept of food versus fuel. I know there's certainly been an increase in some of the prices of food but I think it's important that we recognize that the actual basic raw commodity we're talking about here—we talk about corn in terms of corn flakes. It's only about 5 percent of the actual cost of the box of corn flakes. I think it's finally time that some of our agriculture producers are finally getting, hopefully, a decent return on their investment.

Obviously, some of the policies that governments have, though, have an impact on other sectors. What we're finding is the increase in the grain sector has not been very beneficial to the livestock industry here in Manitoba and, in fact, other jurisdictions. So it certainly has made it very difficult for them.

I'd just like to get some comments from the minister in terms of where he sees things going in terms of our policy here in Manitoba on biofuels, in relation to the global thoughts on the whole food versus fuel discussion.

Mr. Rondeau: One of the interesting discussions about biofuels is people often say, food versus fuel; our policy is not one or the other. What we are doing is, in the case of ethanol, we use some winter wheat for ethanol. This winter wheat is basically grown as animal feed currently. Instead of just taking the winter wheat and feeding it to cattle or livestock, what we do is we take the winter wheat, we put it through the ethanol process, get alcohol out of it, which is ethanol, and then we put it into the feed process; then it becomes food. So the same winter wheat goes through the ethanol process, then becomes feed, and then becomes food. So it's not taking food out of the mouths of people.

It's interesting to note this whole argument when you sit there and say that biofuels are causing the huge jump in commodities, whereas rice, which is not utilized whatsoever for biofuels, has gone up 70 to 80 percent in the last few months.

This is an interesting argument. What we've done is, we have an 8.5 percent of our blend of ethanol and that's in the fuel supply. What's interesting about it is that it's meant to be sustainable, whether crops don't make food grade; if a non-food grade crop is utilized to make ethanol, that's a very positive thing because, if you have a wheat crop or something like this that isn't food grade, what are you going to do with it?

Now, instead of just feeding it to animals, you can actually do ethanol, get some value out of it, and also then feed it to animals. So that's wonderful.

Biodiesel, we're very excited about the potential for biodiesel. This is where you can use almost anything to make diesel out of it. I notice that they call it the French fry bus in Brandon, where they run a bus on used oil. This is a very, very potential—it's got huge—so it's something that isn't utilized appropriately. Grease can be utilized to make biodiesel, and that's very, very positive. You're not land-filling it; you're getting rendered animal fats, et cetera, and you're making biodiesel. It's a better greener fuel and it's better for the local economy; it's good.

* (17:20)

The last part is that we're also doing work on crop residues, straw, biomass to make ethanol out of it; that's got a lot of potential. I know Québec and the feds are doing a lot of research on the enzymes to produce alcohol, which is ethanol, from these residues. That adds more to the farm economy, helps a lot with our green process, and then you're not burning a non-renewable resource like oil. This is very, very positive, and we think that this has got huge potential for economics and for the environment.

Mr. Cullen: I thank the minister for that statement.

Just, in terms of ethanol, reading here just recently that Husky is also putting some money—I think it's over the next five years, \$1.6 million—into the University of Manitoba and that is directed at biofuels research. My understanding is the Province and the federal government are putting money into that research program as well.

Is that coming out of your department? And I'm just kind of wondering, you know, if that research is actually under way now, or if that's something that would be looking forward in the future.

Mr. Rondeau: His sources are very good. Yes, some money is coming in from the NSERC grants from the feds for that program. Ag and Rural Initiatives is putting part of the provincial component into that fund and it's a very, very good fund and it's going to be very interesting to see what happens to that in the future.

If you look at it, this has got huge potential because if you take crop residue or residue from the forest, et cetera, and you can turn that into energy and green energy, this has got huge, huge potential. Again, when we start talking about making pellets out of biomass, well, this is again another product and economic benefit that could be made out of crop residue. From what I understand, it's not a question of if, it's a question of when this will be economically possible.

Mr. Cullen: In terms of ethanol production, it's quite clear now that the industry's under a lot of pressure because of the price of its feedstock. Do you have the number of how many facilities actually have a licence to produce ethanol in Manitoba and what the production is there?

Mr. Rondeau: There's one plant that's currently licensed and it's got a licensed capacity of 130 million litres. We have had discussions with other proponents. However, because of the cost of the feedstock going up, a lot of the plans have been put on hold right now to see what happens in the future.

Mr. Cullen: I thank the minister for that and conversely, biodiesel, how many facilities do we have licensed in the province and do you have some expectation what the output is for those particular facilities?

Mr. Rondeau: So far we're working with five companies that are working on getting their product moving forward. There are no companies right now that are licensed and producing. Some are very, very close and refining their final processing techniques. The ones that are furthest ahead are Arborg, plant in Arborg, speedway, and Eastman Biofuels in Beausejour. There are two other plants that are moving forward, but aren't quite there yet.

Again, part of it is not the question of whether they're producing—what we've done is we've set up a licensing regime where, in order to sell commercially, you have to have the product tested. We did that by being cautious because we want to make sure that when the biodiesel hits the market, it's got good standards and so we don't have any

problems with it. So these companies are right now refining their techniques to make sure that their product meets the standards and so they can sell into the commercial market.

Mr. Cullen: I appreciate the minister's open response to that. Sometimes the government leads people to believe that things are happening across the province and, to be fairly clear, that there are no facilities licensed for producing biodiesel, that's, I think, an open comment. I'm sure there are some facilities that are producing biodiesel who are using it for their own consumption.

Now, my view, in talking to some of these companies, is the role here of the government is to establish the parameters so that they understand what quality of product they should be producing. My understanding is, there are basically two different criteria. We can either use the European standard or we can use the American standard. It's going to be hard for these people to move forward if the government is going to be sitting back and being overly cautious and not moving this forward. I think either we as a Province or we as a federal government are going to have to move forward and make a decision on what type of quality standards we're going to use or these five companies you're working with now are not going to be able to, you know, to make those final decisions.

Mr. Rondeau: Thank you for the question because this is something that we as a Province have to deal with. The No. 1 concern was to make sure that the fuel had good quality, was consistent and wouldn't foul up engines. I understand many years ago in the States, they started putting out biodiesel but there wasn't the quality standards, et cetera, then biodiesel got a bad rap.

I personally think the industry has a lot of potential and so what we did was we proactively set up the bill, the biofuels bill last year. We proclaimed it with a set standard where we would set a standard so that the companies that bought the fuel, blended it and then sold it to the marketplace would understand what they were doing and know that they could count on the quality of the biodiesel product and people would understand that there'd be a reliable fuel supply.

So, we're going to be using the ASTM, which is the American standard. We have a lab that we have set up in co-operation with Manitoba Hydro in Selkirk which would test these products. That lab,

my department, and the businesses will work in co-operation to make sure that they make that standard.

From what I understand, when there's a new plant, it's hard to figure out how to do the process to make the standard originally in large quantities. But once you do it, then it becomes more of a process, and you're used to the process and you can achieve the standard. Doing it right the first few times to make sure it meets the standard is hard. Once you've got it established, then it moves forward. I think that we're very close to having commercial operations. I expect them up in a matter of months, that we would have some of these operating on a commercial basis and providing biofuels into our Manitoba market.

* (17:30)

Mr. Cullen: So the minister is confirming that we will be using the ASTM quality factor. My understanding, again, with that legislation is that could be brought in by regulation. So is it the minister's intent to bring that forward in the next couple of months, in terms of that regulation?

Mr. Rondeau: I understand from my staff that they are actually right now in consultation with the industries about that standard and when they finish the consultation we'll be bringing forward the regulation.

Mr. Cullen: Well, thank you very much, Mr. Chairman. Again, I want to go back to my earlier comments. My feeling is, here the Province has a role to play in facilitating this development and there are companies out there that want to do this. I think the government's got to take the lead role in terms of, you know, setting those regulations and those criteria and then helping them through the bureaucratic process, because I've talked to some potential developers who have a tremendous history in biodiesel, in developing and producing it in other countries and they have the potential to do it here. They're just so frustrated with the bureaucratic process and I think that's exactly what the role of the government should be.

Mr. Rondeau: I agree. If you have names or companies that you'd like to refer to me, not only will I take action, we'll make sure that we do it very proactively whenever we can. The difficulty is that it's new. If you take what's happening in other provinces, we are actually very, very much of a leader in biodiesel in Canada. So what we're doing is we're working with the industry to move it forward. If you have any companies that want to move

forward on a proposal, please give me their names, contacts, et cetera. I'll make sure that the department responds very quickly.

Mr. Cullen: Well, we may have a view that we're ahead of some other jurisdictions, the fact remains we're probably 15 years behind what the Europeans are doing. The history is there. It's just a matter for us to make some decisions on how we're going to move forward; let's move on and get the industry going.

Mr. Rondeau: I agree. If you would take note, we had basically an ethanol bill—it's changed to a biodiesel and ethanol or biofuels bill—and it's provided us latitude in moving forward. We are in consultations to get the standards out. We have a lab now that's operating and we're working with the businesses to get product out. And we want to get the product out. We've done enough trials. I understand that there are more companies that are interested in using biodiesel. We want to get the Manitoba product out.

Mr. Cullen: Well, I thank the minister for that comment and I'll certainly follow-up with my contacts as well.

One comment I want to make there in regard to the biofuels, too, is that there have been some studies done on turning algae into biofuels. As you said, there are interesting things that we can make biofuels into. I've got a specific class who's doing some work around Killarney Lake. Initially, their project was try to reduce the phosphorus in the lake and again to ultimately reduce the algae. They've kind of moved into phase 2. What they're proposing is to take the algae now and turn that into biodiesel. So it's high school biology class. I know a very active teacher there that's looking at that. He has made a submission to the Province and the funding has been turned down. So I'm just wondering if that is something that you're department might be interested in. Is that kind of a research that—I'm kind of looking for some answers as to where, who I should turn to for answers.

Mr. Rondeau: I'd be happy for you to forward it to us. We'll look at it. I don't know where it was sent to. It's interesting because when I was exercising a few days ago, I saw something on the Discovery network, which talked about this huge plant that's doing millions of litres as an experiment. They haven't refined the technique yet, but it's going to be interesting because algae has huge potential. But that has to do with the straw and the biomass and all this.

These are things that I believe some answers will come. It's just a question of when not if.

Mr. Cullen: I thank the minister for that. We will certainly follow up with his department once I get the details.

I understand the Member for Inkster (Mr. Lamoureux) probably asked you about the potash exploration so I won't go into that, but we have a tremendous amount of Crown land throughout the province and on the east side of the province and northern Manitoba, and, in my view, it's relatively untapped in terms of our potential. I'm just wondering, you know, how we move those sorts of issues forward. Like, are we as a province—and this is going to be where the First Nations communities become involved and we're trying to determine some of the land use strategies and whatnot in some of those areas. How do we move forward in exploration there? I think there's some tremendous opportunity in maybe some of the remote areas of the province now.

Mr. Rondeau: We actually have some interesting support programs for the mining industry. One is the mineral exploration program. One's the Prospector's program. We provide up-front money for exploration companies on their projects, and it's been proven to be very, very successful.

To give you a historical perspective, basically between \$15 million and \$20 million was the average exploration amounts, any year. This year we are at about \$116 million, which is about six times as much. What we've found is by putting incentives into the exploration, companies find resources and we hope will develop resources.

In fact, one of the interesting policy initiatives was increasing the MEAP, the Mineral Exploration Assistance Program, by 5 percent in cities or towns that had been negatively impacted by mining leaving. So the Snow Lakes, the Leaf Rapids and all this. So we increased the incentive by 5 percent in those communities. There was additional resources, and now I'm happy to say that in Snow Lake's instance, we had a whole bunch of exploration companies that were around there. We have Hudson Bay Mining & Smelting. We came up with Lawlor Lake. We had other mining companies that have got advanced exploration programs that may lead to mines. I looked at the Lawlor Lake numbers that they've already discovered and it is a huge, huge zinc deposit, and they're still defining the deposit and coming up with the economic studies.

So that's an example of how a policy to encourage exploration leads to advance exploration that's maybe a potential. I'm pleased to say, as I said previously, the Fraser Institute rated us No. 1 in the world. I was very, very impressed in that as far as mining policy and encouraging mining. It had nothing to do with resources. It had to do with policies. So the MEAP and the Prospectors' Assistance Program are very, very good. We have a good Mining department that goes out and meets proactive with the mining companies, tries to solve problems and the exploration companies are very alive and active in Manitoba.

Mr. Cullen: Well, I understand from the minister's comments that we have exploration going on. I'm more interested in actual mining activity. Are some of these outstanding land claims and land-use claims, are those some of the issues that are holding back companies from actually coming in and doing the work?

* (17:40)

Mr. Rondeau: No, Mr. Chair. It's interesting because what's happening is if you take the land use where the First Nations have claims on land that wasn't disbursed as originally intended, what happens is they have a right to claim lands. In order to have those lands turned over to the First Nation, they would have to have some sort of agreement with the mining company that has a claim, et cetera.

So there is actually no impediment for a company to go and check on and explore First Nation traditional territories. What we have to do is we have a process where if the First Nation wishes to take land as First Nation territory, as part of the transfer of lands, they would have to deal with a third-party claim on it.

Mr. Cullen: My expectation is that it all comes down to who holds the mineral rights on that specific property. Would that be the case?

Mr. Rondeau: What would happen is it depends on how they wish to proceed. If a company wanted to sell their mineral rights, they could. If they wanted an agreement, they could.

What happens is that if a mining company has got a claim, they have lots of options to either extinguish, sell or deal with that claim. We actually have a process which the First Nation can go through with the company and with the government to figure out how we can proceed. I don't know how many acres—that would be Aboriginal and Northern

Affairs—that would have to be transferred through treaty land entitlement.

We don't have a large treaty land entitlement that's outstanding. We actually have a very, very good exploration industry. What's important about the exploration industry is we are in the process of having some advanced exploration projects move forward. We have one that has just been permitted in Wabowden. That's very, very good because that's \$100 million there, \$200 million there. Pretty soon it's real money.

Mr. Cullen: My understanding is a lot of the land on the east side of the province and in northern Manitoba is provincial Crown land. So does the Province, then, hold the mineral rights to that particular property?

Mr. Rondeau: Yes.

Mr. Cullen: So the Province would maintain the mineral rights to that particular property until such time as the land was turned over to the First Nations community. Is that correct? Would there be an agreement in place after that?

Mr. Rondeau: If it was a treaty land entitlement selection, there would be an agreement between the First Nation and the federal government to turn it into treaty land. It's like, right now, we hold the mineral rights but if a company decides to go explore and then stake a claim to those mineral rights, they could stake a claim, too. Then what would happen is they could proceed with normal processes to move their discovery forward.

Mr. Cullen: I guess the next question would be in a lot of cases, on the east side of province at least, we're dealing with traditional First Nations—I don't want to use the term "land claim" but it's traditional areas, but, technically, it still belongs to the Crown. So then the Province would keep the mineral rights on that particular property even though it's granted as traditional rights of whatever First Nations community it would be. Is that correct?

Mr. Rondeau: Yes, that is correct.

Mr. Cullen: Well, Mr. Chair, I just want to close up here and say thank you. I thank the minister and his staff for all the time we spent on this. I certainly wish them all the best in their future endeavours.

I do, as I said this morning, believe there is tremendous opportunity here for us in Manitoba. But that being said, I think we as a government can take

some chances and allow our entrepreneurs here to develop in Manitoba.

Thank you, Mr. Chair.

Mr. Rondeau: I'd like to thank the critic, the Member for Turtle Mountain (Mr. Cullen), for his work and his holding my feet to the fire to make sure I do a good job.

I'd also like to thank the staff, especially my deputy minister, for their hard work because what it is, is often we're working with multiple partners to move projects forward. I have to commend them for their work in working with industries, their work every day, because they actually do believe in civil service; they believe in service to the community, and it's been a pleasure working with this group of professionals.

Mr. Chairperson: Seeing no further questions we will move to resolutions.

Resolution 18.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,699,800 for Science, Technology, Energy and Mines, Energy, Climate Change and Green Strategy Initiatives, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 18.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$21,515,500 for Science, Technology, Energy and Mines, Science, Innovation and Business Development, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 18.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$29,179,400 for Science, Technology, Energy and Mines, Manitoba Information and Communication Technologies, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 18.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$11,856,100 for Science, Technology, Energy and Mines, Mineral Resources, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 18.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$12,072,700 for Science, Technology, Energy and

Mines, Costs Related to Capital Assets, for the fiscal year ending March 31, 2009.

Resolution agreed to.

The last item to be considered for the Estimates of this department is item 18.1.(a) Minister's Salary, contained in Resolution 18.1.

We thank the staff for their time and appreciate their timely departure.

Seeing no questions—

An Honourable Member: Can I ask the member questions?

Mr. Chairperson: No.

Thank you. I'll put the resolution.

Resolution 18.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$736,600 for Science, Technology, Energy and Mines, Administration and Finance, for the fiscal year ending March 31, 2009.

Resolution agreed to.

This completes the Estimates for the Department of Science, Technology, Energy and Mines.

For the committee's information we still have before us a number of resolutions on the following matters: Healthy Child Manitoba, Capital Investment, and Enabling and Other Appropriations.

While the 100 hours have not yet quite expired, we only have a few moments left. Is it the will of the committee to call these resolutions without debate and with the members currently present right now? *[Agreed]*

Thank you very much.

HEALTHY CHILD MANITOBA

Mr. Chairperson: Resolution 34.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$27,166,900 for Healthy Child Manitoba, Healthy Child Manitoba Office, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 34.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$13,100 for Healthy Child Manitoba, Costs Related to Capital Assets, for the fiscal year ending March 31, 2009.

Resolution agreed to.

CAPITAL INVESTMENT

Mr. Chairperson: Resolution B.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$50,000 for Capital Investment, Legislative Assembly, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution B.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$600,000 for Capital Investment, Advanced Education and Literacy, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution B.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$124,000 for Capital Investment, Agriculture, Food and Rural Initiatives, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution B.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,030,400 for Capital Investment, Competitiveness, Training and Trade, for the fiscal year ending March 31, 2009.

Resolution agreed to.

*(17:50)

Resolution B.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$10,311,000 for Capital Investment, Conservation, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution B.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$31,500 for Capital Investment, Culture, Heritage, Tourism and Sport, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution B.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$918,000 for Capital Investment, Family Services and Housing, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution B.8: RESOLVED that there be granted to Her Majesty a sum not exceeding \$955,700 for Capital Investment, Finance, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution B.9: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,922,500 for Capital Investment, Health and Healthy Living, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution B.10: RESOLVED that there be granted to Her Majesty a sum not exceeding \$544,603,200 for Capital Investment, Infrastructure and Transportation, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution B.11: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,715,200 for Capital Investment, Justice, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution B.12: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,100,000 for Capital Investment, Science, Technology, Energy and Mines, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution B.13: RESOLVED that there be granted to Her Majesty a sum not exceeding \$50,000 for Capital Investment, Water Stewardship, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution B.14: RESOLVED that there be granted to Her Majesty a sum not exceeding \$10,668,800 for Capital Investment, Internal Reform, Workforce Adjustment and General Salary Increases (an Enabling Appropriation), for the fiscal year ending March 31, 2009.

Resolution agreed to.**ENABLING APPROPRIATIONS**

Mr. Chairperson: Resolution 26.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$99,269,900 for Enabling Appropriations, Enabling Vote, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 26.2: RESOLVED that there be granted to Her Majesty a sum not exceeding

\$3,400,000 for Enabling Appropriations, Sustainable Development Innovations Fund, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 26.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,250,000 for Enabling Appropriations, Justice Initiatives, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 26.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$300,000 for Enabling Appropriations, Security Initiatives, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 26.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$16,875,000 for Enabling Appropriations, Internal Reform, Workforce Adjustment and General Salary Increases, for the fiscal year ending March 31, 2009.

Resolution agreed to.

OTHER APPROPRIATIONS

Mr. Chairperson: Resolution 27.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$25,000,000 for Other Appropriations, Emergency Expenditures, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 27.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$500,000 for Other Appropriations, Allowance for Losses and Expenditures Incurred by Crown Corporations and Other Provincial Entities, for the fiscal year ending March 31, 2009.

Resolution agreed to.

This concludes our consideration of the Estimates in this section of the Committee of Supply meeting in room 255.

I would like to thank the ministers, the critics, the honourable members, pages and staff for all of their hard work and dedication during this process. Go home.

Committee rise.

COMPETITIVENESS, TRAINING AND TRADE

* (14:40)

The Acting Chairperson (Mr. Daryl Reid): Will the Committee of Supply please come to order. This section of the Committee of Supply has been dealing with the Estimates of the Department of Competitiveness, Training and Trade.

Would the minister's staff please enter the Chamber.

As previously agreed, the questioning for this department will proceed on a global basis, and the floor is now open for questions.

Mr. Larry Maguire (Arthur-Virden): I believe the minister was in the middle of the throes of answering a question yesterday.

Hon. Andrew Swan (Minister of Competitiveness, Training and Trade): Yes, I think, my friend, that was the case for the second straight day. I was in mid-flight when our time ran out yesterday, and we were actually having a conversation about the floodway training initiative and my friend had asked some questions about what was happening under that initiative.

I can tell him some of the projects that were in place in the last fiscal year dealing with the floodway training initiative. The first was a program called introduction to construction which was for all target groups that were being referred to the floodway project. These were two three-week courses that were scheduled to assist 24 participants, twelve per course, to determine if they had the interest and the aptitude to work in construction.

The first three-week course took place not that long ago, February 25 to March 14, 2008. We were successful in attracting two women, two visible minority Manitobans and eight Aboriginal Manitobans for that program. All 12 of them completed their training and as of the date of the note I have, which was late in March 2008, four of them had been employed, the others are being assisted with placements. I am hopeful that more of them are now employed.

The second course ran from March 17 until April 8, 2008. There was also some heavy equipment operator training that was provided, six weeks of training which took place from September 4 to October 16, 2007. This was set up for 10 individuals

who had previous work experience in the construction industry but indicated their interest in training as a heavy equipment operator. This was followed by some real time, by 250 hours of work experience on the floodway expansion project. There were 10 participants, nine of them completed their training. Eight of those nine participants pursued work experience opportunities on the floodway, and of those, seven maintained employment after the work experience component on the floodway was completed. So I would consider that to be a great success with that program.

There was also a heavy equipment operator assessment and accreditation training program. It was a three-week assessment and accreditation program with limited training. It took place last summer from July 10 to July 31, 2007. Ten Aboriginal participants who had some previous heavy equipment operator experience but didn't have formal training and weren't currently employed as operators, participated in the assessment and they received some accreditation training as well as 250 hours of work experience on one of the set aside initiatives of the floodway expansion project.

Of those 10 participants, nine fully participated. One didn't complete the assessment program. Three of them chose the work experience opportunity on the expansion project. Four found work on others job sites as heavy equipment operators, perhaps in northern Manitoba. One chose to return to his northern community to be with his family and one actually had to return to help out an injured family member. Three of the participants got accreditation. The other six were all accredited on one or more pieces of equipment.

As well, there was a fairly basic course offered last May called introduction to construction for Aboriginals. It was a two-week training program to assist seven people to determine if they had the interest and aptitude to work in construction. Of the seven, I'm told that six were employed as of the end of March 2008, in the following areas: three in construction, one in commercial fishing, one in landscaping and one maintenance. The other participant relocated to Brandon and was helped by Employment Manitoba out there.

So that's just in the past fiscal year. If my friend wants, I can give more details about the year before, but I'll throw it back to him to see if he wants to pose a different question based on this information.

Mr. Maguire: Very facetiously, I might say, it's nice to get a break and get that kind of an answer back from the minister. It's very thorough and provided me with information in regard to the persons working there. I'm sure that he related, I didn't add them all up but that must be more than the 40 that I was referring to yesterday in floodway training initiative, or do I stand corrected there?

Mr. Swan: The 40 we discussed, that is actually the plan for the number of contacts and job interventions in the upcoming fiscal year. As the member knows, the floodway project is ongoing so there are different opportunities that arise over the course of that project. The goal is to assist 40 people. It could be a few less. I suppose it could be more if everything breaks the right way.

Mr. Maguire: Can the minister give me a number, then, of the persons trained the last year as well for that particular project?

Mr. Swan: I'm told the exact number is 65.

Mr. Maguire: I could have done the math, perhaps, if the minister had included them all there before. I assumed he might have, but I thank him for that clarification.

The 300 floodway registrations then—the floodway is not going to end this year, I believe. Can the minister give me an indication of when he expects the floodway initiatives to end and how close that will be in regard to the finishing of the construction of the floodway project?

An Honourable Member: 2009—on time, on budget.

Mr. Swan: You've heard from the Minister of Infrastructure and Transportation (Mr. Lemieux). The floodway project itself will be finished, he assures me, in 2009. I expect that the training initiatives will likely come to an end sometime before the project because, of course, there are tenders that are occurring. I expect this may be the last fiscal year that there's a lot of activity on that front.

Mr. Maguire: It's comforting to know that the training programs will end before the project is completed, and I don't mean that facetiously. The minister has been very good at answering questions. I'm sure that his credibility will be much better than the echo that I heard in the Chamber here a few minutes ago for the individual that indicated that the floodway would be finished in 2009, on time and on budget.

I believe that came from the Minister of Infrastructure and Transportation and Government Services, the Member for La Verendrye. He has a large budget, he indicates, even though it's not as—this question is to the minister because the government has made reference to the fact that they've increased the budget in regard to the importance of infrastructure. Of course, it is important to competitiveness, as this minister knows, in our ability to compete in the province of Manitoba and be that Asia-Pacific Gateway, whether we're on the north end of the mid-continent corridor—we'll get into that in a few minutes—where other trade corridors, the importance of Winnipeg being a hub. Manitoba is the centre of that for distribution.

The minister's credibility in regard to finishing No. 1 highway—I appreciate the fact that he announced that he was going to open No. 1 highway last fall, but there is a difference, just to let this minister know, between actually opening a road and finishing it. He indicated that they would have it finished and open last fall, on time and on budget. This spring, the tenders haven't even been let yet to finish paving the No. 1 highway on the western part of Manitoba to get to the Saskatchewan border. Just for clarification, there's one slip of pavement left to be put on that road.

I know the Minister of Infrastructure Transportation and government services is trying to forget about that, but I hope that the Minister of Competitiveness, Training and Trade (Mr. Swan) would encourage his fellow Cabinet minister to proceed with that project as quickly as possible. Of course, it will have to be renegotiated. I know this minister wouldn't have allowed that to happen, but it will have to be renegotiated at a somewhat of a higher cost because fuel has gone up tremendously, cost of payment will be going up even more. So the minister will have to renegotiate the way that work is done because now, of course, the road is open and there'll be traffic flowing on it at that time; there will have to be three slips of pavement put on side by side, as I understand, because of the size of the shoulders on that particular road as well. The inside shoulder and lane will be done in one pass, the next lane in another pass, the outside lane and then the passing lane will be done in a separate pass. This will require more maintenance, more flagmen and that sort of thing because the work will have to be done on opening that road at that time.

I just want to put that on the record because this minister will be able to encourage him and Cabinet

to get that job done, and that he has only to worry about the training of some of the labour required for some of these positions in regard to his portfolio.

With the floodway looking at moving forward and hopefully being completed in the next year and a half, can the minister just outline to me the job referral service program that he is responsible for under Employment Manitoba?

* (14:50)

In the book here, as well, it states that there will be 300 floodway registrations and a thousand on the Wuskwatim hydro dam project. Can he tell me what type of training will be required or offered for each of those projects? I think he just outlined some of the floodway training initiative types of work that would be done. If he can tell me how different the work from the floodway registrations would be and, as well, the type of work for the Wuskwatim hydro dam.

Mr. Swan: I won't respond to the whole preamble of my friend's question except to say that I agree, we're going to have to renew our efforts to continue training individuals to work on our highways because of the historic and substantial highway renewal announcements that we've made of \$4 billion being spent on Manitoba's highways and bridges over the next 10 years so, certainly, as the minister responsible for training, I'm going to be very interested to keep working with my friend, the Minister of Infrastructure and Transportation (Mr. Lemieux) to make sure that we have enough workers to build all the highways and repair all the highways and continue to refresh our infrastructure in the province.

Now, with respect to the business end of my friend's question, he asked some particular questions about the Wuskwatim job referral service. What I can tell him is that there has been a joint venture company set up. It's a partnership between MKO, the organization which represents some of the northern First Nations communities, and a private firm in Winnipeg called Protegra. The joint venture is called Fire Spirit, and they are in the process of getting their computer system completed and up and running so that individuals will be able to be referred to Wuskwatim and other major northern projects of which we hope there will be more and more in future.

I understand that their system development phase should be completed by this fall. That hasn't

stopped referrals from beginning, and the most recent statistics that I can give the member were from the end of January 2008. At that time, there have been 1,012 active jobseekers that have registered with the Wuskwatim job referral service. Just over half, 575, of those 1,012 individuals who've registered as jobseekers are both northerners and Aboriginal people.

Since August 2006, 369 job orders were placed with the Wuskwatim job referral service, and to the end of January 2008, 246 individuals were hired through job orders. As of the end of January, keeping in mind, again, that it's really the preparatory stages of construction at Wuskwatim, it hasn't geared up to full employment by any stretch but, as of the end of January, there were 426 workers on site. Of those 426 individuals, 272 are Aboriginal, 154 are non-Aboriginal, which results in about a 64 percent Aboriginal work force overall.

A lot of the northern Aboriginal workers are direct hires. Northern employers were awarded direct negotiated contracts and, if they're 50 percent or more Aboriginal-owned, they've got the option to direct hire individuals rather than place a job order with the Wuskwatim job referral service.

Ms. Bonnie Korzeniowski, Chairperson, in the Chair

The other piece which I guess is directly connected to the department is that there continues to be a manual job referral service through all the Employment Manitoba centres across Canada, both for referral to the northern projects and also for work on the floodway. So any Employment Manitoba office is able to help any individual who comes in and has interest in any of those projects.

Mr. Maguire: I thank the minister for that answer. I'm glad to see that so many of the individuals that have gone through the program, you know, that have already been picked up and the ones that have trained and that he is looking at optimistically—I'm assuming the numbers that he's given me are for what is there, the numbers in the book here, or the new ones that tend to be trained coming up this year since the budget came down or is that the case?

Mr. Swan: Yes, again, what I gave the Member for Arthur-Virden was the historical snapshot at the end of January 2008. He's correct. The amounts set out in the Estimates book are the expected results over the fiscal year to come. As you'll note from that, the intention for job referral service is that there will be the ability to process another 300 floodway

registrations and 1,000 registrations for Wuskwatim hydro.

Mr. Maguire: If I could just back up a moment. The other day, I was asking the minister questions about staffing numbers, the total in his department and I can't recall whether I asked about the number of vacancies presently in his department or not. I wonder if I could just get that number again.

Mr. Swan: Yes, I believe that we did—we talked about the actual number. I think my friend will recall that we discussed the vacancy rate which was a little bit higher than the range of 5 to 7 percent that would normally be the result. We did have the discussion. I can give you those numbers again, but I believe we have—your question and the answer were duly noted on the record.

Mr. Maguire: No, I appreciate it and I recall that I think the numbers were 5 to 7 percent, somewhere in that area. I note that that's a much better record than the Minister of Infrastructure, Transportation and government services has. You know, he already has the 200 vacancies in his area. So, as the member said, if he was to be efficient, he would just fill the positions that he has and we'd be able to proceed with a much better highway system than what we've got in Manitoba today. I get to drive on No. 1 all the time, back and forth to Virden as I did last night and again this morning. I just wanted to remind the minister that every time he gets the opportunity to help his Cabinet members improve the highway system in Manitoba I would encourage him to do so, because it certainly is a bigger benefit to his portfolio from a competitiveness and trade position, and that, as he is very well aware, encompasses the safety issues from more vehicles being on the roads as well.

But, Madam Chair, I just have one more question in this area and that's on the wage subsidies part, 75 positions in the next year, partnerships, clients to be served and the new intakes as it says in page 59 under Employment Manitoba. Can he just provide me with some detail as to the types of subsidies that would be provided through those positions and the location of them?

* (15:00)

Mr. Swan: Yes, I thank the member for the question. The wage subsidy program of the current time, it's focussed on those individuals who right now are in receipt of employment income assistance benefits, often people who have a disability or have

some particular difficulties which makes it very difficult for them just to step out into the work force.

Oftentimes it'll be Employment Manitoba being referred an individual from Family Services, and then Employment Manitoba will try to work with an employer and have that subsidy available to encourage an employer to take on somebody who might otherwise take a little more time to train and to prepare for employment than otherwise.

I'm told that, actually, the wage subsidy can be up to \$10 an hour if there's potential value in the situation working out, and that subsidy oftentimes will go from, say, 10 to 16 weeks just as an encouragement for employers to see what people can do and to hopefully make it easier for those individuals to move into the work force.

We talked the other day a little bit more about the Labour Market Agreement and some of the opportunities that was going to provide for Manitoba, and I don't mind telling the member that it's our hope to work even more closely with the Department of Family Services and Housing to do what we can to assist individuals on employment income assistance to overcome those barriers and those burdens and encourage them to step out into the work force.

Again, at the present time, it's done mainly through wage subsidies. There are some other possibilities in future about other ways to give incentives to people to try to get into the work force.

Mr. Maguire: I'm just curious, then, Madam Chair, if the minister could outline—certainly, the dollars per hour is a benefit to those people, I'm sure, being able to provide themselves with housing and family needs. Can he just outline for me a couple of the other areas then that would be appropriate as well in helping, as he referred to?

Mr. Swan: I don't mind stepping on the toes of the Minister of Family Services and Housing (Mr. Mackintosh) to talk a little bit about how we see the Rewarding Work program being enhanced.

At the current time, people collecting social assistance or employment income assistance have difficult decisions to make if they're looking at entering an entry-level, low-paying job. Oftentimes those individuals will—let's say it's a mother with three children. If she wants to enter the work force, she has to find day care for the three children. Even though it only costs \$2 a day for each child in day care, that's a real cost.

If somebody moves from employment income assistance to a low-paying job without benefits, they then have to face the Pharmacare deductibles, they have to deal with other expenses, including dental costs, and oftentimes it creates what people that are very familiar with the area call the welfare wall, or the poverty wall. What I'm hoping we'll be able to do with the Labour Market Agreement money is to find some ways to give incentives for people to work to get off social assistance, to be able to work in our economy, which is needing workers, but at the same time not immediately run into those problems of taking on a number of costs they didn't have to when they were on social assistance.

I don't want to tip our hand in exactly how we can do that, but I can assure you that I'll be working very closely with the Minister of Family Services and Housing, finding more creative ways that we can move people from the employment income assistance system into the work force in a way that's going to be respectful to them and encourage them to see benefits from doing that, not just the negative side.

Mr. Maguire: I just acknowledge as well the employment centres, 1,350 positions there. Are any of those in the medical field? Would they be looking at working with nurses, that sort of thing, in some of those areas as well?

Mr. Swan: I thank the member for the question.

Madam Chairperson, the employment centres, Employment Manitoba, offer a wide range of services—and it's atop of mind actually since I was visiting the Employment Manitoba office in Brandon just this morning. We offer services not just for employees who come in looking for opportunities for employment, opportunities for training, but we also provide services to employers who come in looking for workers. In some days any kind of workers, skilled workers, less skilled workers. We do what we can to match up those employees with employers.

For example, in Brandon this morning, you walk into the front door of the office and they have materials right there because they're working with Maple Leaf. Maple Leaf Foods is going to need a great deal more workers coming up in the months to come and in a city the size of Brandon, there may be some challenges in finding workers.

As I think the member knows, Shape Foods is a company which is hopefully going to be up to capacity in the next few months. They need to hire

more workers. So they actually have a very good relationship with Employment Manitoba, as do other employers, so that Employment Manitoba can assist them in finding employees.

Mr. Maguire: So these positions would then, Madam Chairperson, I'll ask the minister if they're all through private businesses then or are any of those through support for government programs as well? Or government departments?

Mr. Swan: I guess I didn't give a full enough answer. As well, in the health-care field that I know my friend was asking about, it wouldn't be unusual for a health authority or for another health provider to also use the services of Employment Manitoba. It can be any private-sector or public-sector employer, could avail themselves to the services, and many do.

Mr. Maguire: Would those, say a regional health authority in the position of shortage of nurses and that sort of thing be able to—and doctors as well from that end of it—would they actually recruit persons from outside the province at all, or is it only for people that are Manitoba citizens?

Mr. Swan: For regional health authorities, for positions like doctors, they would do that recruiting themselves. It would be unusual for a doctor to show up at Employment Manitoba saying, hi, I need a job. I don't want to be facetious, but that wouldn't be a normal circumstance. The health authorities would do their recruiting.

As well, of course, even private-sector employers like a Shape Foods or Maple Leaf Foods, they would use Employment Manitoba, but I would suspect most of them would also have their own procedures, whether it's advertising just in Brandon, or in Winnipeg, or even in other provinces or elsewhere to try and attract workers.

But we do provide Employment Manitoba as an option, and I do believe that employers in Manitoba have confidence, but certainly they're free to have their own efforts to find employees as well.

Mr. Maguire: I'll just outline an example for the minister then, in regard to whether it would be a nominee program or some other program. Maybe he can help me clarify. If there's, say, a shortage of nurses in the city and the Winnipeg Regional Health Authority wanted persons in that area where there was a shortage—I acknowledge is the example of the doctors, quite right—but there are areas where we are short for sure, in nursing particularly.

I'm just wondering if there's an opportunity, if he can outline to me how those centres would help bring people in from outside Manitoba's borders and, perhaps internationally, to take either nursing aide positions—I think are probably the most available in Manitoba, the most easy for local citizens to be able to get into. Perhaps the RNs are in greater demand and not as many are being able to train quick enough to stay in Manitoba or be attracted here, so can he outline the process there of how they can help bring those people into Manitoba to fill some of the vacant positions? Whether they're RNs, LPNs or nurses aides.

*(15:10)

Mr. Swan: I can tell the member that the great majority of the Nominee Program is within the Department of Labour and Immigration. What my department will do is to try and provide Labour and Immigration with the best labour market information that we have.

As my friend may know, the regular Provincial Nominee Program maintains a list of occupations in which a demand has been identified. If a prospective immigrant to Manitoba has that particular field, they actually receive more points the way the Nominee Program works, and have an easier time in arriving in Manitoba. Conversely, if somebody has experience and skills that aren't needed because of the labour market in Manitoba, then they would normally be excluded from coming under that Provincial Nominee Program. My department doesn't have a direct role to play other than to do the best we can to provide that labour market information to the Minister of Labour and Immigration (Ms. Allan).

The one piece of the Nominee Program that is within this department is the Business Nominee Program and that has been, I would say, a great success. It's continuing to increase in popularity. It attracts entrepreneurs who are prepared to start businesses or take over businesses here in Manitoba. It also encourages farmers from other countries to come to Manitoba.

The experience under that program has been similar to the regular Nominee Program. People have been split between Winnipeg and outside of Winnipeg. I understand, under that Business Nominee Program, about 60 percent of the immigrants stay in Winnipeg, about 40 percent go outside of Manitoba, which is pretty close to the overall population distribution between Winnipeg and the rest of Manitoba. So that's an exciting

program that I think is continuing to grow and continuing to become popular and certainly, as a way for development, not just within Winnipeg, but certainly in rural Manitoba.

I know, given the area that my friend represents, I know that sometimes succession can be a difficult issue for a farming family or perhaps even a business owner in a rural community. We're hopeful that this business portion of the Nominee Program is going to continue to bring in people who can step in and retain business or retain expertise on a farm or in a rural community. It's quite exciting.

Mr. Maguire: Just to go back to a dollar value, I can see training supports on page 59 of \$8.90 million. I wonder if the minister can just provide me a bit of a break down in regard to how much of that, or if I'm even looking at the right line, that would go to the job referral service, the Canadian agriculture skill service, floodway training and the wage subsidy areas. Not all of them but just those four that I've mentioned.

Mr. Swan: I don't know that I can give my friend a very clear breakdown. Employment Manitoba offers services across the entire province. The idea is that those services should be seamless. If somebody walks into a centre, whether it's in rural Manitoba, northern Manitoba, or in Winnipeg, you can access those various programs.

I can't really tell you that there's a particular number of employees that are assigned, for example, to the wage subsidy program, because the idea is that if somebody is on social assistance, has a disability, or some other issue that would make it attractive for us to offer an incentive to an employer, that can happen anywhere across the province. So it's like we have one individual who's based in Winnipeg or Brandon or Thompson that does that.

Similarly, a lot of the other items you talked about, such as the floodway training initiative, again, any Employment Manitoba centre will have that information, and the employees there can find the necessary details and help that person be referred.

I don't think I can give a better breakdown of how much of that training support goes to, for example, wage subsidies, or how much goes to the floodway training initiative. We can work backward and figure out how many people have been served, but it's only going to be an estimate.

I guess what I'm trying to say is that the services Employment Manitoba offers are global, they're

available to all Manitobans, and, further, the employees of Employment Manitoba are pretty nimble and able to do a number of tasks. They help Manitobans reach their potential.

Mr. Maguire: Notwithstanding that, it's my impression, at least, I would think, that if you made some estimates of the numbers of personnel that you're looking at as new intakes in the numbers that I have referred to earlier: 75 in wage subsidies; 40 in floodway training initiative; 400 in Canadian agricultural skills service; 300 for the floodway; and a thousand for the Wuskwatim hydro dam and the job referral service, just from a budgetary perspective, I'm assuming that there must have been something set aside in the budget at least to target that area, notwithstanding the fact that in some cases they may be oversubscribed, in others slightly under. Surely the minister can tell me what kinds of dollars might have been available or attached to each of those, and, in the end, whether the budget is fully utilized or needs more in those areas. But just from a budgetary perspective, is there some relationship to numbers?

I respect the fact that it may take him a while to find that, but I thought it should be available.

*(15:20)

Mr. Swan: Yes, I'll do my best to answer the member's question. I understand what he's asking for. Today I'm going to have some difficulty answering his question, because in many cases the type of services that are provided depend on the particular needs of the individual that comes in.

So, for example, if it's somebody who's on employment income assistance, in some cases it may be tuition costs that would form this training support and in some cases it would be wage subsidies. In some cases it would be a type of enhanced living benefit to enable that person to go and obtain the training. But if what the member is looking for is a more complete breakdown for each of those items, I think we'd be able to provide that. I just can't give that to you right now.

Mr. Maguire: That would be valuable if he could provide me with that at some point, not today. Tomorrow. At his earliest convenience. Thanks, Madam Chair.

Just a couple of quick points. The Premier's Economic Council has two persons it seems, full-time equivalents. Can he provide me with who they are—the names of those individuals?

Mr. Swan: I can. The two individuals there are Alissa Brant and Michelle Tabaka.

Mr. Maguire: And as much as we spoke the other day about the Manitoba office in Ottawa with Mr. Stewart being there as well and Ms. Grechen in International Relations that I've had the pleasure of working with as well on some of these opportunities with our Midwest legislators and others, does Manitoba have a trade ambassador in the U.S.?

Mr. Swan: I'll answer that question, but I just wondered if my friend is moving into the Trade front, if you've completed the other areas maybe we can do a line change here and I'll have the Trade staff come in. Is that all right?

Mr. Maguire: Well, Madam Chair, I just have a couple more questions to—I'll stick to this and then we can make that switch if it's okay with the minister?

Mr. Swan: Yes. That's fine.

I can give you the name of our representative in Washington. Her name is Marianne Rude. Despite her last name, I understand she's actually quite nice. She works in Washington, D.C.

Mr. Maguire: I'm assuming that she is the only one that we would have there then, at that point, in the U.S. as an actual trade ambassador, notwithstanding that the minister's working with the national trades people, I'm sure, in the embassies and other areas that are in the U.S. and throughout the—you know whether it's Minneapolis, Detroit, Chicago and the other cities that their federal representatives are in.

Mr. Swan: That's correct and when we move on to the Trade front we can talk more about consultants that Manitoba retains to perform some trade responsibilities for us in other places. So we can get to that once I have my Trade staff easily accessible here.

Mr. Maguire: Yes, Madam Chair, I just have a couple of questions on the Apprenticeship Futures Commission that the minister has released in March and brought forward. Can he indicate to me, first of all, maybe just for clarity, and I think he mentioned it a bit the other day, what his intentions are to move forward with the recommendations?

Mr. Swan: There were 23 recommendations that came down in that consensus report. The report came out only shortly before our budget was announced, so fairly late in the budgeting cycle, but there were a

few things that I was very pleased found its way into budget 2008. The first was the \$3.8-million funding announcement that we discussed in some detail yesterday which is providing a further 1,100 seats for apprenticeship training.

There's the journeyperson's hiring incentive which provides a tax credit to employers who take on journeypersons. There's the tuition fee income tax rebate that is intended to be an incentive for journeypersons to remain in Manitoba so they can claim their tax credits here in Manitoba. As well, although we haven't really said too much about it yet, we're in the midst of working up our awareness and promotion campaign.

I'm hopeful, frankly, that every member of this Legislature will be interested in promoting the positive careers that are available in trades and crafts across Manitoba. There will be some media. We intend there'll be some media. There'll be some print materials that we can use to encourage young people, as well as adults in the work force to consider careers in trades.

As we talked about, there are some other areas where it's really not for the government to act on its own. There are some areas where as minister, I will be sitting down, where members of the Apprenticeship branch will be sitting down and where members of the—I'm hoping that Leonard Harapiak will use his considerable expertise to assist us in getting our partners to the table to discuss things that we can do to make apprenticeship even more nimble and even more flexible.

So, hopefully, we'll have industry, labour and the colleges as well as the government working on some of those initiatives to see what makes the most sense. I touched the other day on some issues which could be ways to make apprenticeship more flexible. The way in which we train people, the way in which employees, apprentices are given releases for blocks of time to go and do their training, some of the challenges of, first of all, obtaining the necessary hours in the north and, second of all, making sure there's a journeyperson available to do the training in the north, may be issues where we can have some movement by all parties.

So we're going to be accountable. I mean there are those 23 recommendations. Some we've done, others we have work to do and others, we work to do in partnership with the other important stakeholders for the apprenticeship program.

Mr. Maguire: Will the minister use the same financial incentives as some of the issues that we've just been talking about in regard to Employment Manitoba and some of the other areas in attracting employers to want to hire and have apprentices work for them?

Mr. Swan: Well, if an employer used the services of Employment Manitoba and, as a result of that, a newly minted journeyman came to work for them, they would be entitled to that tax credit. The tax credit is intended for someone who takes on a new journeyman. So, indeed, if an employer used Employment Manitoba, there's no reason why they couldn't obtain that tax credit.

* (15:30)

Mr. Maguire: I thank the minister for his answer. I noticed in his comments, his reply, that he said there were 23 recommendations. I appreciate him correcting his news release, which said 22.

I appreciate the opportunities to look at this report and those kinds of examples. One of the areas under the recommendations indicated that, I think it's the second bullet: the time constraints for the commission's work did not provide time for extensive research; that many of the recommendations require additional discussion and assessment to ensure the implications and impacts are clearly understood.

I wonder if the commission gave the minister any indication of what some of those would be. What other extensive research did they want to do, and is their mandate finished as far as the minister's concerned?

Mr. Swan: One example of that would be the governance structure. There were some suggestions that the governance structure for apprenticeship in Manitoba should be changed. There was consensus on that. There wasn't necessarily consensus on how that would be done.

Different provinces across Canada have tried to manage those issues differently and the report doesn't contain any compendium of exactly how it operates in different provinces. For example, Saskatchewan has a system that's quite a bit different from ours in terms of the governance issues. What we will be doing is taking a look at what other provinces are doing, looking at what their best practices are, and seeing if changes should be discussed with stakeholders here in Manitoba. I had said the other day that some of the changes which are suggested by

the commission would require a change to legislation.

Rather than rush ahead, we decided—I think quite rightly—that we need some more time to go over these issues to make sure that when we do bring in legislation, it's something that all the stakeholders will be interested in. It will be something that will really modernize the apprenticeship situation. Again, I think it's important. The report was a consensus report. We had people invested in the process that believe that apprenticeship is a good system, but certainly there are things we can do to make it even stronger.

Mr. Maguire: One of the recommendations is to transfer accountability for enforcement of apprenticeship regulations to the Department of Labour. Will the minister be doing this? I guess I'm wondering. He's just indicated that he only has a small portion of business under his portfolio in regard to the Department of Labour at the present time. Why, when this is so pertinent to competitiveness training—particularly parts of his portfolio—would he do that? Perhaps he can provide me with the background of why that recommendation would come forward.

Mr. Swan: Madam Chair, I guess the best way to explain it to the member is that there was some concern raised by the stakeholders that took part in preparing the report that apprenticeship in Manitoba actually has, perhaps, too many functions. In this case, it's both education, promoting apprenticeship and bringing those parties together, yet also the enforcement side.

I believe the reason for the recommendation was everybody around the table believed that apprenticeship should continue having all the duties of educating, promoting, and working on that side of it, but that it might be more clear in people's minds if the enforcement provisions were transferred over to Labour and Immigration which already, of course, has some inspecting capabilities, some enforcement capabilities.

I believe that doing that would require a change to legislation and, again, we're looking at bringing in legislation at some point in the future that will deal with all those issues. So it is something that we're looking at; it's something that we are discussing with the Department of Labour and Immigration. We'll continue to work on seeing what we can do to make that happen.

Again, it likely is going to require a bill; the question then becomes, do we bring in a very small bill that only deals with that, or do we deal with the more comprehensive updating of the apprenticeship legislation in Manitoba?

Mr. Maguire: The issue of harmonizing legislation, regulations and processes in a number of areas is a concern from an interprovincial trade perspective in boundaries and certainly in relation to apprenticeship.

Can the minister indicate—I would use the common programs for persons that might be working in other jurisdictions outside of Manitoba—I'm assuming that, when they talk in Recommendation 7 about harmonizing legislation regulations and processes, the legislation would be between provinces that they would be looking at harmonizing, or is it legislation within different departments within Manitoba?

Mr. Swan: The question that the member asks is about harmonization of standards across the country. Many different apprentice trades and crafts in Manitoba, which lead to a journey person designation, are also what's known as Red-Seal-designated. What that means is that, if you get your Red Seal designation, you should then be able to carry on your career in any province in Canada.

There are some differences that continue among provinces. There are some apprentice trades which are not Red Seal, so you may be a journey person in one province, but you may not be eligible. There either may not be a journey person designation or there might not be an equivalent trade in that province. I believe that's what the recommendation is speaking to. There's been a lot of progress made nationally on that front. The provinces do work together, but I think it's fair to say there's more work to be done.

* (15:40)

The other challenge, I can tell you, as we move ahead to modernize apprenticeship, it's an absolute necessity that we ensure that Manitoba's standards remain in line with the Red Seal designation with our other provincial partners. That's one of the challenges as we sit down with employers, labour and the colleges going forward, that we have to make sure that any moves we make to make apprenticeship more flexible, perhaps to make it a quicker process, don't in any way affect the ability of Manitoba

apprentices to become journeypersons with the Red Seal designation.

I think it's a very reasonable question the member asks, and it just opens up, kind of, the Pandora's box of some of the work that we'll be doing and I'm sure he'll be asking about next year at this time when we come back for Estimates.

Mr. Maguire: As I go through these recommendations, Madam Chair, certainly that one sticks out, and I know that the minister has talked about other jurisdictions, but are there areas that he intends to harmonize legislation within Manitoba as well?

Mr. Swan: As the member knows, the report gave us a good starting point but didn't give us a blueprint for exactly what steps are to be taken next, and, at the present time, as I sit here, I don't know of a particular apprentice trade where there is a problem with a neighbouring, or any other Canadian province.

As we go forward, I expect that any trade that has a difficulty will come forward and will let our department know and let me know that and we could see if there's work to be done with other provinces or with the national body to see if there are steps that need to be done to harmonize those regulations. The intention is, of course, if you get your Red Seal designation, at least from a trades perspective, you should be able to carry on your trade anywhere that Red Seal is recognized.

Mr. Maguire: Yes, I know the minister is trying to do what he can in regard to competitiveness even outside of this commission, the Apprenticeship Futures Commission, so does he feel that the recommendation here was from the—and I look at the experience of the people that are on the committee and have great respect for their views in what they put forward. Would he acknowledge that they may be looking at asking him to come forward with a process that would look at—I'm just wondering if the minister's looking at it even outside of this mandate, from this commission, not because of this commission's report solely, but to look at ways of removing red tape, reduction of red tape, duplication, et cetera, that might exist in the other areas of Manitoba. I know that other departments will impact on our ability to be competitive, and he's in charge of competitiveness.

I wonder if he would be looking at making a recommendation that that be done wherever it can be and, perhaps, even looking at a mechanism to identify where such, for want of a better

terminology, red tape might exist within the work force and business opportunities for Manitoba.

Mr. Swan: I can certainly assure the member that we're doing what we can to make sure that things are as efficient as possible for business in Manitoba. I can first of all say that any regulation that's passed is analyzed to consider its impact on business and, in fact, there's a particular analysis to be done on whether there's any undue impact on small business in Manitoba.

It's our goal to make it possible for businesses to understand and comply with regulations that are before them. We believe that protecting the public is important but at the same time, we do what we can not to place any unnecessary burden on businesses.

One of the initiatives that I'm sure the member's aware of is the BizPaL initiative, which has been spreading across Manitoba. BizPaL, which is short for Business Permits and Licences, is an on-line business service. What you do is go on-line, and you can actually obtain a comprehensive list of all the permits and all the licences that are required, not just by the provincial government but also by the federal government and by the R.M. or by the city or town, to start and operate any given business, as well as pertinent information on each permit and licence, including how they can be obtained.

What's happened through BizPaL—which is now operating in Winnipeg, it's operating in Brandon, in, I believe, it's Morden, Winkler, Morden and a number of other—a couple of rural municipalities—is that for individuals, for entrepreneurs who are interested in starting a business, it's dramatically reduced the time, effort and the cost of compliance. Of course, as a recovering lawyer, you know, I don't necessarily look for ways to take work away from lawyers, but some of the studies have been done suggest that instead of getting a bill from your lawyer for eight hours of research, somebody can, in their spare time in the evening, go on BizPaL and actually very quickly find out what needs to be done.

As the member probably knows, we don't always stand shoulder to shoulder with the Canadian Federation of Independent Business, but indeed the CFIB is a strong supporter of this as a means of reducing, quote, red tape, end quote. And BizPaL's just a bigger piece of the Province's single window for business initiative. If anybody interested goes on the Manitoba Business Portal, through the Manitoba government Web site, there are many ways that we're bringing those services together to make it as easy as

possible for people to navigate everything that needs to be done, to make sure they can be up and running, or up and expanding, as best they can. I'm rather excited. I'm looking for more municipalities and different areas of the province to come on-line with BizPaL. There's a great deal of interest. There are a number of municipalities in some other towns that are in line now to be part of this. I see that as a great opportunity to make it far more efficient for business to interact with government.

As the member probably knows, we're enhancing the single business number. Of course, it used to be another separate file number with each of the agencies you deal with. Again, we work with our federal partners to find more ways to simplify that so there are fewer individual filings. There's less chance of simply making a mistake. Less frustration of having to mail off information or having to deal with 12 different offices. We're certainly interested in doing that.

I can also tell the member that as minister, I've made it clear to businesses that if they have particular issues with particular regulations that I'm open to discussing them. Our duty is to protect the public. Our duty is to protect the environment. But if there is a regulation for which there could be made a case that it doesn't actually accomplish anything positive, I've made it very clear that I'm prepared to take a look at it.

* (15:50)

Mr. Maguire: I'm going to wrap this up, Madam Chairperson. I know that the No. 12 recommendation, I think, is the one the minister referred to the other day. I think even, you know, and there are other recommendations here where I would like to spend more time, but I think we need to move on.

There are some concerns in some of the areas, as the report points out as well. One of them is in the ratio of the journeyman persons to apprentices. I wonder if the minister can elaborate on his thoughts in that area. I guess I'd just like to put one issue forward, and that is, as I've pointed out, apprenticeship is a great opportunity for people to learn a skill, and in their beginning years that's certainly the case. But I understand right now that the recommendations are and the practice is that you have to have a journeyman for each apprentice even in a four-year program.

Perhaps you can correct me if I am wrong on that, but I would certainly recommend that that be

the case perhaps for the first year of an apprenticeship program because persons need to be supervised as they're moving forward in those areas. But, as they become more skilful in their job and their apprenticeship that they've chosen, I think it's been suggested to me by many, at least, that the onus could be perhaps less stringent, which would allow more businesses to actually want to be involved with the apprenticeship programs. What I'm referring to is the reduction of the number of journeymen required for apprentices wherein, just as an example, one journeyman might be able to supervise, if you will, three or four apprentices as opposed to having to have one-on-one for four years.

Would the minister, through his department, consider that as an option?

Mr. Swan: I can tell the member, of course, that was one of the recommendations that came out from the consensus report. Again, the report didn't give us the blueprint of exactly how that's supposed to happen. All it told us is that we should review those issues.

Indeed, most apprenticeships do require one journeyman for each apprentice. The historical reasons for that have been twofold. I mean, there's the training issue to make sure that each apprentice is being adequately supervised and trained, and the second piece, of course, is one of safety, to make sure that apprentices are able to work in safety both for themselves and for others.

As I understand it, there were some various viewpoints that were put forward in discussing how the report should look. I think you're right. There are a number of businesses that would advocate for more flexibility. I'm hopeful that we can sit down with all the stakeholders and come up with some solutions on that. It would seem that if individuals are at a higher level, at level 3 or level 4, it may be that the need for one-to-one, especially in terms of training and safety, is less than for someone who is a new apprentice. The hope is that we'll have those conversations. There may be some frank discussions between the different stakeholders. My hope is that we'll be able to have them come back to us with some ideas on exactly what we can do about some of these ratios.

But I do agree that, as long as individuals are being adequately trained and supervised, as long as there aren't safety considerations, there's no particular magic in the ratios as they now exist but that any move is—I would like to see it done by consensus between all of the stakeholders.

Mr. Maguire: Would the minister consider, or can he outline to me just exactly the financial initiative in the program right now from an apprenticeship perspective. I know going through the employment program the apprentices are presently getting—they are funded directly through themselves. I wonder if there is any other options that the minister has looked at.

Mr. Swan: I'm sorry, I'm not sure I understand the member's question.

Mr. Maguire: When it comes to funding the apprenticeship program and helping individuals through the program, can he just outline the present process for me—on a financial basis, I mean?

Mr. Swan: I think it's a good question and maybe we all, as members of the Legislature, need to get the word out that actually apprenticeship is probably one of the most cost-effective ways for a young person to be educated in this province.

The actual cost to the apprentice of apprenticing is quite modest. The bulk of the cost—when I say the cost, it's the cost of the training and certification, all those processes. The bulk of that is paid through a combination of the employment insurance system, through the Labour Market Development Agreement which is the agreement between the federal government and the provincial government as many pieces of the employment insurance system were handed over to the Province and thirdly being picked up by the Province itself.

When an apprentice leaves their workplace for the block training they're eligible for EI benefits. They can apply. In some cases some of the more benevolent employers will actually simply continue paying their salary during their block time away. The actual cost to the apprentice is very modest. I understand that for most trades it's roughly \$25 a week that apprentices pay.

So the majority of the cost of apprenticeship is paid by government, or governments I should say, a modest amount by apprentices, which is again why I think, as we go forward, we need to do a better job of promoting some of those benefits, so that young people see that going into apprenticeship is a great way to get their education and start earning money right off the start.

Mr. Maguire: I appreciate the minister's answer and I appreciate that opportunity to have a dialogue on that.

I think that there's—you know and I'm sure he has talked to some of the stakeholders. There are other options and I wonder if he's ever considered or would consider—that's something else that was suggested to me, that it might be one of the objectives here as well, is to make sure that we keep the people in the workforce after they've got the training and the apprenticeship, make sure that we try to attract them and keep them in Manitoba.

I'm wondering if perhaps a suggestion from some of the businesses in Manitoba that if they were allowed to hire the individuals and to keep them on salary with benefits during their time of apprenticeship training and that sort of thing that, as they can now and I mean some of them are hired, but would there be an opportunity then for a differing flow of funds if the apprentice was on full salary while they were being trained or with benefits. Would some of the incentives that presently go to the apprentice accrue to the business in regard to being able to then supplement the—make it a little bit more attractive to some of the businesses to hire people and keep them and yet the individual would still be fully paid and on staff when they're done—more likely to work in Manitoba.

Mr. Swan: As I've said, there are some employers who do pay their apprentices salaries while they're training. I can say a couple of things. First, in terms of retaining journeypersons in Manitoba, the fact is that if somebody becomes a journeyperson and does get their Red Seal designation they are entitled to carry on their trade wherever they wish. That's one of the attractive parts of apprenticing.

*(16:00)

But in Manitoba, again, I'd remind the member there are two very recent programs which we think are going to be more of an incentive. The first from the employer's point of view is the tax credit that they can apply for, the Journeypersons Hiring Incentive, and, secondly, for the journeyperson who remains in Manitoba, they're going to be getting a 60 percent tax credit from the amount they paid to apprentice.

So, with all those things in mind, and given the economy and given the need for skilled workers in Manitoba, we're feeling pretty positive that, as we increase the number of persons getting their journeyperson's status, more and more will remain in Manitoba.

Mr. Maguire: I appreciate the minister's time on that. Just a couple of quick questions. I know we have to change here, I believe, critics and ministers. I look forward to passing the supplements here in a moment. I just wanted to ask the minister in regard to competitiveness in Manitoba, of course, the tax system, what we have presently in Manitoba, is detrimental to an opportunity to attract and keep the larger businesses that we have, and is it his belief that eliminating the payroll tax in Manitoba would be a benefit to helping maintain more opportunities for business and trade in this province?

Mr. Swan: I think what's interesting, of course, is that, if I recall the member's opening comments, it was that, I can't recall if it was 62 percent or 64 percent, I can't recall if it was new hires or the economy generally, is small business in Manitoba. The member knows that small business in Manitoba does not pay payroll tax, that, indeed, the thresholds to begin paying payroll tax have continued to increase in Manitoba. If I look at how small business is treated in this province, it's treated, actually, the best, here, than in any province across Canada.

In particular, of course, we had a small business tax rate that stood as high as 9 percent under the previous government. It was 8 percent when this government came into power in 1999. As the Competitiveness, Training and Trade Minister, I'm very pleased that we've been able to chip away and reduce that small business tax. It now stands at 2 percent. Again, from my previous life as a lawyer, when I take into account the advantages that somebody has from incorporating as a small business, including the ability to defer some income, the advantage of limited liability, 2 percent is a pretty small premium to pay for those benefits.

Even beyond that, of course, we've committed to reducing the small business tax to 1 percent and, indeed, assuming that things continue to go on a positive trend in Manitoba and we're able to do so under balanced budget legislation, it's our intention that we'll reduce the small business tax entirely.

I should also mention that not only has the threshold for beginning to pay payroll tax increased, the threshold under which somebody is eligible for the small business tax rate has doubled under this government. So, certainly, my friend's opening comments were that small business is an important part of our economy. I agree completely. I'm very pleased that this is a province where small businesses can truly be competitive. For larger businesses we

know that when we take the entire package into account, the Manitoba advantage, as the Minister of Finance (Mr. Selinger) I'm sure will have said in his Estimates, Manitoba continues to be a very, very cost-effective place to do business.

We know there have been challenges because of the rise of the American dollar. We know there are challenges because of world competition. But, you know, even in the three months that I've served as minister, it's been very exciting to go around Manitoba and to meet and to see some of the workplaces that are able to compete. I'm thinking of businesses such as New Flyer, which is building, I think, the best buses in North America, if not the world. They are successfully competing. I look at newer companies. I also look at a company like 3M down in Morden, which had to compete against 3M plants all around the world and was able to succeed because we have a well-trained work force. The overall costs of doing business here in Manitoba are not only competitive, they are among the cheapest in the world.

I know the member opposite is aware of competitiveness studies, which are done, which rank Manitoba and which rank Winnipeg against other mid-western cities. Winnipeg and Manitoba fare incredibly well on those indexes, and we're seeing it in the growth in our economy.

I can also add that, of course, Alberta, despite all their wealth in oil, has only now in the context of their last election, pledged to do away with health-care premiums.

I have friends in British Columbia who pay health-care premiums. I have a friend who is an accountant, so he knows these things well. He and his wife have three children; he pays almost \$2,000 a year in health-care premiums to the Province of British Columbia. For whatever reason, that doesn't get added into the tax rates that I know my friend and the Member for Brandon West (Mr. Borotsik) wave around in the House. That's got to be taken into account as well.

I understand everybody would like lower tax rates. I think we've done a great job in this province of being able to make tax reductions to the corporate tax rate, tremendous reductions to the small-business tax rate, cuts to the personal tax rates. I could go on for some time, but I will leave it at that.

I think we've done a great job of making this a very competitive place for businesses to come and

businesses to expand. I think we're seeing it in the financial numbers that I'm very pleased to receive each week that I'm the minister.

Mr. Maguire: I know that the businesses in Manitoba will be disappointed in the minister's answer in regard to that, where we've got the only payroll tax west of Québec, the highest personal income tax west of Québec, the payroll tax in western Canada at least; the capital tax is still there, very detrimental.

If the minister had stayed longer at the manufacturing trade conference that he was at that morning, I know he was in a rush after breakfast to leave before the guest speaker spoke, he would have learned a lot from Andrea Mandel-Campbell, the author of *Why Mexicans Don't Drink Molson*, in regard to the impression of the rest of the world on her Manitoba companies.

One businessman later in that day indicated that Manitoba is the least-competitive province with 33 percent of every dollar going to tax, notwithstanding what he's saying in regard to small business.

My question was about payroll tax which many small businesses don't pay, but the larger ones do. They count as well. They certainly create a lot of jobs in this province and I would encourage him to continue to encourage his cohorts to reduce this uncompetitive tax situation that we're in, in Manitoba today, and try to make Manitoba a more competitive province.

Just in closing, I wanted to say as well that I'd asked the minister a question in regard to the encouragement of the three trade corridors that we have. I know we spoke a bit about that the other day, the mid-continental corridor coming from the south, going into Mexico, with Winnipeg at the northern end, and Winnipeg at the southern end basically of an Arctic route through Churchill and the north, and the Asia-Pacific corridor.

From a competitiveness perspective, the opportunities are huge for Manitoba in these areas. I would encourage the minister to do whatever he can to enhance that and particularly looking at, because of the concentration of population in Manitoba in the Capital Region, here in the city of Winnipeg and the surrounding area, to look at the Mayor's Trade Council report on global trade and try to make sure that we beat out Edmonton who is now trying to call themselves the hub of trade.

We are the centre of global trade opportunity here in Manitoba, with Winnipeg as that centre, the conversions of the rail lines, the air opportunities that we have and the highway structure that we have.

I would encourage him to make sure that the MIGS program that the government has on International Gateway Strategy for Manitoba helps the Minister of Transport (Mr. Lemieux) be able to move that forward as much as he can. It certainly will help make Manitoba more competitive.

I wonder if he can just tell me what input he's had in regard to the MIGS program as well as whether he's had a chance to review the Mayor's Trade Council report at this time.

*(16:10)

Mr. Swan: Indeed, the member and I were disagreeing on some points just a minute ago, but I think I can agree with everything he's just said in his last comment.

I can assure the member opposite that I have reminded both federal Minister Emerson and federal Minister Ambrose personally of the various advantages that he just listed off.

Manitoba's position really at the confluence of three trade corridors of Winnipeg's advantage, having both rail lines converge here, at our proximity to the American interstate system, being only an hour north of the highway, as well as all the various things that he's listed, and, as well, the fact that we have an excellent trucking industry and a logistics industry here in Manitoba. I agree completely with what my friend is saying.

Indeed, we are working to deal with the Mayor's Trade Council report. As well, we're awaiting the MIGS report. We want to work with the Winnipeg Airport Authority and industry here in Manitoba.

So I think this is something that all of us, as Manitobans, are very interested in pursuing, and I think I should be able to stand shoulder to shoulder with my friend. The hope that I have is that if there are decisions made of federal funding coming to western Canada, that it will be done based on those advantages and won't be for political reasons. I'm sure my friend will give all the assistance he can to make sure that Manitoba has its rightful place. So I thank the member for his interest on that issue.

Mr. Maguire: Can we pass the Manitoba Competitiveness, Training and Trade Supplementary Information, Madam Chair?

Madam Chairperson: Resolution 10.2—
[interjection]

Mr. Maguire: Yes, Madam Chair, just before the deputy and the staff leave from Competitiveness, Training—we didn't get a great deal of opportunity to see the deputy minister of International Relations and Trade, Ms. Gray, but I want you to convey to the Province of Manitoba for the work that you're doing and the fine work that you're doing in your departments and throughout the province. I would encourage you to—I want to thank you personally and ask you to pass that along to the rest of your team. Thank you very much.

Madam Chairperson: Resolution 10.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$13,400,100 for Competitiveness, Training and Trade, Business Services, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 10.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$94,143,500 for Competitiveness, Training and Trade, Training and Continuing Education, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 10.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,951,500 for Competitiveness, Training and Trade, Community and Economic Development, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 10.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,048,200 for Competitiveness, Training and Trade, International Relations and Trade, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 10.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,180,000 for Competitiveness, Training and Trade, Costs Related to Capital Assets, for the fiscal year ending March 31, 2009.

Resolution agreed to.

The last item to be considered for the Estimates of the department is item 1.(a) Minister's Salary contained in Resolution 10.1.

Resolution 10.1: RESOLVED that there be granted to Her Majesty a sum not exceeding 4,397 dollar-700 for Competitiveness, Training and Trade, Administration and Finance, for the fiscal year ending March 31, 2009.

Just for clarification, \$4,397,700 for Competitiveness, Training and Trade, Administration and Finance, for the fiscal year ending March 31, 2009.

Resolution agreed to.

This concludes the Estimates for this department.

The next set of Estimates that will be considered by this section of the committee is the Estimates of Aboriginal and Northern Affairs.

Shall we recess briefly to allow the minister and critic the opportunity to prepare for the commencement of the next set of Estimates, or shall we keep going without a recess?

Some Honourable Members: Keep going.

Madam Chairperson: Okay, it's agreed. We will keep going.

Mr. Daryl Reid, Acting Chairperson, in the Chair

ABORIGINAL AND NORTHERN AFFAIRS

* (16:20)

The Acting Chairperson (Mr. Daryl Reid): Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Department of Aboriginal and Northern Affairs. Does the minister responsible have an opening statement?

Hon. Oscar Lathlin (Minister of Aboriginal and Northern Affairs): Yes, I do, Sir.

The Acting Chairperson (Mr. Reid): You can go ahead.

Mr. Lathlin: Okay. Well, I'm pleased to discuss some of the activities of the Department of Aboriginal and Northern Affairs. How much time do I have for my opening remarks? How much time? Ten minutes? Okay.

Well, the first thing I want to talk about briefly is the Treaty Land Entitlement. Our department has been focussing on implementing the Treaty Land Entitlement agreements. Approximately 1.2 million acres are owed by Canada to First Nations communities. In the past fiscal year, Manitoba transferred an additional 126,000 acres of Crown

land to Canada for conversion to reserve status. This will bring the total that we have transferred to Canada about 400,000 acres, and we have committed to expediting the transfer of TLE land within our jurisdiction over the next four years. Past budget increases are helping complete this work a little faster.

In September, Peguis approved their Treaty Land Entitlement agreement for 166,794 acres of which Manitoba is obligated to provide 55,000 acres of Crown land. The Province also approved that agreement and we're now awaiting for Canada to approve it in order to finalize the agreement.

I want to speak a little bit about Cross Lake trappers. Last August, Manitoba, Manitoba Hydro and the Cross Lake Trapper's Association signed multi-year final settlement agreements relating to adverse effects on commercial trapping from hydro development. Last month as well, Manitoba, Manitoba Hydro and the Cross Lake Fisherman's Association signed a final settlement agreement relating to adverse effects on commercial fishing from past hydro development. I was pleased to sign both agreements in Cross Lake with the other parties, the trappers and the fishermen. We also are working quite hard on the Cross Lake Northern Flood Agreement implementation.

Manitoba and Manitoba Hydro continue to implement an NFA at Cross Lake First Nation through action plans worth approximately \$5.6 million a year. The community liaison committee has been re-established and the community information office has been set up, staffed by two band members from Cross Lake. The office offers information on employment opportunities, the yearly action plans, claims and other government and hydro information.

Grand Rapids, the forebay agreement, this February along with Manitoba Hydro I was pleased to sign the Mosakahiken and Cree Nation, the comprehensive settlement agreement to address adverse effects from past hydro development. The agreement, the last of the forebay agreements, includes land, financial compensation and provisions for a co-operative natural resources management.

A little bit about the Aboriginal consultation unit. The new Aboriginal consultation unit initiated contact with a number of First Nations and Aboriginal communities and organizations. The government of Manitoba recognizes it has a duty to consult in a meaningful way with Aboriginal

communities when any proposed law, regulation, decision or action may infringe upon or adversely affect the exercise of a treaty and Aboriginal right of that Aboriginal community.

A draft consultation policy and guidelines have been provided to sectors of the Aboriginal communities for comment. The objectives of the draft policy and guidelines are: to ensure that the Province gains a proper understanding of the interests of Aboriginal communities with respect to a proposed government decision or action; to seek ways to address and/or accommodate those interests, where appropriate, through a process of consultation while continuing to work towards the best interests of the citizens of Manitoba, and to advance the process of reconciliation between the Crown and Aboriginal communities.

The department provides funding also for Aboriginal organizations including AMC, MMF, MKO, SCO, MORN, and the Aboriginal languages of Manitoba, Manitoba Aboriginal Sport and the Aboriginal Council of Winnipeg, and also the 11 Manitoba friendship centres under a program called Aboriginal Development Program.

Manitoba hosted the National Aboriginal Health Summit here last month. Ministers of Health and Aboriginal Affairs from other jurisdictions attended, along with the five national Aboriginal organizations. Workshops were held on Inuit, Métis and First Nations priority health issues. We are also working to close the gap in well-being between the Aboriginal and non-Aboriginal people in Manitoba by encouraging Aboriginal participation in all aspects of our society and economy.

Manitoba is working with First Nations and the federal government on major school improvement projects in reserve schools. Goals include to improve educational outcomes of students in each of the schools through improvements in teacher training, mentoring and professional development, the development of a First Nations provincial school transition protocol and activities to promote education as a career option for First Nations.

Métis economic development strategy. The Premier (Mr. Doer) announced at the MMF annual general assembly last September, we are working with the MMF to prepare an economic development strategy, and a lot of meetings have been held thus far. We are pretty close to coming up with the final product.

On the Métis policy, the Province and MMF recently completed an agreement to guide the development of a Manitoba-Métis policy. The development of the Métis policy will be a very complex and engaging undertaking involving line departments, as well as other Métis organizations and citizens. But this policy in the end will improve existing and anticipated relationships between the government of Manitoba and the MMF.

Just a little bit about the First Peoples Economic Growth Fund which, we hope, will help stimulate economic development in First Nations community. The Province has made a five-year commitment of \$20 million, with \$3.8 million in this year's budget. Board of Directors of are currently recruiting an executive director to implement the work plan, and it is anticipated that the fund programs will be operational shortly. My 10 minutes are up? *[interjection]* Oh, well then, let's talk about local government development.

Additional support for Northern Association Community Councils allows pretty good solid increases to municipal staff. Once this community salary initiative is fully implemented, northern community support will increase by \$1.2 million annually. An increase in water treatment plant operation and maintenance assists with water treatment facilities, funding upgrades for the communities of Meadow Portage, Thicket Portage, and Wabowden. We're also upgrading three other sewer treatment facilities. So I think I'll stop there and—ready for questions.

The Acting Chairperson (Mr. Reid): We thank the honourable minister for the opening statement. Does the critic for the official opposition have an opening statement?

Mrs. Leanne Rowat (Minnedosa): Thank you, Mr. Acting Chair. My comments will be extremely brief. We have a number of issues and questions that I have to place to the minister, so I just want to thank the minister for the opening statement. I've taken some notes to ask some additional questions on information that he shared in his opening statement, so I look forward to the dialogue, but obviously we've got a lot of issues, a lot of successes, also, in northern and First Nation communities. But I look forward to the dialogue in determining where we can work together to make a difference on some of these issues. Thank you.

The Acting Chairperson (Mr. Reid): We thank the critic for the official opposition for the opening statement.

Under Manitoba practice, debate on the Minister's Salary is traditionally the last item considered for a department in the Committee of Supply. Accordingly, we shall defer consideration of line item 1.(a) and proceed with consideration of the remaining items referenced in Resolution 1.

At this time, we invite the minister's staff to join us in the Chamber, and once they are seated, we ask the minister to introduce his staff.

Mr. Lathlin: Thank you very much, Mr. Acting Chair. I'm very pleased to introduce—I can never remember these titles, but let me say, Executive Director of Local Government, Freda Albert, working out of the Thompson office; and M. Rene Gagnon, Finance; Joe Morrisseau, Executive Director and general all-around good guy; and Harvey Bostrom, our deputy minister.

The Acting Chairperson (Mr. Reid): We thank the honourable minister. Does the committee wish to indicate how they wish to proceed through these Estimates, whether it be in a chronological manner, or have a global discussion?

Mrs. Rowat: Well, thank you Mr. Acting Chair. Global discussion would be preferred.

The Acting Chairperson (Mr. Reid): It's been suggested that we'll proceed in a global discussion manner. Is that agreed? *[Agreed]*

Thank you. The floor is now open for questions.

* (16:30)

Mrs. Rowat: Thank you, Mr. Acting Chair. Some general housekeeping questions prior to going into specific questions on policy and programs. Can the minister indicate to me, or share with me, a list of all political staff, including the name, position and whether they are full-time or part-time in his office? That would be including, I guess, the minister's office. Thank you.

Mr. Lathlin: Mr. Acting Chair, let me say this. You know, I'd like to give the member a couple of positions that I have in my office here in Winnipeg. One is a senior adviser to the minister and the other one is a special assistant to the minister. For the rest of the names, I'd like to make an offer to the member that I will list those positions because I don't want to be giving information incorrectly. I may

inadvertently give positions that are departmental and not from my office. I just want to make sure.

Mrs. Rowat: Maybe what I'll do then, I'll list what I am looking for, and then the minister can provide that to me in writing after Estimates if he is agreeable to that. I see the minister nodding, so I'm going to take that as a yes. A list of all political staff, including name, position and the full-time or part-time status; a specific list of all staff in the minister's and deputy minister's office; the number of staff currently employed within the department; the names of staff that have been hired in '07-08, including whether they were hired through competition or through appointment; a description of any position that has been reclassified; a listing of all vacant positions; and if all the staff years are currently filled.

I'd also be looking at how many and the types of contracts being awarded directly and whether these contracts have been tendered or not tendered; how many positions have relocated from northern and rural Manitoba into Winnipeg or have been relocated around the province.

Mr. Lathlin: Mr. Acting Chair, I have agreed that we have written that list, and we'll endeavour to supply it to the member ASAP.

Mrs. Rowat: I thank the minister for that, and I thank the staff for taking the notes on that. I appreciate and look forward to the response ASAP as the minister had indicated.

Can the minister indicate to me whether any travel by the Premier (Mr. Doer) or a delegate of the Premier has been paid for by the department? If that is the case, can the minister also then indicate the pertinent details of that travel. That would include location, the purpose, who he met with and who would have been included on that trip or those trips.

Mr. Lathlin: I can offer two things to the member. One is to provide that information that she's asking for by letter, or on the other thing that she will have available to her is the posting of ministerial travel on a Web site, I believe. I don't know if that's been done already, but I understand that it should be very shortly. That information will be available on a Web site, but nevertheless I will get that information as well. But, in the future, that's where I would go if I were looking for that kind of information.

Mrs. Rowat: I understand that the information that is going to be posted on ministerial travel is not available yet. I just did a check. I couldn't find the

information on the computer. So, if it is available, I apologize for that.

But I also am wondering, will they be posting this fiscal year's travel? So the question I'm asking, is there any, if there is information we will try to gather it and, if not, I will be requesting that from the minister.

Will the minister indicate to me, though, is he aware of any travel that the Premier would have been utilizing through his department over the last year?

Mr. Lathlin: I guess, firstly, I should say that I don't remember traveling with the Premier last year at all, and also that information will be available on the Web site. It's going to be there very shortly. I know that because we talked about it just recently.

Mrs. Rowat: If the minister would be so kind as to agree to provide that in writing, that any travel that the Premier or a delegate of the Premier who would have been led by the Premier, if he could provide that also in writing to me. I believe that that may not be available on the Web site. I believe if it's a minister's travel—I'm not sure if the Premier's travel being covered by another department won't be available on the Web site or not.

Mr. Lathlin: Mr. Acting Chairperson, I will be happy to provide that information in writing.

Mrs. Rowat: Could the minister also provide me with a list of his out-of-province trips that he's taken over the past year and the details of those trips?

Mr. Lathlin: Mr. Acting Chairperson, I'm advised that that will be on a Web site.

Mrs. Rowat: Can the minister share with me any trips that he's taken this fiscal year, starting April 1 of this year?

Mr. Lathlin: Mr. Acting Chairperson, I'm sorry I didn't catch the question.

Mrs. Rowat: Can the minister provide for me in detail any trips that he has taken this fiscal year and the pertinent details surrounding those trips?

Mr. Lathlin: Mr. Acting Chairperson, yes, I will do that. I'll do that in writing.

Mrs. Rowat: I was wondering if the minister could provide that for me now, if that's possible. Would they have that information available?

The Acting Chairperson (Mr. Reid): Wish to have the critic repeat?

Mr. Lathlin: Mr. Acting Chairperson, you know, I think I'm getting too old and I can't hear well these days.

The Acting Chairperson (Mr. Reid): I was wondering if the—could indulge and ask the critic to direct the mike a little bit perhaps.

Mrs. Rowat: I'm wanting to ask the minister if he could share with me today the details of any ministerial trips that he's taken out of province since April 1 of this year.

Mr. Lathlin: Mr. Acting Chairperson, again, I'm advised that that information will be on a Web site.

Mrs. Rowat: The minister will then confirm that it will not be based on fiscal years. The information on site will be current up to the day that you've travelled this year.

Mr. Lathlin: Mr. Acting Chairperson, that information, I understand, will be available on a Web site on a quarterly basis.

Mrs. Rowat: If it's on a quarterly basis, that's why I'm asking if today we could have the information available from any trips that the minister has made out of province from April 1 of this year.

* (16:40)

Mr. Lathlin: Mr. Acting Chair, can I offer to the member that I will do a separate letter on that request? I just don't want to give the wrong information. I think I remember travelling to Ottawa once, and I know the purpose of the meeting, but other details I don't have. That's what I'm offering the member. You know, from April 1 on, I'll do a separate letter and I'll make an accounting of any out-of-province travel that I have made.

Mrs. Rowat: Okay, and we'll just move on. I look forward to the correspondence on the information that the minister has offered to provide me.

Several issues have come forward, some of them that I'd like to address in the short period of time that we have today. In speaking to community members in Wabowden, they had indicated that their ambulance service—I'll use the quote of the individual that shared it with me—is that the ambulance service is being regulated out of existence. I believe that's what he had told me when I had spoken to him.

I do know that there was a recent announcement in April regarding more ambulances and paramedics. I'm just wondering if the minister is aware of this situation and is he aware that the community has

indicated that they're very concerned that this announcement will do very little to help them? Can the minister just provide me with information on a conversation or conversations he might have had with this community, and if he's got any ideas or solutions in helping this community?

Mr. Lathlin: Yes, Mr. Acting Chair, I can share with the member that I am aware of that situation. I had a meeting, oh, maybe four weeks ago, with Reg Meade, the mayor of Wabowden, who is also the chair of NACC. I think the issue is much more than just ambulance service. I think it has to do with medical practitioners, doctors, nurses, and as I recall a conversation, it mainly had to do with nurses.

Since I've had that meeting with Mr. Meade, I've brought it to the attention of the Minister of Health (Ms. Oswald), and I expect to get a response in the near future, or maybe both of us will meet with Reg Meade to outline to him just exactly what the plans are to accommodate the concerns of Wabowden.

Mrs. Rowat: That is encouraging that the minister has provided some background on the status of that file. I believe that when I met with the community leader on this issue, the information that he shared was very concerning, knowing that it could take up to an hour, an hour and a half for an ambulance to arrive and then to return to a medical centre. So it'd be two hours. That is very difficult and very concerning for a community and I believe the surrounding residents to the community.

I believe that the highway is Highway 6. The highway that comes right by or through Wabowden is a very busy highway. It is a direct link for a lot of the community or people to get to the major centre and, you know, I live in a community that's just off of Highway 1, so I know exactly what Mr. Meade is saying or Mayor Meade is saying, when you worry about the busy road and the access to medical support. So I encourage him to continue to work with the Minister of Health on this issue. I believe that there are solutions out there to help address this, and I encourage him to continue with that file. Thank you.

My next question would be another health-care question, and it would be the Thompson walk-in clinic. My understanding is that that is a clinic that sees a large number of clients who have indicated their concerns with the wait list or wait times to get health attention. I believe that communities such as Wabowden and others in that area rely on this walk-in clinic for their medical needs.

The problem with the clinic lineups is that they don't take appointments. So individuals who are, maybe, travelling from outside the community are treated on a first-come, first-served basis. If you live in an urban centre, that's not a problem. You can drive down the street or drive 15 minutes and get to the medical centre and wait your 15 minutes, but individuals who have to travel an hour, an hour and a half, two hours to get to a clinic, with no guarantees that they're going to get care, I think, is concerning.

I'm wondering if the minister has also spoken to the Minister of Health regarding this issue and looked into ways that, maybe, the clinic, the RHA and the Minister of Health can look at, somehow, accommodating these remote residents who have to travel an hour plus to get to the clinic. There may be some type of support or some type of a policy where they may be able to schedule some appointments. It doesn't have to be a full slate, but set aside a few appointments for individuals from out-of-town.

That would, I think, alleviate some of the stress that I'm hearing from people in northern Manitoba about getting into clinics. I'm just putting that out there for the minister and asking for his response.

Mr. Lathlin: I thank the member for raising that point. Unfortunately, that is very typical of what the reality is out in northern Manitoba, and that's Thompson. When you get out to the more-isolated communities, I'm afraid the situation gets worse. I am not aware of this particular walk-in clinic that the member is referring to, but I am going to raise it with the Minister of Health and try to determine how we can help the citizens of Thompson and surrounding area.

She's absolutely right. Thompson is quite a wide area. It has a big catchment area and a lot of people travel to Thompson to do whatever, including accessing health-care services. I will have to make a note for me so that I can talk to the Minister of Health with a view to, maybe, doing something about that situation in Thompson.

It exists in The Pas too; it exists in Flin Flon. In my home town of The Pas, I've seen the line coming out the building and onto the street for almost half a block in the wintertime. I can't bear to see those people there. Slowly, we're improving the situation.

I can speak for those three centres: Thompson, Flin Flon and The Pas. The nursing profession, the doctors, we're starting to get more and more of them. We need more. I hope we can get it to a point where

very few people will have to resort to going to the walk-in clinic.

* (16:50)

Mrs. Rowat: I thank the minister for his comments. When I was in The Pas recently, I met with the mayor and the reeve; they had also indicated the same concerns in The Pas. I also know that they are working in a creative way with the RHA in The Pas to looking at recruitment of physicians, and have actually travelled to Ireland. I think they have to be commended for their efforts. The community has come together, including OCN, as part of that project and that initiative, trying to work at getting physicians in that community to help not only the community of The Pas, but the region as well. So I know that in meeting with them even here in the Legislature not that long ago, they're committed to bringing more physicians within their community. They're committed at trying to work at ways to bring physicians who are Canadian-born, who are actually receiving their education outside of this country and are working diligently at trying to address these issues. So I believe that there are community leaders that are working creatively to help address the situation. I agree with the minister that we need to be looking at ways to continue to recruit.

My next question is regarding Leaf Rapids. I believe last Estimates I had asked the minister if he had met with the mayor of Leaf Rapids regarding several pressing social issues that were occurring in that community, and I'm just sort of asking—or I'm going to ask the minister if he can provide me an update on that community's challenges? I'm wanting to know if he's had a chance to meet with the mayor and the community to address some of those issues.

Mr. Lathlin: Being Minister of Aboriginal and Northern Affairs, some people say it's not a heavy-duty responsibility like other portfolios, but I always beg to differ. As an Aboriginal Northern Affairs Minister, I get to cross all departments whether, you know, if we're dealing with Health, Transportation, Education. I'm sure some of my colleagues get tired of me sometimes because I'm always poking around to see what else we can do to improve the lives of northern people, whether it's in health, transportation, social services, child welfare, et cetera, et cetera.

So I travel quite frequently to the north, either for specific events or just to go and visit, have community meetings.

I know the issue in Leaf Rapids right now has more to do with housing for people who have moved to Leaf Rapids. Some of them are from Pukatawagan, Grandville Lake, South Indian and other points north. So, to me, whenever I visit Leaf Rapids, that seems to be the more prominent issue that people want to talk about.

I know there have been other issues as well in the area of social services, but as far as giving the member specific information about Leaf Rapids, I'm afraid I can't do that right now. It's been a while since I visited Leaf Rapids by the way. I am scheduled to travel to Lynn Lake in the next little while and, you know, perhaps while I'm in Lynn Lake, I can also visit Leaf Rapids.

Mrs. Rowat: Can the minister indicate to me if he's had a conversation with Mayor Charrier regarding the issues in that community. Has he in the last year had a conversation with the mayor regarding the social issues that were outlined by the mayor?

Mr. Lathlin: Not recently.

Mrs. Rowat: Not recently meaning in the last year, year and a half?

Mr. Lathlin: In the last year.

Mrs. Rowat: Then, based on the response from the minister, I'm guessing that he hasn't contacted Mr. Charrier prior to or since the letter that was received from him in May 2007. I would be guessing that you haven't met with him in the last 12 months.

Mr. Lathlin: No.

Mrs. Rowat: Recently, the City of Thompson has proposed a suite of taxes on food, meal and hotel. I'm just wanting to know if the minister would comment on the suite of taxes being proposed by the City of Thompson.

Mr. Lathlin: Mr. Acting Chair, I have general knowledge of the proposals that the mayor has apparently put forward. I've also talked with the Minister of Intergovernmental Affairs (Mr. Ashton), not to any great detail, but I'm going to have to take that question under advisement because I think the Minister of Intergovernmental Affairs should be getting those questions because that's his portfolio. But I will mention it to the IGA Minister at the first opportunity.

Mrs. Rowat: So, based on the comments from the minister, I would guess that you have not spoken to

the Minister for Intergovernmental Affairs on this issue.

Mr. Lathlin: No. The Minister of Intergovernmental Affairs and I, in a general conversation, talked about what's happening in Thompson and we didn't come to any resolution. As far as I know, Thompson will probably go ahead and implement, you know, whatever tax regime that they have authority to implement. Anything having to do with municipal jurisdiction—I mean provincial jurisdiction—the way I understand it is the Minister of IGA will be dealing with that himself.

Mrs. Rowat: I may be wrong on this, but my understanding is that the issue will come to Cabinet and that there'll be an OIC approving these tax increases. Do you know if that would be accurate or not? That's just my understanding. I'm just looking for clarification.

Mr. Lathlin: No, I haven't seen anything yet.

Mrs. Rowat: So how I see this playing out is that the issue will come to Cabinet. Just wanting to know if the minister will support an OIC approving these tax increases.

Mr. Lathlin: Well, Mr. Acting Chair, I mean, that's neither here nor there, because I don't have the details of the tax regime that's being proposed and I think it would be premature for me to say I will support, you know, a proposal that'll come to Cabinet.

First, we'd have to sort out what the proposal's all about. There is municipal jurisdiction on some tax proposals and there are provincial jurisdictions that have to be—the provincial government has to approve those. I haven't seen any proposal, you know, that I could read and so, therefore, I'm going to have to wait till I see the details of the proposal before I decide whether I would support it or not.

Mrs. Rowat: I appreciate the comments from the minister. I totally understand there'll have to be a briefing prepared on that and I just wanted to know if there was any movement at the Cabinet level on that issue, or discussion.

My next question is regarding the WNO agreement. Can the minister give me some background on the status of the agreement and the accord that was signed in April of last year, just an update on the status of that?

* (17:00)

Mr. Lathlin: Mr. Acting Chairperson, as far as I know, the next steps of the WNO process were supposed to have been visitations to the communities on the east side. Unfortunately, that has not happened completely for various reasons. There is still a plan by the government to visit those communities on the east side and, eventually, hopefully we'll come to a plan as to how to further the WNO process on the east side.

Madam Chairperson in the Chair

Mrs. Rowat: It's my understanding that both chairs of this agreement resigned their posts. I guess that does affect further moving this process forward in an expedient manner. Can the minister indicate to me why the chairs resigned?

Mr. Lathlin: Yes, I can, Madam Chairperson. In fact, I had the opportunity to meet with the National Chief, Phil Fontaine, in Ottawa not long ago. When I was there, I wanted to—because I knew this issue was being talked about; it was written about in the *Free Press*—I just wanted to satisfy myself, that I wanted the real true story about why Phil Fontaine was no longer co-chairing the WNO process.

Mr. Fontaine's explanation to me was, very simply, he said: My job was finished. I was no longer required to be there. My job was finished, and I was able to help out and now the next steps will have to be implemented.

As far as Elder Ed Wood, I haven't talked to Ed Wood directly myself, but I understand the circumstances were pretty similar. They had co-chaired that process for quite a while. The next thing that was supposed to happen was for us to visit the communities and then get some sort of plan of action from there implemented.

Mrs. Rowat: So the role or the mandate for the two chairs, based on what you're saying, was complete.

What would have their mandate been, because my understanding now is that some of the member nations have pulled out of the accord? Obviously, their mandate was to pull the communities together and some have now pulled out. Where does this process go next? When is the next meeting and who will chair this process, if the two chairs have decided their work is done with the proposal?

Mr. Lathlin: Let me pretend I'm the Minister of Conservation (Mr. Struthers) because he's the lead minister in the whole WNO process but, because I'm nosy and I attend meetings sometimes whenever I'm

not invited, I have general information about the whole issue.

As far as I know, there's only been one band, First Nation, that has pulled out and that is Sagkeeng. They're going on a different course, but we think that, eventually, they'll come back to the WNO process.

Some bands are not dealing with the issue right away because of other things that are happening in Ontario, where the chief and council were thrown in jail for blocking—I don't know what it is. It was mining or logging. Anyway, because of their protest, they were thrown in jail, although some of the bands in the Island Lake area are protesting that, but that's not to say they will not come back to the process.

Mrs. Rowat: Can the minister indicate to me when the next meeting has been called for this group, and who will chair it?

Mr. Lathlin: I'll have to ask the Minister of Conservation.

Mrs. Rowat: Can the minister give me his sense of WNOs, the accord and where it will be going from here, moving forward? Does he believe that it's a viable option still? You know, based on what I'm hearing, I'm sensing yes, but can he indicate to me that more clearly where he sees this process going and whether he feels it continues to be a viable option?

Mr. Lathlin: Well, as far as I know, I have to be very careful here that I am not putting words into the mouth of the Minister of Conservation, but, you know, from where I'm sitting, the next thing that was supposed to happen was—or the next phase—for the communities to develop their own community plans and there's a budget for that. It's under the control of the WNO. So those First Nations that are affected will be applying to the WNO people, consisting of chiefs, to ask for money so that they can develop their individual community plans, after which the plans will be approved so that community plan will guide the—or at least the physical development of that community after it's been approved by all parties to the process. So that's the next phase.

Mrs. Rowat: Just from my interest in Bipole III and the individuals that I've met with regarding the position on east side, west side, my observation is that the Premier (Mr. Doer) has stated that the First Nations on the east side want ownership of Bipole III as their only position. Chief Cook of Bloodvein and Chief Fontaine of Sagkeeng have both publicly

stated that this is not the case. They only request benefit sharing. Can the minister comment on that? Has he spoken to the chiefs on the east side and, you know, can he comment on what he's hearing from individuals, the community leaders like Chief Cook and Chief Fontaine?

Mr. Lathlin: Madam Chair, I'd like to go back further when this whole thing started. I think it's been two or three years now since we've visited the communities on the east side. I was one participating in those visitations. Two or three ministers would travel to a community, have town hall meetings, and the chiefs and councils would be there, but there were also elders and community people who would be there. I remember going to Gods Lake Narrows, Bloodvein. Then there was one other community that visited. Then I was supposed to visit Norway House, but something, I can't remember what it was, something happened in Norway House, so we couldn't visit Norway House at the time, but I eventually went back and visited Norway House for that purpose. During those visitations, the feeling was pretty unanimous, I feel, of people not wanting the transmission line to come down the east side because, No. 1, they just didn't trust anybody. You know, they've been led down the garden path too many times. All they wanted to do, over and over again they told us, particularly the elders, they just wanted to keep trapping, don't disrupt travel, ways of wildlife and birds and so on. They wanted to maintain the gravesites; they didn't want the gravesites to be disrupted, and the fishermen, they just wanted to be left alone. Even in some communities, they told us that they don't even want a road because they, in their view, once a road gets put in there, all kinds of problems would start.

* (17:10)

So we came back, and we did a report and then proceeded to the next phase. But somewhere along that time somebody, a consultant, went to the chiefs and said, you know, guys, if you build your own transmission line with your own money, you could lease it back to the Manitoba Hydro and the Manitoba government and you guys would make millions of dollars. I was so upset about that, because I thought it was not truthful, or at least a consultant I was talking about was, I thought, knew that that was not going to be possible, but nevertheless he floated the idea to the chiefs and the chiefs are always looking for ways to generate revenue, so they latched onto that idea.

But I knew full well that that would never happen. I think even the opposition would never let that happen, that a transmission line be privately owned and who knows what would happen. Probably they would make lots of money but there have been blockades placed on roads, on railways. Whenever I've been asked to explain, people expected some economic development benefits, employment, and so on, and, like I said, some expected that a road would be built as well. I don't think that will happen, not by the transmission line alone anyway.

So what we had set out to do was we would look at alternate ways for the communities to generate revenue, and that work has not been finished yet. I think it was last year, I explained to the Member for Turtle Mountain (Mr. Cullen), for 18 years now, I've been driving up and down the boring No. 6 highway, and the transmission line runs alongside it. About every five years, I see a helicopter flying around the transmission line and those are engineers, probably from Winnipeg or Toronto, or from elsewhere, checking up on the transmission line. That's the only benefit that I could see, but they're not Aboriginal people. I thought it was a bit mischievous for consultants to go into the communities and raise expectations on something they knew that would never become a reality.

So that's where it is right now. Chiefs were excited about the prospects of owning a transmission line. Not all of them, some of them, some of them have said that that's not possible, and some of them, many of them have said that they would support the government of Manitoba in its decision to put the line down the west side.

Mrs. Rowat: Madam Chairperson, I appreciate the background that the minister has shared. I, too, have met with several community leaders from the east side and have heard that they are definitely looking for opportunities for their people. Having the line on the east side would definitely provide something that is palatable for them at this point. I believe that that debate and that discussion will continue until a decision has been made further down the line.

Speaking of some challenges that are facing communities in northern Manitoba, when I took over the critic role, it was very clear and apparent to me that jurisdictional issues are a big part of the challenges facing First Nation communities throughout Manitoba and especially in my visits to several northern First Nation communities. As a parent, I understand totally the importance and

significance of when your child is ill, you want to be there for them. You want to be near them. My daughter just had the flu last week, or earlier in the week, and text messaging or phone calls just don't cut it. There's a major guilt factor that you're not there for them. You can't provide that love and support that they are expecting from you.

There's been some serious discussion and, I believe, some work towards getting recognition and support for Jordan's Principle. Talking to communities, talking to people from Norway House, where Jordan Anderson lived, you get an appreciation and understanding of the need for services for children who are ill, children who have high needs. I believe that there's a role for us as legislators to continue that work, to gain a better appreciation and understanding and respect for the need to move forward in supporting Jordan's Principle.

I had spoken to the federal minister when I was in Ottawa in October of this last year and had a discussion regarding Jordan's Principle with him. I do know that the Province has been part of a committee that has been struck to work at getting some resolution to this. I believe it's called the disability subcommittee on First Nations health in Manitoba. I am wanting to know what progress has been made on this issue, and what steps the provincial government is taking on this issue. I know that the minister is quite aware of the principle and is quite aware of the need to get these jurisdictional challenges out of the way and look at the best interests of families and children who need the support and the services that they are entitled to.

Mr. Lathlin: This issue of jurisdiction has been around for quite a long time. When I was chief at OCN it was there and it was a hard thing to get around. When you come to the provincial government they said, well, you're treaty, you're a ward of the federal government. Then we go to the federal government and they say, well, the Manitoba government has the constitutional responsibility for this, whatever, health, education.

* (17:20)

But, you know, since we've been in government, I think we've made some pretty significant progress in terms of, sort of, throwing the rule book away, as it were, on jurisdiction. We have dialysis machines now operating in the Island Lake area. There was none there before. We have a dialysis machine operating at Norway House, on another Indian

reserve. We're planning to put one at Berens River First Nations; that's our next location for dialysis services for people who are afflicted with diabetes in a big way.

The point I'm making there, Madam Chairperson, is that we have been crossing the line, as it were, in many areas where jurisdiction was a big issue. I, for one, am happy that the provincial government has been able to do that. We're also working in partnership with the federal government on personal care homes. For a while there, the federal government had put a moratorium on personal care homes on Indian reserves. The main reason for that was there really was no licensing authority for those personal care homes on Indian reserves, and the federal government, of course, didn't want to be liable for anything. So they put a moratorium. We started to talk to the federal government. We came to the agreement that, in order for the provincial government to licence those facilities, they would have to be upgraded big-time because they were so substandard.

While that upgrading work is—I'm not sure if it's been completed. I know, some care homes have been upgraded to the provincial standard. I'm not sure if we have already, but we're in the process of licensing those personal care homes that are situated on Indian reserves. You would have never thought of doing that 15, 20 years ago. We're doing it now.

Now, in Jordan's Principle, that's what happens sometimes, a real tragedy has to happen first before people get it. Unfortunately, there's a young fellow ended up losing his life. At the Health summit that we had here, not long ago, that particular issue was a big item. A pretty major discussion around it. It was referenced by the speakers who attended the summit. We even watched a video regarding this young fellow. So far, as the member says, there have been committees working together. We have gone on record as endorsing Jordan's Principle. The only thing that we're waiting for now is for the federal government to do whatever it is that they have to do. But we have gone on record saying that we support Jordan's Principle and we're not going to fool around anymore and argue about jurisdiction if there's a life to be saved.

Mrs. Rowat: Can the minister provide for me background on this disability subcommittee of the Intergovernmental Committee on First Nations Health in Manitoba. I'd like to know if he has any background on a solid framework that will be used

to, as he has said, share responsibility to ensure that policies are responding to the child-first concept. Can the minister provide me with some background on this subcommittee, if they've met, when they've met, who is on this committee and to provide, for the House, the solid framework that will be used by this subcommittee to move forward on this policy.

Mr. Lathlin: Again, I believe the lead ministers who have been working on this file have been the Minister of Health (Ms. Oswald) and the Minister of Child and Family Services (Mr. Mackintosh). I'm not so sure if I have that information in my office, but I will endeavour to find it and provide it to the member.

Mrs. Rowat: Thank you, Minister, for that. I look forward to the correspondence from your office on the background of the subcommittee, the mandate of the subcommittee, and the framework that will be followed, and also knowing who sits for the Province on that committee. I'd appreciate that information. That would be very useful.

My next line of questions are going to be with reference to the TLE process the minister highlighted it in his opening remarks. I'm wanting to just touch base with the minister on the progress made to date on this file. I know that the minister, or the government had put out a press release in July, 2007, indicating that the Province would be moving forward and will complete the transfer to Canada of 1.2 million acres of selected land over the next four years. Just based on what I'm hearing from community leaders and communities that are looking for some obvious closure or settlement on these agreements, there are some challenges out there. I know that the Aboriginal consultation unit will play a role in that, but I'm also concerned that an announcement that was made almost a year ago has seen very little movement in addressing the TLE framework.

So I'm just wanting to know if the minister can provide me with some background on the new resources that were identified in the 2008 budget. I found that interesting, and I'm curious to hear what those resources are, other than, if it is the Aboriginal consultation unit I'd like to know who is on it. Are they appointed individuals? Are they staff from the department? Are they from different departments?

Also, if he can expand on how those resources will be provided and laid out. I'm just looking for sort of a framework on that, the process over the next few years.

Mr. Lathlin: This happens to be one of my favourite projects, because I always liken it to about a million acres of real estate that is owed to Indians under agreements, treaty agreements. Whenever I think about TLE, I think of how long the debt has been outstanding. If the member were to owe the bank some money and ended up not—I'm sure she doesn't owe anybody any money. Let's use for an example, then, she owes the bank some money and she doesn't pay the money back to the bank. Guess what would happen? The bank would sue, and she would be obligated to pay it back under a legal process. Otherwise, if she didn't, she would probably have to go to jail. That kind of scenario doesn't apply to these million acres that have been owed to Indians for over 125 years in many cases. Yet I regard real estate as another way to generate revenue, get into business development and economic development and make a little bit of money.

*(17:30)

Finally, after long negotiations, the 1997 framework agreement was signed. I was there at OCN when it was signed. It was signed by the member's government at the time. I was invited to go and observe this ceremony that was taking place.

At that time the Indian people gathered around. They had great hopes, they had high hopes that, finally, for example, OCN would get about 46,000 acres because right now it only has about 15,000 acres. So their land base would really triple if they were able to get that extra 46,000 acres. This time, they would not be told to go to the muskeg where the land is uninhabitable and not very good for anything else—only trapping and fishing, I guess. But this time the leaders are choosing land very strategically. I'm glad for that.

So, in 1997, the framework agreement was signed by the Treaty Land Entitlement Committee of Chiefs. I believe at that time it comprised of 22 chiefs. Those were the chiefs that pushed for TLE for the longest time, but very little happened after 1997.

When we came into power, and when I became Minister of Aboriginal and Northern Affairs, that's five years ago now, I guess, I was interested because you know this thing had been outstanding for too long, I mean, let's move it along. So I pushed very hard to do that. I started meeting with the federal ministers of Indian Affairs, Bob Nault, Andy Scott, and Jim Prentice, and there was another one in between who was Minister of Indian Affairs for

about six months. Now we're dealing with Chuck Strahl.

So it was Prentice, he and I were meeting, and I told him, just do it. That's when the momentum started to pick up. He made a commitment again in The Pas that he would convert 150,000 acres of land to reserve status for the next four years. Also, our Premier (Mr. Doer) made a commitment that we would make available to Canada a million acres of land to be converted to reserve status.

So far, since we've started that fast-tracking process, we've actually had some 848 acres under the framework agreement as entitlement land. Total selected acres, meaning First Nations have selected this land, 771,465 acres, and we have, through Order-in-Council, completed 313,000.

When we first started, there were only 6,500 acres that was actually reserve status. That's how low it was. Now, we actually have 187,371 acres converted to reserve status since we've been fast-tracking this process.

Actually, we've done quite a bit of work. Peguis, not long ago came to an agreement, that's about 167,000 acres. Then the Island Lake area First Nations have settled their land deals quite a while ago.

I think we're moving pretty fast. I'm pretty confident that we can meet that target that everybody has set for themselves. Hopefully, by the time I leave here, all one million acres will have been converted to reserve status, and everybody will live happily ever after.

The TLE committee, I think, the member was asking about, those chiefs are selected by the TLE Committee of Chiefs. There's an executive of chiefs, you know, that sit. They also have—what do you call a dispute?—they also have an independent monitoring commission, and that's if they run into a stalemate with us or the federal or amongst themselves, you know, First Nations, they go to that commission and that commission attempts to break the stalemate and move things further.

Mrs. Rowat: I appreciate the background that the minister has provided on that. Just one of the—there are a couple. I'd like to know what the status is, if the minister can give it, share that with me on OCN's TLE request, if the minister has any background on that. I know he has a special interest in OCN and—

An Honourable Member: I'm not in a conflict of interest.

Mrs. Rowat: No, no conflict. I'm just wanting to know if he could share what he knows about that agreement being settled. That was an item that came up in discussion when I went with a band member from OCN and the mayor in that community.

Just wanting to know if the minister can give some background on that, and then there's another one that I'll raise once he shares the background on that one.

Mr. Lathlin: Yes, I know a little bit about OCN TLE. At one time in Estimates I said I have a vested interest in that TLE be settled ASAP, and then two days later in the House I was accused of having, you know, being in a conflict-of-interest situation, saying that I have a vested interest.

I think the member is aware of the tenure of Indian lands, and, technically, we don't even own the land. The federal government owns it, but we call it our land. It was set aside for our use and benefit of Indians by the federal government through the Indian Act. The land is communally owned by, well, us.

As far as TLE is concerned, I believe OCN's total is about 46,000 acres of land that's coming to them. They also have a further, I believe, 5,000 acres that they can purchase from willing sellers of private land.

When I gave the initial background, I neglected to say that chiefs like to point to the provincial government, the federal government for the why this thing is taking so long, but some of the responsibility—and I've told the chiefs that, I told my chief and council this—lies with the First Nation as well, because there's a whole process there that needs to be gone through.

First of all, they have to approve that these are the number of acres we're going to go after and then they have to select the land, and you can't select third party-interest land. Then the members have to be satisfied that that's the land they want, so they have a referendum vote, a community vote. They have community meetings. They have to have so many community meetings. Once they decide on the land, then it comes to government, and then everybody gets into the act. Then, finally, the federal government approves it.

I think at OCN another issue is an agreement between the town and OCN for services. They call them services agreements.

* (17:40)

Now, the former mayor went a long ways with it, and then the new mayor came along. I didn't hear him say this, but I guess his attitude was, I would never sign that agreement with OCN because it's too one-sided in favour of the town.

So he wanted to revisit the service agreement so that it was more equitable, and the biggest stumbling block for the OCN TLE was, as the member probably knows, that they have their own police department in conjunction with the RCMP. It's an RCMP police force, managed by the RCMP. They have their own fire department. They have their own public works department that will fix sewer lines or broken water lines or whatever. They have a full complement of any public works department you will find. Maybe we're even better than Minnedosa. I don't know.

So, when the negotiations started, the town said, yes, you have to pay so much for police protection, fire protection, public works services, and the band said, no, you can't do that because we have our own systems. So there lies the problem. It was stalemated, but I understand now they're back into it with the new mayor. I'm pretty confident they'll have their agreement in place and then they can move on.

But the band also has to make a final decision on land selection. I know that's what holding it up because sometimes I hear the arguments that go back and forth between council and band members. They don't want the council to select the land down river because it will only benefit a few select people, hunters and cottagers and stuff like that. Band members feel that TLE should benefit everybody. So there are issues on the band side and then there are issues with that service agreement.

Mrs. Rowat: I appreciate the background from the minister on that, and I do know that, in meeting with community leaders in The Pas, it's something that they would love to get settled. I know that would be, obviously, something that the government would be looking at favourably as well because it would be part of the \$1.2 million that would be done and out of the way. I'm encouraged by the minister's interest in that one and also his understanding of the challenges there.

I'll continue to work with the community as well, and I've written to the federal minister on the issue, just encouraging him, through his staff, through INAC, to work with the community as well as to move that one forward because I think that is one community, for sure, that has their ducks in a row in a lot of ways. There may be some challenges, as you just highlighted today, that I'm aware of now, but I think that, generally speaking, all want to have that resolved and move forward, so thank you for that.

Another question I have regarding agreements would be the Fox Lake Cree Nation and their concerns regarding their issue, and I guess how that may cause some challenges with Conawapa Dam. Based on what I'm hearing, the minister may be aware that the Member for Rupertsland (Mr. Robinson) has written to the federal minister, Chuck Strahl, asking for him to provide support in getting this issue resolved, so I just wanted to know if the minister can provide me with some background about what he knows about this situation and how are things are progressing in getting this issue resolved.

Mr. Lathlin: Well, Madam Chair, this is another one of those issues that have been there for a long, long time. It's pre-TLE. I believe, even, it goes back to the early 1900s. There are really two issues there that have been outstanding. The problem with these things taking so long to resolve is, you know, then a new federal government comes in, two or three ministers, and this is about 50 years ago. So the issue never gets resolved, because there are too many players coming and going all the time.

In any event, the band has two issues. These are issues directly with the federal government. There are some hydro issues with the provincial government, but we have signed an agreement with Fox Lake on past impacts from hydro development. They're very key players right now with the upcoming hydro projects that are going to be going up in that area.

But I believe the first issue had to do with some relocation program that happened a long time ago. It's almost like the Sayisi Dene people. They were moved to Churchill and they were abandoned there. Well, this is almost similar to what Fox Lake went through. So now they're asking for some kind of compensation, some healing programs, so they can move on.

The other item is a bunch of land was owed to them that's still outstanding. The Minister of IGA

and I were there last Monday, I believe it was, or Tuesday, to attend the KTC, Keewatin Tribal Council, annual general meeting. Of course, it was held at Fox Lake. Chief Neepin was there. Arnold Ouskan, Grand Chief of KTC, was there. They related their issues to us again. The regional office of Indian Affairs' regional director general was there—or the acting RDG was there. He's pretty knowledgeable about the issue.

But, before that, that trip that I mentioned to Ottawa, we had met with Chuck Strahl, and we brought it to his attention about, even if all they did was agree to a process for negotiation, that would satisfy Fox Lake. If the federal government would agree to some kind of a negotiation process, it would go a long way to resolving the issue.

Mrs. Rowat: One final question and then that'll be it.

Can the minister indicate to me—he indicated there's a hydro issue. Just looking at a document here from the *Free Press* with regard to the destruction caused by the first three hydro projects, Kettle, Long Spruce, and Limestone, would that have anything to do with the Northern Flood Agreement clause 5.3.3, "remove debris of any nature which results from the actual construction or from the flooding of land or by diversion of waters in the total area encompassed by the overall Project"? Would that be one of the issues that this group is concerned about?

* (17:50)

Mr. Lathlin: Madam Chair, you see, Fox Lake was never even part of any process. Cross Lake, Norway House and those other five bands, they were part of the Northern Flood Agreement process. But Fox Lake and other bands in that area were never included. It wasn't until recently that we signed an agreement with Fox Lake to compensate for past negative impact caused by hydro development. They were pretty satisfied with that. They signed the agreement that was there. We handed over the compensation cheque, and everybody was happy. Chief George Neepin was there.

All of this controversy, or problems, or issues, it's really between Fox Lake and the federal government, but because it's a bilateral thing we're nevertheless meeting with the federal minister. We're writing him letters, trying to persuade him to at least agree to a process. I think if he did that everything would be all right.

Mrs. Rowat: Can the minister indicate to me that this issue regarding Cross Lake and the challenges

that they have regarding outstanding issues with the Northern Flood Agreement are being dealt with?

Mr. Lathlin: Madam Chair, very quickly, yes, those issues are being dealt with right now. Two or three years ago I was in Cross Lake to sign what we called a 15-month action plan. We signed the 15-month action plan. I was there with the chief and council. The minister responsible for Hydro was there. That was \$23.5 million. Ever since then, Hydro has provided the band some \$5.6 million annually. They're doing community projects and stuff like that, but we're still having problems.

An Honourable Member: Thank you.

I support the process going line-by-line.

I want to thank, first, before I forget, the staff for coming and providing the support that they have for the minister. I want to thank you for answering my correspondence and information that I've requested from the department. I do appreciate the timely responses that I do get when I have questions or need clarification on issues. So I want to thank the staff. Thank you for coming out and providing that support.

Madam Chairperson: Resolution 19.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$39,247,500 for Aboriginal and Northern Affairs, Aboriginal and Northern Affairs Operations, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 19.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$157,700 for Aboriginal and Northern Affairs, Costs Related to Capital Assets, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 19.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,175,100 for Aboriginal and Northern Affairs, Aboriginal and Northern Affairs Executive, for the fiscal year ending March 31, 2009.

Resolution agreed to.

This concludes the Estimates for this department.

The next set of Estimates that will be considered by this section of the committee are the Estimates of Civil Service Commission.

CIVIL SERVICE COMMISSION

Madam Chairperson: Resolution 17.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$6,176,100 for Civil Service Commission, Civil Service Commission, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 17.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$58,900 for Civil Service Commission, Costs Related to Capital Assets, for the fiscal year ending March 31, 2009.

Resolution agreed to.

EMPLOYEE PENSIONS AND OTHER COSTS

Madam Chairperson: Resolution 6.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$79,604,400 for Employee Pensions and Other Costs, Employee Pensions and Other Costs, for the fiscal year ending March 31, 2009.

Resolution agreed to.

LEGISLATIVE ASSEMBLY

Madam Chairperson: Resolution 1.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$7,145,700 for Legislative Assembly, Other Assembly Expenditures, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 1.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,763,100 for Legislative Assembly, Office of the Auditor General, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 1.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,720,000 for Legislative Assembly, Office of the Ombudsman, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 1.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,415,500 for Legislative Assembly, Office of the Chief Electoral Officer, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 1.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,069,700 for Legislative Assembly, Office of the Children's Advocate, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 1.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$150,400 for Legislative Assembly, Costs Related to Capital Assets, for the fiscal year ending March 31, 2009.

Resolution agreed to.

This concludes our consideration of the Estimates in this section of the Committee of Supply.

I would like to thank the ministers, critics and all honourable members for their hard work and dedication during this process.

Committee rise. Call in the Speaker.

IN SESSION

Mr. Speaker: As previously agreed, the hour being 6 p.m., this House is adjourned and stands adjourned until 1:30 p.m. on Monday.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 8, 2008

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The Legislative Assembly of Manitoba Debates and Proceedings
are also available on the Internet at the following address:

<http://www.gov.mb.ca/legislature/hansard/index.html>