

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

*Published under the  
authority of  
The Honourable George Hickes  
Speaker*

**Vol. LVI No. 27 - 1:30 p.m., Monday, April 11, 2005**

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

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

**LEGISLATIVE ASSEMBLY OF MANITOBA**

**Monday, April 11, 2005**

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

*PRAYERS*

**ROUTINE PROCEEDINGS**

**PETITIONS**

**Provincial Road 355**

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

These are the reasons for this petition:

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

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

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

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

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

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

We petition the Manitoba Legislative Assembly as follows:

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

To request the Premier of Manitoba (Mr. Doer) to consider supporting the said initiative to ensure the safety of our Manitobans and all Canadians who travel along Manitoba highways.

This petition is signed by Bob McNabb, Glen Crawley, Ken Sharpe and others.

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

\* (13:35)

**Ambulance Service**

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

These are the reasons for this petition:

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

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

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

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

We petition the Legislative Assembly of Manitoba as follows:

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

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

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

Signed by Boris Pawluk, T. Pawluk, Z. Pawluk and many others.

#### **Minimum Sitting Days for Manitoba Legislature**

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

The background to this petition is as follows:

The Manitoba Legislature sat for only 35 days in 2003. In 2004, there were 55 sitting days.

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

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

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

We petition the Legislative Assembly of Manitoba as follows:

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

Signed by Azelvita Navarro, J. Castiloo and A. Goze.

\* (13:40)

### **MINISTERIAL STATEMENTS**

#### **VE Day**

**Hon. Gary Doer (Premier):** Yes, I have a statement for the House, Mr. Speaker. Thank you.

Mr. Speaker, this morning we launched a Book of Thanks at the Legislative Building in celebration of the 60th anniversary of Victory Europe, VE Day, marking the end of World War II.

With this year being declared by the federal government as the Year of the Veteran, I had the privilege this morning, along with the federal Minister of Veterans Affairs and the mayor of Winnipeg, to sign the Book of Thanks that will be available for all Manitobans to sign in the front lobby of the Legislature until the end of May. This book will also be made available on-line, so all Manitobans can participate.

In addition to the Book of Thanks which will be placed for permanent display at the International Peace Garden as part of our 9/11 ceremony later this year, the Province is also proud to participate in a number of events and activities to recognize the Year of the Veteran. Many of you have probably noticed the beautiful commemorative banners gracing the walkway in front of the Legislative Building. Along with these banners, there will be a flower bed in the front of the building to carry a floral display logo of the Year of the Veteran.

On May 3, we will be hosting a number of veterans here at the Legislative Building to again say words of thanks to our veterans.

On May 8, VE Day, we will offer a freedom of the province to the veterans at the Legislative Building which will be followed by a veteran's parade. After the parade all the veterans and their families will take part in a reception at the Via Rail Station.

Mr. Speaker, on behalf of all Manitobans, let me say how proud we are of all the veterans who have so valiantly represented this nation and those who are

standing tall for Canada today all around the globe. I urge all Manitobans to celebrate and give thanks to our veterans.

**Mr. Stuart Murray (Leader of the Official Opposition):** Mr. Speaker, it is a privilege for me today to rise to respond to the Premier's statement and address the contributions of our veterans. I would hope that this issue is as important to all Manitobans. We know it is important to all of us in the Legislature, and we hope that as these events unfold in future that there is an opportunity for all of us to be at these events because they are very, very important.

It was very important to us on this side of the House that the member from Lakeside introduced a private member's bill to allow the poppy to be proudly designated on the licence plates of our veterans so that those of us could pay tribute throughout Manitoba. I salute the member from Lakeside for his private member's bill to allow that to happen.

In the six years of conflict, Canada has enlisted more than one million men and women in the armed forces, and of those, over 55 000 were injured and 45 000 gave their lives to fight for peace and freedom. On May 8, we pay tribute to those men and women from Manitoba, our nation and allied countries that contributed to the war effort at home or overseas and gave so much for democracy, peace and freedom that we enjoy today.

Two days ago marked the 88th anniversary of the Battle of Vimy Ridge. This battle was a huge victory for those allies during the Great War in which so many made the ultimate sacrifice. Moreover, the Battle of Vimy Ridge was arguably one of the most important turning points in Canadian history, as it marked the first time during the Great War that all four Canadian divisions with soldiers from every province fought side by side. The victory helped shape Canada's identity and give us an overwhelming sense of pride. It is important that, in commemorating VE Day, we remember all of our veterans from the Great War, the Second World War, Korea and other conflicts who stood for freedom and fought so valiantly for our nation.

Mr. Speaker, this collection in the lobby reminds us all of the importance of self-sacrificing acts that Canadian soldiers and their families have so bravely endured. Thank you.

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

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

**An Honourable Member:** Leave.

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

**Mr. Gerrard:** Mr. Speaker, it is fitting that today we recognize the contribution that veterans have made to Manitoba and to Canada over the First World War, the Second World War, the Korean War and, in fact, on many other occasions when, though they have not necessarily been fighting wars, they have been there to stand up and serve as peacekeepers, serve to prevent wars and that surely is something which we should be very proud of.

In the front of the Legislature today we have a display of many of the medals including, for example, the Victoria Cross. We should be and are indeed very proud as Manitobans that we have had several Manitobans, including Andrew Mynarski, as one example, who have been awarded the Victoria Cross for their incredible sacrifices and contributions.

I join with the leaders of the other two parties today to say thank you to veterans. Thank you for your contributions over many years to Manitoba and to Canada.

\*(13:45)

### 2005 Juno Awards

**Hon. Eric Robinson (Minister of Culture, Heritage and Tourism):** Mr. Speaker, I have a statement for the House.

I would like to congratulate everyone involved in making Winnipeg's 2005 Juno Awards an unparalleled success proving once again that the people of Manitoba know how to host and celebrate national events on a scale that few can match.

From the Manitoba Social on March 31 at the Winnipeg Convention Centre to the televised Juno Awards broadcast on April 3 at the MTS Centre, the city of Winnipeg and the people of Manitoba welcomed our visitors to a non-stop celebration of

Canadian music. The Winnipeg Host Committee's popular slogan, *The Flatter the Land, The Harder the Rock*, more than lived up to its billing.

Mr. Speaker, before I acknowledge some of the people who worked behind the scenes, I would like to extend my congratulations to the Wailin' Jennys upon winning a 2005 Juno Award for their album *40 Days* under the Roots and Traditional Album of the Year category. This year, Manitoba artists received a total of 10 Juno nominations in a variety of categories, a true testament to the wealth of talent that exists in Manitoba's music industry.

Mr. Speaker, I would like to also extend our sincere congratulations to the Winnipeg host committee chaired by Mr. Kevin Walters. Joining Mr. Walters on the Host Committee were Ginette Lavack, Sam Baardman, Kenny Boyce, Chad Horrill, Kevin Donnelly, Carole Vivier, Lisa Blake, Errol Ranville, Shirley Stimpson, Alissa Brandt, Karen Goossen, Michael Benson and Hugh McFadyen.

There are many others that served on sub-committees such as the Francophone Committee and the Music Education Committee. Their contributions were essential and important. We thank them for their effort.

Mr. Speaker, I would like to also recognize another group who brought something to the Juno Awards that was long overdue. For the first time, Aboriginal people, their music and their culture enjoyed a level of profile and recognition beyond those of any previous Juno Awards. The challenge now exists for future host cities to acknowledge the cultural contributions of the Aboriginal peoples of Canada. Congratulations to the Manitoba Aboriginal Music Host Committee chaired by Mr. Errol Ranville. The committee included Lisa Meeches, David McLeod, Curtis Jonnie, Sharon Redsky, Jessie Green and Jacquie Black. Although Aboriginal participation could be seen throughout the weekend slate of events, the April 1 Honouring Ceremony and Juno Fest Aboriginal Music Showcase at the Burton Cummings Theatre was a remarkable evening of music and celebration that we can all be proud of.

I would like to also acknowledge our colleagues at the City of Winnipeg and the federal government's Department of Western Economic Diversification. Not only did we collaborate as sponsors, but we also worked together to achieve the same common goals

for the Junos. I would especially like to recognize the extra effort the City put into the services they provided to the event. Downtown Winnipeg has never looked so good in April after a long and hard winter.

I have saved my final acknowledgments for a very worthy group, the hundreds of volunteers who came forward to help organizers achieve their objectives. When it comes to volunteers for major events, Manitoba enjoys an outstanding tradition of meeting the needs of any event of any size. To the hundreds of Juno volunteers, I would like to extend a heartfelt thank you for their dedicated efforts. I would like to also thank the honourable members for this opportunity to recognize and acknowledge the success of Winnipeg's 2005 Juno Awards. Thank you, Mr. Speaker.

\* (13:50)

**Mr. Jack Reimer (Southdale):** Mr. Speaker, I would like to join with the minister in extending congratulations to all the participants, the hosts, City of Winnipeg, the Province, the federal government for the wonderful presentation at the Juno Awards. I had an opportunity to get to some of the events. I must say that some of the music I was familiar with and some of it, well, I guess, age is creeping up on me. I do not remember some of that, but it was very, very interesting to be part of the celebrations, some of the musicians and the tremendous amount of effort that went into it.

Mr. Speaker, it bodes well for our great city of Winnipeg and Manitoba and Canada, the extent of the hosting of this wonderful event here in Winnipeg, one of the few times it comes to western Canada. I commend the minister for going after the Junos and having it here at the new MTS Centre. The awards that were presented, we had a wonderful time there at the dinner and at the reception. I must say that there was anticipation that Neil Young would come, but, unfortunately, he had an operation. We extend our best wishes, and it looks like he came through it in flying colours.

We have tremendous musicians, entertainers here in Manitoba: Randy Bachman, Neil Young, as I mentioned, Burton Cummings. Just a few of the other ones: Tracy Dahl, the Guess Who, the list goes on and on. We are truly fortunate. I can say, Mr. Speaker, I do remember some of these musicians

from when they used to play in community clubs, and I used to attend some of those recitals and concerts. At that time, their names were not as famous as they are today. I do want to extend congratulations to all the volunteers. I saw an awful lot of volunteers that were involved with a lot of the events and functions. Everything went smoothly.

In the whole presentation, there was a tremendous pride, and it was a tremendous feeling that we had put on a good show. I congratulate all the people that were involved: the host from Winnipeg, the host through the Aboriginal community and the wonderful show that they put on at the Burton Cummings Theatre. It was something, I think, that all Winnipeggers and all Manitobans identified with. A good job, a good show. Well done. Thank you, Mr. Speaker.

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

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

**Some Honourable Members:** Leave.

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

**Mr. Gerrard:** Mr. Speaker, the hosting of the Junos and the occurrence of the Junos here in Winnipeg was a wonderful time, I think, for all Winnipeggers and indeed all Manitobans. It was an exciting time to celebrate the music that we have in Manitoba, and though it was only the Wailin' Jennys who received the award, there was an incredible breadth and depth of musicians, artists and bands from Manitoba. We saw that there at the social through to the wind-up celebrations at the MTS Centre on April 3. It was indeed a fitting end to the whole Juno weekend to have a whole array of Manitoba singers on the stage and contributing to Manitoba music as the wind-up to the event.

I think, we need to, as the minister has indicated, recognize in particular the growing contribution of Aboriginal artists, many who were there, and there are many others who were not necessarily playing there but who are contributing increasingly to the music scene in Manitoba. I think, as we bask in the glory of having the Junos here, it is also a time to remember the importance of music to all of us, from music in the schools, all the way through to the

importance of music for the rest of our lives. Thank you.

**Mr. Speaker:** I guess it is safe to say the honourable Member for Southdale is still looking for Stompin Tom.

\* (13:55)

### Flood Conditions

**Hon. Stan Struthers (Acting Minister of Water Stewardship):** I have a ministerial statement on behalf of the Ministry of Water Stewardship. I rise to present a statement, an update, to the House regarding Manitoba's flood situation so far this spring.

On January 26 of this year, Mr. Speaker, Manitoba Water Stewardship presented the first of three spring flood outlooks. At that time, the Hydrologic Forecast Centre of the Water Science and Management Branch presented three possible flooding scenarios. The scenarios, or projections, were based on watershed conditions such as soil moisture and snow cover as well as on three future weather scenarios.

The future weather scenarios assumed favourable, normal and unfavourable weather conditions from the forecast date through to the spring run-off period. The same formula was used for further outlooks presented in February and March. Early modelling indicated a chance of a 1997 flood with very unfavourable conditions. Due to more favourable conditions, those chances have been reduced close to zero.

Mr. Speaker, I am pleased to report that so far conditions have been favourable. Heavy snow or rain storms have not occurred, and the rate of melt has been gradual. As a result, flooding has been limited mainly to agricultural flooding, and only a few homes have been threatened.

Prudent operation of the flood control structures, such as the Portage Diversion that sends Assiniboine River water north to Lake Manitoba and the Red River Floodway, have maintained a safe level of water flowing through the Red in downtown Winnipeg.

The Province has also used a portable ice-breaking machine called the Amphibex to break up ice jams that formed in the Breezy Point area north

of Winnipeg and at the Redwood Bridge within the city of Winnipeg. We are engaged in discussions on the future use of this designed-in-Canada machine.

Mr. Speaker, the flow of the Red River continues to decrease and has crested from Emerson to Winnipeg. Despite today's rain, it is expected to continue its gradual decline to normal summer levels. Levels in the city of Winnipeg will remain between 17 and 18 feet for the next 10 days as the gates of the floodway control structure are gradually lowered. Lowering of the gates is necessary to prevent the Red River level at the floodway inlet from exceeding its natural level. The crest in downtown Winnipeg was 19.2 feet on April 6. The flow in the Red River Floodway this morning was 12 200 cubic feet per second, while the total approaching the floodway inlet was 54 300 cubic feet per second.

Levels of the Assiniboine River from Austin to Winnipeg have been quite steady in recent days. Portage Diversion flows will also be gradually reduced later this week as flows and levels in the city of Winnipeg subside. Levels of the Assiniboine River remain high from Miniota and flooding of valley lands from Miniota to Brandon will continue for one to two weeks. Flooding continues along the Souris River from Coulter to Hartney and on the Pembina River from Rock Lake to Swan Lake, but no further rises are expected.

Because weather cannot be predicted with absolute certainty, the Province of Manitoba maintained a high level of emergency preparedness for the 2005 spring flood. The Flood Central Task Team was struck, comprising the departments of Water Stewardship, Intergovernmental Affairs, Manitoba Emergency Measures Organization, Health, Labour and Immigration, Office of the Fire Commissioner, Transportation, Agriculture, Conservation and Communication Services Manitoba to provide a co-ordinated provincial response.

Teleconference calls were held with affected municipalities to review flood forecasts and to discuss flood preparedness at the local level. Mr. Speaker, flood preparation and flood-fighting efforts that have occurred to date include Water Stewardship maintaining a 2.3 million sandbag inventory, Water Stewardship providing incident command training for 24 employees. A Water Stewardship flood-fighting organization structure is in place having the

technical and management capability of fighting a 1997-magnitude flood.

An enhanced monitoring network was installed on the Red River north of Winnipeg to better monitor ice conditions and provide early warning of ice-jamming. Equipment was on standby on the Fisher River to facilitate ice passage to minimize flooding on the Peguis and Fisher River First Nations. Due to the slow spring melt conditions, the equipment was not used. Both First Nations were retained to perform brush and tree removal in the Fisher River to alleviate flooding due to ice-jamming.

\* (14:00)

Water Stewardship staff was proactive in removing ice blockages in provincial drains to protect residential properties. The Department of Transportation and Government Services maintained road service to all affected communities. Some road closures were in place due to localized flooding.

Mr. Speaker, as all Manitobans and members of this House know, our environment can be quite unpredictable. Using the most up-to-date, predictive technology models, scientific and historical knowledge and our collective experience, the Province has survived another spring melt with minimal widespread flooding. We will continue to watch and assist the areas of the province that continue the high water levels.

Mr. Speaker, the Province will continue to prepare for spring floods using flood-control structures such as the Red River Floodway, the Portage Diversion, the Shellmouth Reservoir and the ring dikes protecting 20 southern Manitoba communities. We will also continue efforts to ensure all environmental concerns are fairly addressed as we proceed with our partners to expand the capacity of the Red River Floodway.

I would like to thank the municipalities and provincial staff who have worked diligently throughout this spring. Thank you very much.

**Mr. Jack Penner (Emerson):** I want to thank the honourable member for making this statement on flooding on behalf of the Minister of Water Stewardship (Mr. Ashton).

I believe this report is clearly an indication that what previous governments under the Roblin



administration took on as an initiative, both on the Assiniboine when building the dams on the Assiniboine, creating Lake of the Prairies, is a demonstration of what can be done to prevent flooding. I also believe the floodway, that the then-Roblin administration undertook to construct, has been clearly again a demonstration of what can be done if a government does take significant, positive action to cause less of an impact to communities such as Winnipeg and others.

I believe the Portage Diversion is another indication of when an operation such as that is operated properly, it can have an environmental impact that is positive all around. I want to however say, Mr. Speaker, that there are occasions when flooding does occur, sometimes even in areas that have not been identified in this report. I know of one home that was totally flooded in the St-Lazare area, where a highway culvert was plugged and was not opened in time. It caused the home to flood which has been without power, I understand, for almost a week now, without services, without sewage services. I believe that government does have a responsibility to ensure that proper care will be taken and that compensation will probably apply to these people as well.

I know that there is also an area at St. Jean, Manitoba, between Morris and St. Jean, which historically floods. As we speak today, it is currently deep under water. Some of the backup that occurs into some of the communities, we will never be able to stop because of the way either the thaw or the run-off occurs in this province.

However, I do believe today is an opportunity to reflect on what a government could do further if they truly were serious about mitigating flooding in the long term. I believe the building of the Holland Dam, I believe the building of the Souris Dam, I believe building two dams on the Pembina River would have a major impact on mitigating flooding in the province of Manitoba, but it does take a government that will be willing to take the initiative to do those kinds of things.

I believe we asked, and I want to say in closing, Mr. Speaker, that we ask this government to ensure that those who have been hurt this year again by flooding will be compensated properly, and those landowners that have constantly had their land under

water should be recognized for the damages that have occurred and are occurring on an annual basis.

Therefore, we ask this Premier (Mr. Doer) and his government that they will take proper steps to ensure that all communities and all citizens are ensured that flooding will be mitigated to the best of their ability.

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

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

**Mr. Gerrard:** Mr. Speaker, I want to thank the minister for the statement on the situation with regard to flooding. We, in the Liberal Party, are pleased as most of the other members are here that the flooding problems have been so few this year and notwithstanding that there are clearly some areas that could be better addressed, I think that we can all be happy as Manitobans that we have not had any more problems with flooding than we have had to date.

I want, on this occasion, to acknowledge—

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

**Mr. Gerrard:** There is lots of life in the Liberals yet, I tell you.

Mr. Speaker, I was wanting to just congratulate the government for the use of the boat because the Amphibex, the machine to break up the ice, was something that Liberals have been calling for for some time. I am glad that you got to work and started to use it, and I hope it will be the start of being able to use it in many years in the future. Thank you.

## ORAL QUESTIONS

### Crocus Fund Protection for Investors

**Mr. Stuart Murray (Leader of the Official Opposition):** Mr. Speaker, Manitobans are very troubled by what they learned in a statement of allegations released last week by the Manitoba Securities Commission. This NDP government, through their government-appointed representative on the Crocus board, they knew that the valuation sub-committee was scheduled to meet monthly. They knew that

between April 2004 and September 2004, there were no meetings. They knew that the portfolio needed to be adjusted downward by approximately \$15 million. They knew that there was an amended prospectus in October that was issued.

Now that the public has this information, will the Premier please explain to the more than 33 000 Manitobans who have retirement savings invested in Crocus why he sat on his hands and did nothing? Will he tell Manitobans in the House today what steps he will take to give them even the slightest hope that he will start to do something and that he finally has their best interests at heart?

**Hon. Gary Doer (Premier):** Mr. Speaker, the Manitoba Securities Commission has reported last week as the member opposite has indicated. They have documented a number of concerns which are, as the member opposite pointed out, in the allegation stage. Those issues will be dealt with by the independent quasi-judicial body called the Manitoba Securities Commission. The provincial auditor is also investigating on a number of issues that he or she feels appropriate in the Crocus Fund of Manitoba.

I can tell the people of Manitoba, inform the people of Manitoba, that when we have been provided recommendations from the Manitoba Securities Commission in the past or the Manitoba provincial Auditor General in the past, we have acted upon those recommendations, consistent with the prospectus, consistent with the legislation.

Mr. Speaker, arising from the two investigations, I can assure members of the public that any deficiencies of the legislation, particularly legislation that was introduced in this House in 1992 that arises from the Auditor's Report that we will certainly make changes that are appropriate.

\*(14:10)

**Mr. Murray:** In the Manitoba Securities statement of allegations, it says, and I quote from it, "On Thursday, November 18, 2004, at a special meeting of the board, the board received a summary of the risk analysis which suggested a further write-down of at least \$23.5 million that was imminent." Mr. Speaker, \$23.5 million.

Manitobans are well aware that this Premier has a representative on the board of Crocus, Mr. Speaker.

What they do not know is why this Premier will not stand up for the more than 33 000 Manitobans who have invested their hard-earned money into Crocus.

Will the Premier explain why he did nothing in September, October, November and December? He knew, and he did nothing. When are you going to stand up for those 33 000 Manitobans, Mr. Speaker?

**Mr. Doer:** Mr. Speaker, we do follow the advice and recommendations from the Manitoba Securities Commission. The Manitoba Securities Commission reviewed the practices of promoting the Manitoba Crocus Fund in paycheques issued to civil servants, a practice that was developed in 1997. We were alerted to that early on in our term. The Manitoba Securities Commission stated that that was contrary to the Crocus perspective. The Crocus perspective very basically says that securities administrators of the government make no recommendation concerning an investment and assume no liability or obligation to any investor of the fund.

We terminated, Mr. Speaker, the promotions that were in government paycheques that were emanating from members opposite consistent with the Securities Commission findings. The members opposite will know that the legislation dealing with the Crocus Fund and the management dealing with Crocus Fund was established in the early nineties. In fact, we were ridiculed by members opposite for saying that no NDP government had set up a venture capital fund with labour.

Mr. Speaker, the fund was stated by former Minister Manness to be a fund that would be managed by people outside of the civil service, outside of the government. It would be a fund administered by members of the public and we have honoured that. As I said, any specific recommendation, whether it is the 1998 Provincial Auditor's Report or the Manitoba Securities Commission report asking us to suspend promotions in paycheques, we have acted upon.

**Mr. Murray:** I would like to quote back to this Premier what his minister at the time in 2001, the minister responsible for the Crocus Fund, said, and I quote from Hansard, "Also, it is important that the government monitor the operations of labour-sponsored funds to ensure that they are adhering to the provisions of the legislation. In this regard, important new reporting and compliance provisions

are being added to The Crocus Investment Fund Act. These provisions provide audit and inspection powers as well as powers to facilitate obtaining information from the fund, Mr. Speaker."

Mr. Speaker, it is well known and well documented that between September 24 and November 12 of last year, that more than \$255,000 in Crocus shares were sold to hardworking Manitobans even though the board and this government knew that the share price was over inflated. On the heels of the most explosive federal Liberal government's ad-scum scandal and on the heels of today's appalling revelation by the *Winnipeg Free Press* that a member of this Premier's Cabinet misled and withheld information, this Premier should be very careful what he says in this House.

Will the Premier just explain to the more than 33 000 Manitobans who have invested their retirement savings in Crocus why he did nothing, and will he tell them what he is prepared to do today?

**Mr. Doer:** The member opposite will know that the board of Crocus Fund was established in a memorandum of agreement between the Manitoba Federation of Labour and one Eric Stefanson in 1992, Mr. Speaker. That formed the genesis of the legislation and—

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

**Mr. Speaker:** Order.

**Mr. Doer:** Thank you, Mr. Speaker. We have further, as has been reported properly, provided for greater authority of the provincial Auditor General. In fact, that builds upon the 1992 recommendation and memorandum of agreement between the Province of Manitoba and the provincial auditor's office at the time where there is an agreement for oversight provisions on the Crocus Fund.

In 1998 the Auditor reported to the Legislature on venture capital and calling it a retail fund similar to mutual funds. He also reported on other vision capital decisions made by the former government. We have tried to work very diligently on many, many investments, Mr. Speaker, such as the past practice on Isobord that was initiated by members opposite, Winnport and many other projects that had a negative impact on the taxpayers of Manitoba when members opposite were in government. Having

said that, we will pay attention to the Securities Commission final deliberations.

Mr. Speaker, I would point out there have been decisions made by the Securities Commission before. In fact, Wellington West was dealing with shares and sales of shares with the Manitoba Telephone System. Those are quasi-judicial decisions. We will be dealing with those as we should, and we will be dealing with the recommendations of the Securities Commission.

### **Crocus Fund Appointment of New Director**

**Mr. John Loewen (Fort Whyte):** Mr. Speaker, there is something that this NDP government can do right now to improve this situation. This government can use its authority to appoint, and to appoint immediately, a new director to look after the interests of not only the unit holders, but of all taxpayers in Manitoba.

Mr. Speaker, this fund and this situation needs a director appointed by this government who is focussed, a director who is professional, and a director who is not conflicted in any way. Most importantly, the unit holders and the taxpayers of Manitoba, this government owes them the opportunity to have a director on that board who is not distracted by the threat of a law suit or subject to the serious allegations which we are seeing coming from the Manitoba Securities Commission. Mr. Waugh is none of these. I would ask the minister if he would see today that a new director is appointed immediately to stand up for the unit holders and for the taxpayers.

**Hon. Jim Rondeau (Minister of Industry, Economic Development and Mines):** Mr. Speaker, I would like to remind the member opposite that what the board member's responsibility to do is to look after the shareholder and that is what our representative has done. I would not throw allegations wildly—I think that what we have done is followed the proper procedure. We are going through and having the regulator go in and make an investigation, and myself and the honourable Minister of Finance (Mr. Selinger) has allowed the proper regulators to do that.

We have made sure that we have an independent person who is a long-term civil servant, the

government's representative on the board, and I might point out that he has a fiduciary responsibility to the shareholders. He has a confidentiality agreement with the fund and he does not report directly to government. He reports to the fund shareholders and he represents the fund shareholders. I believe that it is proper to have the proper regulatory body investigate appropriately.

**Mr. Loewen:** Mr. Speaker, the minister ignores the fact that the government owns two million shares and are a very significant shareholder in this fund. The minister ignores the fact that it was he and the Minister of Finance who said the Auditor General did not have to go in in December and did not issue the letter until some time in February. But more importantly, there is an opportunity right now for this NDP government to improve the situation at Crocus, to look out for the unit holders and for the taxpayers, and they can do that by appointing, immediately, a new director, one who is competent, one who has the ability and the experience to look after the fund and the situation that it finds itself in, mostly as a result of the lack of oversight of this government.

I would ask the minister, simply, will he do the right thing today. Will he appoint a new director to look after the interests of the unit holders and the taxpayers of Manitoba, who sadly are going to lose a lot of money as a result of his government's sitting on the sidelines and sitting on their hands?

**Mr. Rondeau:** Mr. Speaker, the member opposite cannot have it both ways. When the opposition set up the fund in 1992, they made high praise of the fact that it was independent of government, that it reported to an independent board and that we were not politically involved. That is what the Finance Minister said and that is what the Minister of Industry said. They crowed the fact that it was supposed to be independent of government.

Now, Mr. Speaker, the same opposition that set up the fund is yelling that we should be involved in the day-to-day operations. I say that what we do is we allow the board to do its job and we allow the independent commissions to do their jobs. We allow it. They cannot have it both ways. They cannot crow for us to run the fund and then set it up so that it is independent, away from government.

\*(14:20)

**Mr. Loewen:** Mr. Speaker, we have never asked this government to run this fund, and we never would because they are incompetent. What we are asking this government to do is live up to what they said they would do in 2001, which is to monitor the fund. That is what they said they would do, and because they have not, because of their appalling lack of oversight, we find ourselves in a situation where sadly, Manitobans are going to lose a lot of money.

This NDP government's unwillingness to replace a director who was distracted by the threat of personal financial ruin and is subject to serious allegations by the Manitoba Securities Commission indicates that they are deeply tied up in this sordid mess. Their inaction is bad for unit holders, it is bad for taxpayers and it is bad for Mr. Waugh.

Why is this government hanging Mr. Waugh out to dry? The situation could be improved right now by appointing a new, experienced and well-qualified director. Why will the NDP government not do it?

**Mr. Rondeau:** Mr. Speaker, once again, the member opposite has lots of bluster and noise but very little accuracy. Number one, if they were worried about the \$2 million that the government had invested in Crocus, why did they write it off in their term of office? That is the first question.

The second one is, after writing off the loan, or the Class A shareholders, they wrote it off. They did not have the faith that Crocus was ever going to pay it back, but more important to that fact, what we have done is the appropriate thing for the shareholders. We have allowed the security, in fact, encouraged the Manitoba Securities Commission to go in and make an independent investigation. We have followed their advice in 2001 when we did not continue with the sending of information sheets and paycheques which was against the securities regulations. We continue to work with the regulators to ensure that any inappropriate action will be discontinued.

#### **Crocus Fund Appointment of New Director**

**Mr. Gerald Hawranik (Lac du Bonnet):** The 33 000 unit holders, the investors in the Crocus Fund, need to be protected from this NDP. The NDP should have appointed a member of the board who would look after the best interests of the investors.

Instead, the NDP appointed a board member who allowed sales of shares in Crocus after he knew and after the NDP knew that the underlying value of the fund was written down by more than \$23 million.

Will the Minister of Finance stand up for Crocus investors? Will he appoint a member of the board of directors who will, in fact, protect the 33 000 Crocus Fund investors?

**Hon. Greg Selinger (Minister of Finance):** Mr. Speaker, when we improved The Auditor General's Act in Manitoba, we put a specific provision in which allowed the Auditor General of Manitoba to pursue tax credit dollars provided by the government anywhere they went in Manitoba, including venture capital funds. This is a provision that was never in the Auditor's act before. Our government put it in place. Our government empowered the Auditor to chase down tax credits wherever they went in Manitoba to see that they were probably used. These guys had 11 years to do it and they did nothing. We did it. That is No. 1.

Number 2, the Manitoba Securities Commission, which is a quasi-judicial body, has been completely unfettered in its investigation of what is going on there. They have done an examination and put their statement of what they consider to be the facts on the record in a timely fashion.

**Mr. Hawranik:** Mr. Speaker, I asked the Finance Minister to focus on the question. It is a responsibility of this NDP to ensure the investors, the 33 000 unit holders, that the government appointee will act in their best interests, and not to conclude with the NDP by continuing to sell Crocus Fund shares after they knew that the value of the fund was written down by more than \$23 million.

I ask the Minister of Finance this: Will he now appoint a director to the board of Crocus who will protect the 33 000 Crocus Fund investors from the NDP?

**Mr. Selinger:** One of the outstanding characteristics of the members opposite is they take allegations, they act as judge, jury and prosecutor, and draw their own conclusions before the due process has unfolded. There are allegations out there. They have been posted in the public domain as a matter of public record. Due process requires that anybody that has been the subject of an allegation by the Manitoba

Securities Commission has a full and complete chance to respond to that. Our job is to let them. That the Securities Commission operates without fear or favour is to allow the respondents to respond without fear or favour. Members opposite continue to use authoritarian tactics to override the quasi-judicial process which is supposed to operate independently in the public interest.

#### **Crocus Fund Ron Waugh Legal Fees**

**Mr. Gerald Hawranik (Lac du Bonnet):** Mr. Speaker, the Crocus unit holders, the 33 000 investors in the fund, are being forced to pay the legal fees of the directors of Crocus who are facing allegations by the Manitoba Securities Commission. Ron Waugh is the NDP appointee for the Crocus board.

I ask the Minister of Finance this: Who will pay for the legal fees of Ron Waugh? Will it be the 33 000 investors in Crocus or, since he is the NDP appointee, will it be all Manitobans?

**Hon. Greg Selinger (Minister of Finance):** Mr. Speaker, when government is involved in appointing anybody to any body that is acting as a government representative, whether they are acting on behalf of the shareholders or otherwise, as is the case here, and they are named in a legal action, it is usually the government that supports that member with respect to any litigation that they have to sustain. So, if any member of a government is named in a legal action, the government provides them support as a government appointee, and that will likely be the case in this event.

#### **Hydra House Government's Awareness of Misspending**

**Mr. Speaker:** The honourable Member for Morris.

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

**Mr. Speaker:** Order. The honourable Member for Morris has the floor.

**Mrs. Mavis Taillieu (Morris):** Thank you, Mr. Speaker. We have confirmed that the former Minister of Family Services knew about the problems at Hydra House as early as May 3, 2000. The former minister, who is now the Minister of Health (Mr. Sale), is on record indicating that allegations

were brought to his attention in November of 2000, but there is a six-month credibility gap here. He knew a full six months prior.

Mr. Speaker it is apparent the minister lied to Manitobans. Why did he deliberately hide the truth?

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

**Mr. Speaker:** Order. The words "liar," "lied" have never been accepted by this Chamber. I will give the honourable member an opportunity to withdraw that comment, the word "lied" or "liar."

**Mrs. Taillieu:** Thank you, Mr. Speaker. I withdraw.

**Mr. Speaker:** Thank you very much. That should take care of the matter.

**Hon. Christine Melnick (Minister of Family Services and Housing):** Mr. Speaker, I am glad to receive the question from the member opposite. It gives me the opportunity to clarify for the House what exactly it is we are discussing here. The complaints that the member is referring to were not in the nature of those that were received in November of 2000, which resulted in the AG's review. These complaints we are dealing with process from a newly implemented respite program. The concerns actually came previous to this government coming to power, so they were again concerns that were raised previous to September of 1999.

\*(14:30)

**Mrs. Taillieu:** Mr. Speaker, how do we know what the minister is saying is true? Why does she not table the letters that she received in May of 2000, and actually I think it was April of 2000?

Mr. Speaker, this government did know about misspending at Hydra House as early as May of 2000, if not earlier. And yet, the former minister claims he only found out in November of 2000. Misspending during this time could have been redirected to families and people, the most vulnerable people in our society.

When did the former minister become aware of the misspending at Hydra House? Was it May or was it November as he stated on the record?

**Ms. Melnick:** Again, in dealing with the nature of the complaints that were raised in May 2000 around the newly implemented respite program, Mr. Speaker, the department received the complaints. There was a procedure followed where both the complainant and Hydra House were dealt with. The issue was resolved in that the department found they did have to tighten some of their policies around this newly implemented program. They took that action. The policies were in fact tightened. Both the complainant and Hydra House were informed of the actions that now had to be taken around the policies of the newly implemented respite program that had nothing to do with the complaints that were received in November 2000. I would point out perhaps the commonality here is that these were concerns of what had happened during the administration of the previous government.

**Mrs. Taillieu:** Mr. Speaker, there is a credibility gap here. This government knew in May of 2000 there were allegations of Hydra House and they covered it up. We need the truth. Who, on that side of the House, can tell us the truth? They are just covering up information. The Minister of Family Services said on November 24, 2004, and I quote, "We gave full access to all information to the Auditor General."

I ask the minister was all information surrounding Hydra House given to the Auditor General.

**Ms. Melnick:** Well, Mr. Speaker, I will remind the member again we are not sitting too far apart and perhaps instead of shouting, listening might help to clarify the facts on this.

The allegations from May 2000 were around a respite program. The allegations from November 2000 dealt with what we found in the AG's report. The AG was allowed to set up an office within the offices of Family Services. There was disclosure of all the information.

Again, we are talking about two completely separate incidents. The first was dealt with through policy tightening within the department. Everything was communicated to the concerned bodies. The second is that we received the report of the Auditor General. We are implementing those recommendations including, Mr. Speaker, the service purchase agreements that were neglected under the previous administration.

**Hydra House  
Government's Awareness of Misspending**

**Mr. Glen Cummings (Ste. Rose):** Mr. Speaker, if the minister does not like people raising their voices, let me be very clear and very precise. The Auditor General was not made aware of this letter that goes back to May.

Why was this government attempting to cover up that information?

**Hon. Christine Melnick (Minister of Family Services and Housing):** Again, Mr. Speaker, there was no attempt to cover up any information. There were attempts in both cases to deal with the concerns that were raised, to look at how to better enforce making sure these concerns do not reoccur.

In the first instance, it was the development of policy around a newly implemented respite program. In the second, it was receiving the recommendations from the Auditor General's report to clear up the mess that had been left by the previous administration.

**Mr. Cummings:** This is extremely serious. The minister seems only too happy to try and avoid answering the question.

What was so seriously wrong that they were prepared to cover up this information when they said they were being totally open and providing all information to the Auditor?

**Ms. Melnick:** All information was provided to the Auditor as was appropriate under the misspending of funds which occurred as a result of the cutting of the Agency Accountability Unit in '93, '94, Mr. Speaker. It took awhile to realize what the concerns were. We have reimplemented the Agency Accountability and Support Unit. We have shared all the information with the Auditor General in the case that the members are referring to. Otherwise, we have shared the information with both the complainant and Hydra House. We have shared the information with the appropriate bodies in both situations.

**Mr. Cummings:** Mr. Speaker, there seems to be a common theme starting to appear in this government that in desperation they will cover up and mislead where necessary.

Mr. Speaker, it would appear that this government was desperate enough to not consider information that should have probably gone forward for further scrutiny by the Auditor. I would simply ask this: Does this minister or any of her colleagues have other information they would like to share with the Auditor and with the public?

**Ms. Melnick:** Mr. Speaker, I have pointed out all these allegations came during the time of the previous administration. Information to share with the public is that it does not make sense that we would take steps to cover up their mess, and we did not.

**Tataskweyak Cree First Nation  
Hydro Payment Investigation**

**Mrs. Bonnie Mitchelson (River East):** We have learned that \$14.5 million has flowed to the chief and council at Split Lake from Manitoba Hydro over the last two years to discuss the agreement in principle for Gull-Keeyask with nothing to show for the \$14.5 million.

Mr. Speaker, community members and Manitoba Hydro ratepayers are asking for answers. Can the minister responsible for Manitoba Hydro provide a detailed accounting of where the \$14.5 million went?

**Hon. Dave Chomiak (Minister charged with the administration of The Manitoba Hydro Act):** Mr. Speaker, we have an opportunity in this province to both develop our hydro resources in the North and to deal with a serious situation where there are communities in the North with 90% unemployment.

We had three choices: not develop, as the members opposite like to do; secondly, develop retroactively, as happened, and pay \$500 million in reparations and damages; or negotiate. Manitoba Hydro is negotiating with First Nations. They are negotiating the development and, contrary to what the member said, 187 people are in the process of being trained for development of the dams up in that area.

**Mrs. Mitchelson:** It is unfortunate that the 90 percent of people unemployed at Split Lake, Mr. Speaker, never saw a penny of the \$14.5 million that has been spent to date. It is unfortunate that we have to depend on the Auditor General to get the truth and

the facts because we do not get it from this NDP government.

Mr. Speaker, can the minister responsible for Hydro make sure that the money that has been spent to date has been spent in an appropriate fashion, and can he assure the band residents and the ratepayers of Manitoba that are asking for the answers, get the answers? Will he provide all of the information, detailed information, on where that money has gone?

**Mr. Chomiak:** Mr. Speaker, this is a negotiation between Hydro and TCN. Hydro meets with TCN to look at all the concerns. They have checks and balances in place via a process of preauthorization and subsequent review. TCN provides detailed accounting costs on a monthly basis which are assessed by Hydro. In addition, Hydro has an internal audit team and board-op committee which includes Carol Bellringer, former provincial auditor, Dave Friesen, CEO of Friesen Corporation, and Bill Fraser, CEO of MTS.

The old way of doing business, with a half-a-billion-dollar price tag retroactively, is not the way we are doing things, Mr. Speaker. This matter is being dealt with between Hydro and between the First Nations. The First Nations community gets access to the monthly statements that are provided by the First Nations community, I have been advised.

\*(14:40)

**Mrs. Mitchelson:** Again, Mr. Speaker, we have not heard the minister responsible commit to having the Auditor go in and review those statements.

The residents of Split Lake and the ratepayers of Manitoba Hydro deserve some answers. Will the Minister responsible for Northern and Native Affairs (Mr. Lathlin), who is the advocate for all Aboriginal people, including the 90 percent that are unemployed at Split Lake, stand up today and indicate unequivocally that no vote will go ahead on construction of the dams until the answers are provided and detailed openness, accountability and transparency are provided to the residents of Split Lake and to the ratepayers of Manitoba Hydro?

**Mr. Chomiak:** Mr. Speaker, the residents of the community have, preliminarily, already had a vote on the agreement and are planning to have a ratification vote by the end of the year.

Also, 187 individuals are pre-training. I do not know if members opposite are aware, because they did not build any dams. You have to pre-train six, seven years ahead, Mr. Speaker. You have to pre-train, you have to look at environmental plans. With the community, Hydro, I understand, has redesigned—

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

**Mr. Speaker:** Order.

**Mr. Chomiak:** The dams have been redesigned, Mr. Speaker, to prevent and to mitigate flooding damage, something that is fundamental to people of the North. All of these matters are being worked on, including environmental approvals that are legally binding on Hydro and on the Province to do before you construct a dam. I have asked the Hydro chairman who has already indicated publicly to review with the First Nations community the expenses in question.

#### **Manitoba Developmental Centre Expansion**

**Hon. Jon Gerrard (River Heights):** *Does She Know She's There?* This is the title of a book written by Nicola Schaefer about Catherine Schaefer, a woman I recently visited. But for the grace of God and some hardworking people, she would be now institutionalized at the Manitoba Developmental Centre.

I ask the Minister of Family Services to make public today the study which provides the reason for her decision to spend \$40 million to expand the Manitoba Developmental Centre, and to tell us today why she has decided to build a bigger institution, when most people with disabilities, even severe disabilities like Catherine's, are better off at home in the community rather than in an institution.

**Hon. Christine Melnick (Minister of Family Services and Housing):** Again, I am grateful to the member from River Heights to correct the record. In fact, Mr. Speaker, this is a modernization of the Manitoba Developmental Centre, which would see less people in the Manitoba Developmental Centre.

Now what is this modernization based on, Mr. Speaker? It is based on the health and safety needs of both the residents and of the workers in the centre. It is based on, for example, making sure that in the case



of a fire people would be able to evacuate very quickly. It is based on making sure that the modernization will meet the universal accessible principles so that even non-ambulatory individuals will be able to move smoothly through their home.

Right now, to go to the recreational centre, people who are resident within MDC have to be hauled in a cattle cart, Mr. Speaker.

**Mr. Gerrard:** Yet, Mr. Speaker, I ask the minister this: Has she ever read the book *Does She Know She's There?* In her mother's words, Catherine was initially written off as a sort of medical dud. Now, writes her mother, she is an understanding and forgiving friend with a lovely sense of humour.

Does the minister know what she is doing putting people like Catherine in an institution rather than in the community? Why did the minister's department refuse our access to the study on the lives of people with disabilities on which she based her decision to spend \$40 million? Why is she hiding behind a veil of secrecy? Is there even a study, and why will she not produce it so we have an understanding of why she is spending \$40 million?

**Ms. Melnick:** Mr. Speaker, when we talk about a commitment of a government to community living, I am very proud to inform the House that since 1999, our commitment has increased by over 130 percent. Our budget this year included a \$17-million increase to community living which the member from River Heights voted against. When we talk about the dignity for people who have challenges, I will stand on our record any day against his record.

#### **Manitoba Hydro Standing Committee Review**

**Mr. Kevin Lamoureux (Inkster):** The Doer government wanted a dam, so the Keeyask dam is now on the books and being proposed. Mr. Speaker, \$14 million is doled out, half of it going towards consultants. When you break down the numbers, you are talking somewhere in the neighbourhood of \$8,000 per individual, whether they are 3-months old or 50-years old. Again the government can show it has no concept of responsible spending.

The Minister responsible for Hydro says, "187 people were trained." How much of that \$7 million that went to consultants went towards training, Mr.

Speaker? If this government has nothing to hide, why would this government not agree to have Manitoba Hydro come before a standing committee of this Legislature so that they can be properly questioned if they are not prepared, at the very least, to allow it to go to the provincial auditor?

**Hon. Dave Chomiak (Minister charged with the administration of The Manitoba Hydro Act):** Mr. Speaker, I am very proud to be part of a government that is recognizing that we have developed the North and Hydro for all of Canada and training First Nations people. In fact, I was very pleased that our government signed an agreement with the federal government and Hydro to put funding forward for pre-training for Conawapa, for Keeyask and for Wuskwatim to pre-train and to develop First Nations people to work on those projects. I am very proud the federal government is working with us on this very important issue to not only develop our hydro-electric resources for the rest of Canada who need it in this fossil fuel diminishing age, but to provide employment and economic opportunities in the long term for First Nations who for too long have been left behind.

**Mr. Speaker:** Time for Oral Questions has expired.

#### **Speaker's Ruling**

**Mr. Speaker:** I have a ruling for the House.

During Oral Questions on March 22, 2005, the honourable Government House Leader (Mr. Mackintosh) raised a point of order regarding the use of an exhibit by the honourable Member for River Heights (Mr. Gerrard). The honourable Government House Leader contended that the member was using an exhibit in conjunction with addressing a question during Oral Questions. The honourable Member for River Heights also spoke to the point of order and noted that he was drinking cranberry juice. Given that the—*[interjection]*

\* (14:50)

Order. I must remind all honourable members that when a Speaker is giving a ruling, it is a very, very serious matter. I want to make sure that all members can hear what is being directed, so I ask the co-operation of all honourable members.

The honourable Member for River Heights also spoke to the point of order and noted that he was

drinking cranberry juice. Given that the decorum in the House at that time prevented me from clearly hearing all of the comments of the honourable Government House Leader and the honourable Member for River Heights, I took the matter under advisement in order to peruse Hansard.

After having a chance to review the comments from Hansard, it is evident to me that the honourable Member for River Heights, though he did have a glass of cranberry juice, was not referencing the glass of juice while he was phrasing his question. So there is no point of order about the glass of cranberry juice being used as an exhibit.

However, I would like to remind members that although we do allow the consumption of beverages in the Chamber as refreshments for members, it would not be a good practice if members were to be displaying their beverages in a strategic manner in the House. Otherwise, the House might have to look into the issue of having restrictions or guidelines on the display and consumption of beverages, and I do not think we want to go down that road.

## MEMBERS' STATEMENTS

### Highway Capital Budget

**Mr. Tom Nevakshonoff (Interlake):** Mr. Speaker, it gives me great pleasure to rise in the House today to report on our government's dedication to maintaining and improving highway infrastructure in Manitoba. Our government has increased the provincial capital budget for road construction by \$16 million over last year. In March, it was announced that in this year's budget, 227.5 million has been allocated for investments in Manitoba's highways in 2005-06. This funding and the improvements it will make possible will go a long way to help ensure our province's economy will continue to grow and prosper.

Mr. Speaker, I am particularly pleased to see that a portion of this funding will be invested in highway infrastructure in the Interlake. Our government has committed \$10 million to complete upgrades of Provincial Trunk Highway 68 from Poplarfield to Eriksdale. These east-west improvements are needed as previous governments neglected to give them consideration. Upgrades will be made to a 38-kilometre stretch to the standards of the road and Transportation Association of Canada. When the

construction is completed, all seasonal restrictions will be removed. This is an important development which will be welcome news to our farmers, our truckers and all the people who depend on good roads for their livelihood.

Mr. Speaker, the east-west upgrades are practical and make economic sense. For example, as plans progress for a new Rancher's Choice packing plant in Dauphin, improved road conditions are necessary.

To conclude, I would like to thank the Minister of Transportation and Government Services (Mr. Lemieux), the MLA for La Verendrye, for his dedication to maintaining and improving the highway infrastructure in Manitoba. I would also like to congratulate our government for its commitment to meeting the needs of rural Manitoba. Thank you, Mr. Speaker.

### Year of the Veteran

**Mr. Ralph Eichler (Lakeside):** Mr. Speaker, I am pleased to rise today to recognize that 2005 has been declared the Year of the Veteran. It marks the end of World War II in Europe some 60 years ago. As time passes, we move farther away from the real sacrifices, pain and loss felt by those who came before us. Families watched their loved ones leave to fight in both World Wars. In my father's family, many of the 14 siblings served, and, thankfully, most of my relatives came home, but too many families were not as blessed.

In 2004, the NDP government finally agreed to support the principle of a private member's bill I put forward to allow the veterans' licence plates. This is a meaningful symbol to recognize the contributions of veterans that I am glad to see in place. I would urge the members and public alike to remember the contributions of veterans every time they see one of these licence plates.

We cannot forget the sacrifices of our veterans, Mr. Speaker. As we enjoy our freedom and safety, we must remember veterans made life what it is today. I would genuinely thank and commend all individuals who have honourably served in the Canadian Armed Forces for protecting not only the rights and freedoms of Canadians, but for others around the world. As the Legionnaires say, "Lest We Forget."

**Danish Canadian Club**

**Mr. Andrew Swan (Minto):** Mr. Speaker, on April 2, my wife and I had the honour of attending a dinner at the Scandinavian Centre in Minto constituency to celebrate the bicentenary of the birth in Denmark of prominent poet and storyteller Hans Christian Andersen. The dinner was attended by well over 100 people and was a huge success. Earlier in the day, my daughters enjoyed a children's program featuring traditional Danish crafts and a play.

Mr. Speaker, Danish people have a long and honourable history in Manitoba, dating back to the first official census of 1837. Since that time, people of Danish ancestry have contributed significantly to the settlement, growth and rich cultural diversity of our province.

I would like to commend the Danish Canadian Club for organizing such a fantastic celebration. We were treated to fine Danish cuisine, as well as entertainment provided by the Scandinavian Canadian Choir, Scandia Young Folk Dancers, Scandia Fun Folk Dancers, Scandia Players and soloist David Menzies.

Mr. Speaker, the celebration of the Danish Canadian Club was important for several reasons. It provided an opportunity to inform young Danish Canadians about many wonderful aspects of their heritage. It allowed the Danish community to maintain a link with their homeland, and it also brought the uniqueness of Danish culture before the public eye to be shared with the rest of Manitoba.

In honour of Hans Christian Andersen and the heritage of Danish Manitobans, April 2, 2005, was proclaimed Hans Christian Andersen Day in Manitoba. Andersen's work was characterized by a unique ability to speak to what makes us all human, our hearts. His timeless stories and fairy tales have enthralled both children and adults and have been translated into more than 150 languages.

Mr. Speaker, I would like to thank the Danish community and the members of the Danish Canadian Club for giving me the opportunity to share in their celebration. In addition, I encourage all members of this House to visit the Scandinavian Pavilion this summer during Folklorama in order to see the "Once Upon A Time" exhibit to celebrate the legacy of Hans Christian Andersen. Thank you.

**Charleswood Junior High School**

**Mrs. Myrna Driedger (Charleswood):** Mr. Speaker, I rise today to congratulate the efforts of the students at Charleswood Junior High for their fundraising efforts. When students in Colleen Nelson's Grade 8 class heard about the need of the people who lost so much in the Tsunami disaster in Asia, and, in particular, the effect it had on the children there, they wanted to do something to help. They wanted to actually do something themselves and not just ask their parents for donations. The idea they came up with was to make hemp bracelets using blue beads to represent the ocean and green ones to represent the land. They successfully raised over \$180 by selling these to staff and students.

Over the last few years, Charleswood Junior High has developed a tradition of participating in a wide variety of community service projects. During their annual Coats For Kids drive, Charleswood Junior High collected a total of 253 winter jackets, as well as a large number of mitts, scarves, hats, boots, et cetera, which have no doubt been appreciated this past cold winter.

Students also put together and delivered a number of Christmas hampers through the Christmas Cheer Board. Every class in the school also made up at least one well-stuffed shoe box as part of the Operation Christmas Child program. Boxes were delivered to Safeway at Charleswood Centre for distribution to needy children around the world. Under the direction of the student council, three cookie-baking sessions have been held this year. In the fall, cookies were taken to a local seniors' home. At Christmas and Valentines Day, cookies and muffins were taken to Westgrove School for their Healthy Breakfast Club. Money raised by the students from the sale of candy grams and collected during a penny drive was also donated to this program.

On Thursday, March 17, Charleswood once again hosted a charity event for Cancer Care Manitoba. Continuing a tradition that was started last year, they hosted a basketball game. This year's participants were the Senior 1 boys versus the Winnipeg Blue Bombers. Admission to this event was \$5 and included the Manitoba Cancer Care bracelet inscribed with their motto, "Never Alone." This year, all monies raised will be donated to Cancer Care Manitoba in the name of Mr. Lyle

Bauer, president and CEO of the Winnipeg Football Club, who is currently fighting throat cancer.

I think that it is very important to recognize the efforts that young people make in our communities. Students at Charleswood Junior High have exhibited the caring spirit of their school and in doing so have strengthened our community. We are proud of our youth and applaud their efforts. Thank you, Mr. Speaker.

\* (15:00)

### Sisler High School

**Mr. Doug Martindale (Burrows):** Mr. Speaker, it gives me great pleasure to congratulate Sisler High School for winning the 2005 Canadians for a Genocide Museum Award. A coalition of ethno-cultural and human rights organizations across Canada present this annual award to groups and individuals who have made a conscious effort to highlight the effects of genocide and who have worked to reduce such atrocities in the future.

It is easy to see why Sisler High School won this award. Students at Sisler have been involved in the global campaign to ban land mines, the global movement to ban child soldiers and the movement to help war-affected children. Students have also been involved in helping children who live in poverty. This May, the school will be continuing its Refugees & Exiles initiative which exposes students to living the life of a refugee.

Sisler High School's commitment to developing its students into conscious, global citizens is evident by the many awards it has received over the years. These include being chosen Canada's top comprehensive high school by Maclean's magazine in August 2004 and six Prime Minister's awards for teaching excellence. Teacher, Chris Banfield also received a Lieutenant-Governor's Teacher of the Year Award in 2004 for his work on the Refugees & Exiles program.

Mr. Speaker, I would like to congratulate teacher, Chris Banfield, who travelled to the Ontario Legislature on behalf of Sisler High School on March 29, 2005 to receive this award. I would also like to congratulate principal George Heshka, and the teachers, support staff and students of Sisler High School for undertaking important humanitarian

projects that touch so many throughout our world. Their efforts and work should inspire us all to work against war, genocide or the oppression of any group of people.

## ORDERS OF THE DAY GOVERNMENT BUSINESS

### House Business

**Hon. Gord Mackintosh (Government House Leader):** Would you call Supply, Mr. Speaker?

**Mr. Speaker:** Resolve into Committee of Supply.

## COMMITTEE OF SUPPLY (Concurrent Sections)

### JUSTICE

\* (15:10)

**Mr. Chairperson (Harry Schellenberg):** Will the Committee of Supply please come to order? This section of the Committee of Supply will now be considering the Estimates of the Department of Justice.

Does the honourable minister have an opening statement?

Honourable Minister, the floor is yours.

**Hon. Gord Mackintosh (Minister of Justice and Attorney General):** I do not have a prepared statement except to I think briefly just go over the significant matters raised in the budget, the new matters. I understand that we have been working to agree to reduce the introductory remarks, and I will recognize and respect that.

In the 2005 budget, we see the recognition of the need to enhance law enforcement in Manitoba with additional police officers. We announced in the Throne Speech, as members know, 40 additional officers. Then, with the development of the budget process, further officers were added in a number of areas, and as a result of ongoing discussions, particularly with the RCMP, and to a certain extent with the municipal force in Winnipeg, as well as Brandon and Dakota Ojibway Police Services.

The number of police officer positions in the budget now will come from \$9.5 million in new funding, representing a 13% increase, according to our math here, in order to establish 54 new officer positions. The deployment of those officers was the subject of discussions with the police agencies

involved since the initial announcement in the Throne Speech late last year.

We can certainly have discussions about the deployment. I might conclude this part by just saying that the deployment was as requested by the law enforcement agencies. The Province respects the knowledge of the police forces and their analysis of where the greatest needs are.

\* (15:20)

The budget, as well, provides for additional Lighthouse locations. Currently, we have 34 Lighthouses across Manitoba. The budget adds a further 4 Lighthouses. Those Lighthouses will come on-stream as the applications come in and are approved.

The Lighthouses initiative has proven to be very successful in attracting youth and apparently youth at risk. I understand that there were 8000 youth visits in the first year that the program was analyzed. I think it does provide an opportunity for youth to be engaged in positive activity in a safe place, whether it is in schools or community centres or friendship centres or other places.

The organized crime strategy is enhanced in several ways, but I think most notably in the additional resources for policing and the particular deployment of those resources. Further, though, there are several other changes that the budget signals. First of all, there is a new three-member Corrections Organized Crime Intelligence Unit to analyze information on organized crime and gangs that are gathered by Manitoba Corrections. Not only risk management decisions will flow from that, but there will be a better ability to share with external agencies information or intelligence that is gathered in our correctional facilities.

The Gang Prosecution Unit is enhanced and, as well, the staff that is assigned to administer and enforce The Safer Communities and Neighbourhoods Act was increased. A fourth investigator was added there, which actually allows the creation of two teams. So the addition of another staff person there, I think, has an enhancement to that service that goes beyond the addition of one person, if you will, because of the simultaneous investigations that can now take place.

So far the unit has shut down 92 drug, sniff and prostitution houses and I think has, by all measures,

also been very successful in assisting police make arrests at these locations. It is my understanding 59 arrests on 90 charges have already unfolded as a result of the work of these investigators.

As members may know, the Province of Saskatchewan has recently brought in legislation modelled on the Manitoba act. I know that there are at least two other jurisdictions that are looking at this kind of legislation.

Additionally, the budget adds \$400,000 on top of the \$1 million that was earmarked for the Integrated Organized Crime Task Force of Manitoba. That is an organization dedicated to intelligence-led enforcement to disrupt organized crime at the leadership level. The task force is comprised of the RCMP and Winnipeg Police Service, but, as well, has participation from the Brandon Police Service and other municipal and other services as needed.

Now, there are new resources for prosecutions. There are new resources to deal with the challenges of localized street crime, in this case in downtown Winnipeg, by the establishment of what I understand will be Canada's first community prosecution initiative with an assigned prosecutor to a neighbourhood, a geographic area, in downtown Winnipeg.

This is an initiative that I have been studying. I went to a conference in Atlanta in the spring. I had been hearing about it from different locations. Hennepin County is one location where they have developed a community prosecution model. I met with the Hennepin County people on this. It is our view that by making our community prosecution initiative one that is sensitive to local needs and the priorities of agencies and organizations in downtown Winnipeg, we can make a difference in being more proactive and introducing more problem solving to downtown rather than pursuing just the traditional prosecution approach.

The budget, as well, and I am concluding my remarks now, goes on to add new resources to combat domestic violence, particularly the funding of the implementation of The Domestic Violence and Stalking Act that passed in June. That was a money bill and required budget allocation to roll out. It will be enforced on October 31.

The government is actively working on a comprehensive strategy to deal with illicit drug

manufacturing and the key part of that is a comprehensive strategy to deal with the increasing concern about meth in Canada. We want to ensure that we take efforts here in Manitoba to guard against the epidemic proportions of this drug that we have seen south of the border. I have been involved in several research endeavours.

In fact, just in the last few months, two summits on meth; one, the Western Canadian Summit On Meth, and the second, a summit of Western Attorneys General of the United States on meth. As well, of course, I have been involved with the Attorneys General of South and North Dakota and Minnesota, as well as drug court people and experts on the impacts of meth on the individual and on the communities. So, perhaps the members might want to pursue that. We are certainly here prioritizing that initiative.

There is an expansion of Aboriginal justice initiatives in this budget as well, related to the policing investments and new resources to counter the threat of sexual predators and dangerous offenders. The challenge of auto theft, of course, remains one that is, I think, best described as a stubborn epidemic that must have new approaches brought to bear to reduce its incidents, particularly in the city of Winnipeg. Of course, the members know the auto theft suppression initiative that has been designed since late summer will be announced later this month. The members may have questions or comments on that challenge.

Those are some of the highlights from the budget. I think they represent most of the priorities that Manitobans have and deal with concerns and some innovations that, I think, had to be brought to the challenge of making the province safer. Thank you.

**Mr. Chairperson:** We thank the minister for those comments. Does the official opposition critic, the honourable Member for Steinbach, have any opening comments? The Member for Steinbach, you have the floor.

**Mr. Kelvin Goertzen (Steinbach):** Mr. Chair, I do appreciate this opportunity to be here to participate in the Justice Estimates this afternoon. It is my first opportunity as the critic for the Justice Department to do so.

The minister made a number of comments in his opening statement about recognizing that they were kept brief, which we appreciate. We know we are dealing with less hours than we have traditionally in a number of years past. It is good that we can get right down to business on a number of the questions that we have. I know that it would not be proper to leave some of the comments that were made, sort of, unresponded to that the minister put on the record.

\* (15:30)

We know that the policing initiative, as he put it, was brought forward in terms of new police officers for the city of Winnipeg, the city of Brandon and rural Manitoba, and was met with some conflicting reports in terms of the ability to actually put those boots on the street, if it were, Mr. Chairperson. We will get into that in terms of their deployment as well, which the minister commented in his opening statement.

I do think it is key from the policing perspective, however, and had the opportunity, over the short time that I have been Justice critic, recognizing it has not been a long time, to talk to a number of uniformed officers in the detachments across the province right from The Pas to southern Manitoba. The picture that the minister paints is not one that the officers are painting out in the communities and in Manitoba. I think they would say that they are undermanned in many ways and that they are juggling many priorities that they just simply cannot address.

I have heard the concerns quite often that they feel that the inability to address these issues sometimes leads to situations where people are not fully protected or are not getting the services they think that their police force should be providing them. That is, obviously, why it is a complex issue. It is certainly one that falls squarely on the shoulders of the Minister of Justice (Mr. Mackintosh) to address and not simply making announcements on complements that are not going to be filled and making announcements that are not really going to improve policing. It might get quick headlines and some initial good media in the short term, but the long-term effects certainly do play themselves out and people recognize it. They understand that something is not correct when they hear on one day that there are new resources and then sometime later nothing is really being improved on the policing side. Probably

nowhere is that more evident today in Manitoba than on the organized crime side of the ledger.

We hear, almost on a daily basis now, and the fear is that as we get closer to summer these occurrences are going to increase, that organized gang activities, not only are they increasing in scope and ramping up in terms of the nature of the crimes that are happening, but the competition between the organized gang units is intensifying. It is simply not an isolated case where they are acting out against each other, which is typically what we report on, but we know there are many side effects and we know that these organized gangs are participating in endeavours that harm all of us.

I understand, and I suspect that the Minister of Justice has been under significant pressure on the issue of organized crime and hears what all of us are hearing, he does not live in isolation as the Minister of Justice, he deals with his own constituents and he meets with Manitobans and I am sure that, in his travels and in those discussions that he has, he hears those concerns, that people simply do not believe that we cannot address this issue and are concerned that not only is it not improving but it seems to be worsening as the days go by and the number of gangs, organized gangs that have come into the province, continues to grow.

Those are certainly the concerns that I hear from Manitobans when I am speaking to them and I cannot imagine that the Minister of Justice does not hear those same concerns when he is doing his functions in his constituency or on behalf of the ministry. The minister mentioned that there was a stubborn epidemic of auto theft and the problems that we have in Manitoba, certainly I know, when talking with other jurisdictions, they are astounded by the number of auto thefts that we have in the province on a per capita basis.

I have had the opportunity just recently to meet with justice officials in Minnesota. When I told them how many auto thefts we had in the province they simply could not believe it. I had to give them the number again and they said, "How big is this city?" They just simply could not understand it. They said, "You know, it is strange because we have been able to do things to bring down the number of auto thefts." I said, "Well, maybe your experience with auto theft is different. Perhaps it is more on the

organized crime side and less on the youth, the joy riders side," and they said, "No, actually it was not."

The more we discussed it seemed that we had very similar challenges in terms of auto theft and they were astounded, might be too strong a word, but they were certainly perplexed and puzzled why it was that a city the size of Winnipeg, in particular, could not wrestle this problem down.

Certainly, I know in opposition the member or the Minister of Justice (Mr. Mackintosh), the Member for St. Johns at that time, in opposition, brought forward ideas. He certainly thought that the problem could be addressed. I do not remember. I think that the Member for Inkster (Mr. Lamoureux) was in the Legislature at that time. I am not sure if the words stubborn—*[interjection]* Maybe he was on a sabbatical, as the Minister of Justice says, but the Member for Inkster could remind me, perhaps. The words "stubborn epidemic" were used in discussion then about auto theft—

**An Honourable Member:** Then he was quite animated.

**Mr. Goertzen:** Okay, the minister was then quite animated about the fact that things could be done. Yet now, as Minister of Justice, after six years it does not seem like this problem has been able to be wrestled to the ground.

It is not there has been a lack of time. The Minister of Justice might be the longest-serving Minister of Justice in Manitoba. He can correct me if he is not, but certainly he is among the longest-serving ministers of Justice in Canada. The issue of not having time to deal with this problem would not be one I think that the minister could properly bring forward.

I know he does plead for more time on other issues, like The Stalking and Prevention Act which he brings forward. I suspect that he raised those in his statements today, because of some of the unfortunate events that we have heard about over the last 24 hours. Maybe that is somewhat symbolic, that when something happens in the area of Justice, a tragic event, that the minister is quick to jump and to discuss an issue, but the reality is that the amendments that he has brought forward and his government brought forward have now been sitting and laid waste for two years. If the issue was resources, I find

it difficult, with the growing expenditures in the province over the last two years in particular, that the minister simply could not find those resources to ensure that the law was put in place and to protect vulnerable people in our society who are often women in troubled relationships.

I know also that the Minister of Justice will be wanting to talk somewhat, I suppose, as we go along, about issues of youth criminal justice and some of the issues of conditional sentencing. We do, as well, recognizing that there is a dual jurisdiction in terms of where that legislation falls. We certainly think that there is a provincial role to play within that, and I expect that over the course of the next number of hours that we have here to discuss Justice Estimates that we will be able to discuss those as well, Mr. Chairperson.

Issues of legal aid, I do not recall if the minister raised legal aid in his opening comments. He did.

**An Honourable Member:** No, no.

**Mr. Goertzen:** No, I am sorry, he did not, but I know he will want to discuss those issues as we go forward. I look forward to engaging in that discussion as well.

I think it is critical, as we look at these issues overall, that certainly we focus on areas of deterrence and denunciation for a crime. Sometimes, Justice, I recognize it is a difficult portfolio at times. You are not always building highways and opening community centres and the like. It is often dealing with issues that do not have that same kind of visibility until there is a crime or until there is some kind of event that triggers fear with people.

I recognize that there are those difficulties, but I also do recognize that it is the minister who has had six years to be active on the portfolio, and it is a government that has been there for six years. The minister, I think, was also the opposition Justice critic for his party for many years during the 1990s, perhaps dating back to 1993 or 1994, somewhere in that range. During that time, I know that the member, as the opposition critic, brought forward numerous proposals and different points of plans, in terms of how to eradicate auto theft and how to get rid of gangs, a little different kind of gang problem obviously in the 1990s, more youth-oriented and less organized. But we have not seen the kinds of results

that one would expect for somebody who, I think, held the Justice file for probably close to 12 to 15 years at this point, Mr. Chairperson.

**An Honourable Member:** Eleven.

\* (15:40)

**Mr. Goertzen:** Eleven years.

Maybe the minister wants to plead that 11 years is not enough and 15 years might fulfil that role. But, seriously, it is clear that after 11 years of working on the file, the results should be in place. We know that there have been a number of announcements in Justice over the course of the last little while, a number of news releases and announcements and press conferences and media scrums and those sorts of things.

Of course, where there are real initiatives that are being brought forward by the Minister of Justice (Mr. Mackintosh), I know he is speaking of the drug court now, and I do think it is good that we, as a party, have been able to now lead some of the initiatives on there. Certainly, I had the opportunity to speak to some media where we thank the minister for following our suggestion. We are certainly not partisan when it comes to these kinds of issues. We like to work in a bipartisan spirit and where the minister follows our lead on issues, as he did on the drug treatment court, we say that is good. In fact, early in the morning, when I was doing the interview with one of the local radio stations, they asked if I would be happy if the minister would follow our lead, and I said absolutely, because this is not about a Conservative idea or a New Democratic idea, but, in fact, it is just a good idea. Good ideas are not partisan, so I am glad the minister followed our lead on that.

I know he quickly snapped to attention as well when we raised issues of prostitution. He made another announcement, and we are glad we could lead the way on that as well. It is almost like a partnership, although I think at some point the public will say we need to see leadership from the government. If it is going to be the opposition that is going to be driving the Justice agenda in Manitoba, then we might as well have a Conservative government.

Certainly, I have a number of other ideas for the Minister of Justice over the next few weeks and the



next few months, and I am sure he will be quick to react on those too. No doubt he is looking at the auto theft strategy that we put forward a month ago and sent it quickly into the department and said, "How could we implement all these good ideas that the Conservatives brought forward and yet still try to make it our own," I guess.

That is the minister's way, but that certainly is not the way that we respond to things as Conservatives, Mr. Chairperson. But we are just glad that some small things are getting done now on the Justice file now that we are putting forward proposals that the minister is accepting and we will certainly try to continue to lead the way in the days ahead. If he wants to try to take credit for that, that is certainly fine, but I know that Manitobans will see through some of that in the days ahead. We just simply want to be working and ensuring that the minister is putting forward good initiatives, not just news releases that are there to gain headlines and to gain quick photo ops, but those things that really make a difference to law and order in our province.

With those comments, Mr. Chairperson, I think we are ready to proceed with some of these substantial questions.

**Mr. Chairperson:** We thank the critic from the official opposition for the remarks.

Under Manitoba practice, debate on the minister's salary is traditionally the last item considered for the department in the Committee of Supply. Accordingly, we shall now defer consideration of line item 4.1(a) and proceed with consideration of the remaining items referenced in Resolution 4.1.

At this time, we invite the minister's staff to join us at the table. We ask that the minister introduce the staff in attendance. Will the staff please come forward?

Will the minister now introduce his staff?

**Mr. Mackintosh:** With us at the table is the Deputy Minister of Justice, Deputy Attorney General Bruce MacFarlane. Pat Sinnott is the Executive Director of Finance and Administration. Rob Finlayson is the Assistant Deputy Attorney General, Head of Prosecutions. Next to Robin is David Greening, the Acting Director of Policy, Development and Analysis. Next to David is Brad Janzen, the Acting Executive Director of Court Services. Next to Brad is

Mike Horn, the ADM of Criminal Justice Division. Next to Mike is Don Slough. Don is the Director of Special Prosecutions, then Bob Dojack is the Director of Adult Probation, Corrections Division.

**Mr. Chairperson:** Does the committee wish to proceed through the Estimates of this department in a chronological manner or have a global discussion?

**Mr. Goertzen:** Mr. Chairperson, certainly I think it is the tradition of the committee to look at the Estimates in a global manner. We will not have the number of hours of Estimates that we have had in the past, so it should not impede on staff's time unnecessarily. I suspect it would probably be most beneficial if we just simply proceed on a global basis.

**Mr. Chairperson:** Order. Any comments? Is it agreed that questions for this department will follow in a global manner with all line items to be passed once the questioning has been completed? *[Agreed]*

The floor is now open for questions.

**Mr. Goertzen:** Mr. Chairperson, I do want to welcome staff from the Department of Justice here as well. We know that you do a difficult job every day, and it is a job that probably does not get recognized enough by citizens of Manitoba. We know that you are quick to react to things that come to the media's attention in terms of crimes and different issues within the justice system, but we also know that there are many good things that happen. I am sure there is prevention within the system, the system is operating as it should, and there is confidence within the justice system. The staff should be commended for the work that you do, and I hope that as you go back to your subordinates you are responsible for that you also pass along our good wishes for the work that you are doing. I hope you will be encouraged in the work that you continue in the days ahead.

We do want to open with some questions in relation to organized crime in the province, but I am going to first ask the minister if he could, for the record, indicate who his executive assistant is in his office and his special assistant and how long they have been in their current positions.

**Mr. Mackintosh:** The special assistant is Janis Bermel. She is at the back of the room. She has been in place since we formed government in October '99.

The executive assistant is Patrick Sarginson. He has been working there for several months. I cannot recall the date. If the member would like that, I can obtain that. He was formerly an intern, went away for some education and returned and took that job. So he is the liaison with the community.

As well, then, on the MPI side, Pauline Riley is the executive assistant there. She has been there, I think, about a year. Before that she was executive assistant as the community liaison.

**Mr. Goertzen:** I thank the minister for that response, always happy to see interns do well in the province and go on to other positions. Can the minister indicate, prior to Mr. Sarginson becoming the executive assistant in his office, who filled that position and if they went into another position in government?

**Mr. Mackintosh:** Well, there were two. Very briefly, a person by the name of Neri Dimacali went on to other employment outside of government. Before that, it was Pauline Riley. She, now, is the executive assistant on the MPI side and deals with concerns from claimants usually or the general public and stick-handles those with MPI to ensure that the proper answers are provided to any questions or concerns.

**Mr. Goertzen:** Mr. Chairperson, some opening questions on the issue of organized crime. Can the minister indicate, or if his staff can provide him with the answer, in terms of the number of recognized gangs that we have in the province, the most recent statistics he might have?

**Mr. Mackintosh:** The Canadian intelligence services of Manitoba is the organization that would provide that information. The last report for 2004, I think, should not be relied on at this point. I think we could make inquiries of CISM and get answers for the member. If he is looking at the number, is he looking at any particular category, street gangs or OMGs or whatever? We can provide that kind of analysis if CISM has that available. Whether it is currently available, we will have to make some checks.

\* (15:50)

**Mr. Goertzen:** Are those reports that are produced annually and at a particular date in time every fiscal year or every calendar year?

**Mr. Mackintosh:** Well, we can try and obtain anything that is updated. I think that is the question. I mean, things change so quickly. I understand they can change week over week, so what we will try and do is obtain something that is current.

**Mr. Goertzen:** I wonder if the minister could indicate if he has any statistics on the number of active gang members in the province of Manitoba.

**Mr. Mackintosh:** I know the Winnipeg Police Service has attempted to document that kind of number. The most recent information I had was that there were in the range of 3000 active and inactive gang members in Winnipeg. I do not think that number has changed over the last couple of years.

**Mr. Goertzen:** I understand that the police of the Winnipeg Police Association consider an active gang member somebody who has come in contact with the police and can be identified as a gang member once in the last two years. Is that correct in terms of the terminology on active gang members?

**Mr. Mackintosh:** We can obtain the answer to the question. As I recall, there was a six-point criteria that has been used, but we will double check to ensure that the criteria has remained the same over the last number of years.

**Mr. Goertzen:** I thank the minister for that undertaking. He mentioned that there were 3000 active and inactive gang members in the province. Could he indicate, of the most recent numbers that he has, how many of them were active and how many of them were inactive status?

**Mr. Mackintosh:** The Winnipeg Police Service has not provided a breakdown over the last number of years with that number.

**Mr. Goertzen:** I wonder if the minister could indicate if that is not information that he would find in his work as minister helpful and useful. I guess I am somewhat surprised. I thought that perhaps he would have those numbers, if not necessarily at his disposal, but that I would hear that he is given updates on active gang members and inactive gang members in the province on a more regular basis. Maybe he could indicate when was the last time he had a briefing on the number of active and inactive gang members in the province of Manitoba.

**Mr. Mackintosh:** Well, one caution that has to be expressed here is that the situations can change and change rapidly, but we do rely, of course, on police for that kind of information because they are the ones that are tasked in Manitoba with the collection of that kind of data.

**Mr. Goertzen:** I certainly understand that the compilation of the information is something that falls into the purview of the Winnipeg police as I think it would in other jurisdictions. Am I led to believe that the Minister of Justice has not been given any updated numbers in terms of the number of gang members, active or inactive in the last two years?

**Mr. Mackintosh:** No, I have just received recently that estimate that I gave earlier.

**Mr. Goertzen:** Can the Minister of Justice indicate how often he receives updated information on the number of active and inactive gang members in the province?

**Mr. Mackintosh:** The Winnipeg Police Service has always been responsive to requests for information, and I have no complaint with the provision of information from them, but the number that I gave earlier is the number that I had received. I think it is a current number.

**Mr. Goertzen:** Current as of what date, Mr. Minister?

**Mr. Mackintosh:** To date.

**Mr. Goertzen:** So, just for clarification, the minister was given from Winnipeg Police Service the number of 3000 today in terms of current and inactive gang members in the province?

**Mr. Mackintosh:** I recall that it was approximately. There was not an exact number, and, as I said earlier, I think that that number has been holding for some period of time, I think a couple of years.

As well, from time to time briefings are held with the police in terms of the overall situation of the activity of organized crime in Manitoba, and I have benefited from those kinds of briefings. There was more recently one provided by the Winnipeg Police Association, as well, for members of the Winnipeg gang unit, but as well, there have been presentations

from RCMP and jointly with Winnipeg Police and RCMP.

**Mr. Goertzen:** Are those meetings or briefings initiated at the request of the minister or the department or are they initiated at the request of the police services?

**Mr. Mackintosh:** I am advised that the last one was at our request.

**Mr. Goertzen:** I am led to believe then that these are not regularly scheduled meetings. These are meetings that come up from time to time or as the minister of the department or the police services determine are necessary, or is it driven by events that might happen in the media or new information that the Winnipeg Police Service brings forward.

I guess I just do not want to leave an impression on the record that somehow there is kind of an ad hoc system in terms of how information is brought forward to the minister on what I think is a fairly significant issue to all Manitobans in that I would have expected that there would be some type of a regular and scheduled reporting system on information that is so critical to the well-being and the reputation of Manitobans.

**Mr. Mackintosh:** Also, I think it should be noted that there are meetings from time to time with the leadership in the law enforcement community, and information can be exchanged at that time as well. If there is any information that they think is important for my office to know about, they certainly know they have an open line to my office. From time to time they provide updates and advise of circumstances.

**Mr. Goertzen:** Well, I will have to surmise from some of the minister's comments that there is not a co-ordinated effort in terms of ensuring that there are regular meetings and that information is regularly provided to the Minister of Justice. Certainly, I do not think that that sort of laissez-faire approach was the approach that was taken in the 1990s. In fact, I am quite certain that there were regular briefings that were brought forward at that time in terms of the number of active and inactive gang members, that they were scheduled and co-ordinated, and that action and direction came from those meetings. Perhaps that goes a long way in terms of answering

the question in terms of why it is that we have an escalating gang problem in the province.

I wonder if the minister can indicate for the committee if the gang numbers that are provided in an ad hoc fashion as they are, if they also break down the number or the estimated number of gang members in individual gangs.

**Mr. Mackintosh:** Two points follow from the member's comments. The department has an assigned officer or personnel that meet with law enforcement regularly and, indeed, our understanding with the RCMP, it would be approximately weekly. Of course, there sometimes can be breaks in terms of holidays and absences, but that is the kind of schedule and kind of relationship that the department has forged with our provincial policing partners.

I am also advised that meetings with the police in my office are more frequent than during the 1990s, and I will certainly commit to continuing that kind of relationship. As well, I can advise that communications take place not only in person but by telephone from time to time depending on events as they arise.

In terms of the member's question, I will seek to obtain that answer from law enforcement.

\* (16:00)

**Mr. Goertzen:** I appreciate the minister's undertaking on that. I learn now that there are semiregular or regular meetings that take place here with staff representatives from the department, with Winnipeg police specifically, to discuss the issue of organized gangs in the province. Can the minister indicate, over the last budgetary year or calendar year, how many meetings would take place?

**Mr. Mackintosh:** I am advised that there are meetings, whether it is with Winnipeg police or RCMP, basically once a week. There are different layers of relationship. Prosecutions have regularized meetings with Winnipeg Police Service. In fact, I think there has been a real strengthening of the relationship between Manitoba Justice, Prosecutions in particular, and the Winnipeg Police Service to make sure there is problem solving on matters of mutual concern. As well, I think we have helped to usher in, with the leadership of the staff, a stronger relationship with our provincial policing partners at the RCMP.

We are always looking to improve those kinds of relations. As well, we are looking to formalize how we interact with the Winnipeg Police Service and the City of Winnipeg, generally, on a more regularized basis. We have had discussions with the political leadership at City Hall on that.

**Mr. Goertzen:** Can the minister indicate how often he personally has met with representatives of law enforcement or the individual task forces to specifically discuss the issue of organized crime?

**Mr. Mackintosh:** Well, as I say, we have had, in addition to the meeting with the police association—we get briefings sometimes not even directly with law enforcement but through Manitoba Justice on any issues. I was just thinking in terms of different ADMs and Greg Tunny [*phonetic*]. It would be difficult to quantify because it can happen on a myriad of issues.

**Mr. Goertzen:** Perhaps, the Minister of Justice can provide an estimate, over the course of a year, how often he might meet in a meeting with law enforcement to discuss the issue of organized crime in a substantive way, whether it is part of another agenda or a stand-alone item, but certainly where there is substantive discussion on the problems of organized crime, the number of gang members that are active and inactive or the number of new gangs that are either established in the province or looking in the province.

I do not think it should be difficult to quantify. I do not think I will hold the minister to account if we find out there was one more meeting or one less meeting in the course of the year. I just think that it is worth knowing how engaged the minister is in this particular file.

**Mr. Mackintosh:** Is the member seeking statistics on telephone discussions as well?

**Mr. Goertzen:** No, I think I would like to know just how many times the Minister of Justice has sat down and talked face to face in his office and other locations with the Winnipeg police and their detachments, wherever, but spent significant time as part of a stand-alone agenda or other agenda in the last year, talking with law enforcement about organized crime and the problem we have with organized crime in the province.

**Mr. Mackintosh:** I will try to quantify that for the member and let him know. I do not think that is going to be an easy task, but we can try and provide some kind of record of those kinds of communications.

**Mr. Goertzen:** We will wait for those responses, Mr. Chairperson. I think we could quickly quantify how many news releases have been sent out on issues like organized crime. Certainly, that is the priority, getting those missives out from the department or from the minister specifically, about things that are being done in organized crime. I am somewhat concerned that there do not seem to be any regular and specific meetings that the minister holds with law enforcement or others on this particular issue. When the question is asked why it is we have an escalating problem of gangs in the province, I would not go so far as to suggest it is because the minister is not having these kinds of regular discussions and processes that come up with new initiatives but perhaps it is one piece of the puzzle.

We know there have been some experts in the field, or so-called experts in the field, that have written about organized crime who recently have made comments that suggest that—well, it was not my comments, but it is by an author who writes about outlaw motorcycle gangs who says the province has become a soft touch for organized crime and specifically discussed the minister as well in this relation.

The government as a whole is not doing what it could in giving that direction to eliminate gangs in the province and prevent new ones from establishing. Certainly, I would expect that while there might not be regular meetings, and perhaps there are ad hoc briefings from time to time or as the occasion arises, or the need arises, as the minister feels, I imagine on the most high profile of issues. Whether it is with the coming in of the Bandidos recently, or the establishment in 2000 of the Hells Angels, I suspect the minister tracks closely those particular gangs because they seem to be the ones that are most often reported upon.

With that in mind, knowing that the minister is up to date on that file, could he indicate how many members of the Bandidos he believes there to be in the province and how many members of the Hells Angels, full-patch members of the Hells Angels, he believes there to be in the province?

**Mr. Mackintosh:** I think it is important for the member to recognize the different function of law enforcement versus the Department of Justice and the minister's office in terms of intelligence gathering. That is the responsibility of the police. It is a matter that is very sensitive in terms of when matters should be released and what matters should be released and what is for public consumption or not. In terms of the state of knowledge of outlaw motorcycle gangs in Manitoba, I will refer that answer and advise the member on what law enforcement advises should be the strategy around that. I do not want, in any way, to undermine any communications imperatives of law enforcement agencies.

**Mr. Goertzen:** Perhaps the minister could enlighten me to it, if there is a particular intelligence reason why the number of each, of the members of the gangs are not for public consumption. I suspect the speculation that goes on there, that is probably as significant as the actual fact. We know there have been media reports that have indicated there are new and growing gangs in the province, in particular the Bandidos, and that have speculated on their intentions and have speculated on the number of Hells Angels in the province.

Maybe the minister could just simply indicate, until he determines what he feels is appropriate in terms of releasing, whether or not his department has that information in terms of the number of Bandidos members and the number of Hells Angels members in the province of Manitoba.

\* (16:10)

*Mr. Andrew Swan, Acting Chairperson, in the Chair*

**Mr. Mackintosh:** The police do keep us regularly informed on developments in the area of organized crime. The answer to the question, I think, out of respect for the need to guard against any information going out that would inappropriately be put in the public domain, I will seek the advice of the department and law enforcement and respond to the member accordingly.

**Mr. Goertzen:** I appreciate that, Mr. Chairperson. I will want to hear back in a relatively short order from the minister about those statistics. I understand he then does have them in his, not immediate possession perhaps, but he does have access to that information.

I wonder if the minister could indicate for the committee how many officers, RCMP, city of Winnipeg, are specifically dedicated to fighting organized crime and gangs in the province of Manitoba.

**Mr. Mackintosh:** It should be known to the member, but it may not be, that is classified information. That has been the regular advice from police agencies and they will not give out that information. I would be negligent, indeed, undermining our own purposes, if I was to provide that information.

**Mr. Goertzen:** The dedicated gang unit that the Winnipeg police have in the city of Winnipeg, does he know how many officers are dedicated to that particular force?

**Mr. Mackintosh:** Well, the member should know there have been reorganizational efforts at the Winnipeg Police Service, quite significant changes that are ongoing and are continuing to undergo over the next several weeks. The member may wish to pursue that information from Winnipeg Police Service. They can make decisions on what information should be released to politicians. I think that would be the best way to proceed.

**Mr. Goertzen:** Can the minister indicate if he corresponds with the Winnipeg Police Service to determine how many police officers at any given time in the province were assigned to the task force in terms of working on organized crime?

**Mr. Mackintosh:** Yes.

**Mr. Goertzen:** Can he indicate whether or not that task force has been a full complement over the course of the last fiscal year or calendar year?

**Mr. Mackintosh:** I would hesitate giving an answer that may not be accurate as of today, but we can make inquiries to determine if the Winnipeg unit is at complement. Those priorities would be made of Winnipeg Police Service.

**Mr. Goertzen:** I look forward to hearing that response from the minister. Just for clarification, the key is that these positions actually be filled. I know from time to time there are temporary assignments out of particular units, and those are people then who are available to fulfil the task that they were assigned to. So, we would like to know if the individual is on

temporary assignment or who are on leave at any given time.

Could the minister indicate whether or not any of the, I understand that this will be discussed as well in the terms of the policing numbers, but whether or not he has given thought or was there discussion about the new officers that are coming to the city of Winnipeg, whether or not they will be specifically assigned to deal with gangs in the province?

**Mr. Mackintosh:** On two fronts, first of all, the Province will be supporting positions with the Integrated Organized Crime Task Force of Manitoba, which is comprised of members of Winnipeg Police Service and the RCMP, as well as links to Brandon and other municipal forces as required. I think perhaps that may be where the member is going. I think that was the most direct link between the budgetary decisions and the question of organized crime that the member raises.

There may be other resources devoted, perhaps not exclusively at all, but to fighting organized crime, whether by way of the High Risk Offender operations, or by front-line police officers.

**Mr. Goertzen:** The minister indicated earlier that there were 3000 gang members in the province of Manitoba, both active and inactive, and was going to look for updated information and the specifics of the number who are active and the number who are classified as inactive by the multi-criteria set out by the Winnipeg Police force. I know that he has numbers in terms of how many officers are assigned to organized crime within the Winnipeg Police force, and I have some indication of what those numbers are, as well.

Perhaps he could let the committee know whether or not he has done any analysis in other jurisdictions about the ratio of officers assigned to organized crime and the number of known gang members, active or inactive, and where we would stand with our provincial counterparts in terms of that ratio.

**Mr. Mackintosh:** If that kind of information is available, we would have to obtain that from law enforcement. I am not aware, as we speak, whether those kinds of statistics have been gathered by law enforcement across the country. It is not a number that I recall. We can make inquiries. I am advised

that there may be a chance that that kind of a figure is maintained, but we would have to look at that.

**Mr. Goertzen:** So I take it then, by the response, that the minister has never requested that type of information.

**Mr. Mackintosh:** The resources that are deployed by the police to particular operations are decisions made, of course, by the police services themselves.

The Provincial Police Service Agreement and, indeed, their recognition of municipal police forces which are governed by city councils or municipal councils, are the ones that make decisions on specific deployment of officers within their overall complements.

**Mr. Kevin Lamoureux (Inkster):** I just have a couple of more follow-up questions so that we are not leaving the topic before you leave the gang issue.

When you talk about inactive versus active members of the gangs, part of the problem is when you create definitions and set criteria for this, quite often it changes and then some might fall outside, some might enter into. So, with that caveat, the question that I would ask is, I want to get a better understanding, in terms of from the department's perspective, is, in fact, gang activity on the increase, or I should not say gang activity, is the number of individuals involved in gangs, in fact, on the increase? If we have 3000 today, if you were to reflect on three years ago, what would the number have been, using the same sort of criteria that you would have to come up with this 3000?

\*(16:20)

**Mr. Mackintosh:** Well, it is my recollection, and I can double check on that one, but three years ago I recall that there were an estimated 3800 or 3900 active and inactive gang members in Winnipeg. So if the numbers are estimated at approximately 3000 today, that would be a decrease of about 25 percent.

**Mr. Lamoureux:** That would be by using the same criteria. When you say it was 3800, Mr. Minister, three years ago, and it has gone down from 3900, now it has gone down to 3000, what you are in essence saying is there are fewer gang members today. I do not think the public would buy that. I would ask him just to be sure in terms of what it is

that he is saying, that we have had a 25% decrease in gang members in Manitoba.

**Mr. Mackintosh:** We will check on those criteria, as I committed to the critic, but those are the numbers I have been advised at, at least in the ball park area.

**Mr. Lamoureux:** I would have expected that the minister would virtually have, at the very least in the back of his mind, a fairly good sense, so it would be interesting just to see what sorts of numbers that we get. I guess if we just make an inquiry into the police department, we will also get some sorts of numbers that would substantiate what the Minister of Justice is in fact saying. When you look at the numbers, what percentage—and I can appreciate if it would be guesstimates—would you guesstimate would be incarcerated today out of that 3000?

**Mr. Mackintosh:** We can get that kind of number. We can make inquiries, but again, that fluctuates. Every day it is different, but if you ask it today, we can try and find a figure that is current. So I am advised that we will attempt to get a snapshot of the incidents as of today for the member.

**Mr. Lamoureux:** I can appreciate that the minister does not necessarily want to get on the record in terms of specific numbers or even possible guesstimates. I would ask the minister does he have in his own mind that maybe he is not prepared to share with us some sense of what those numbers would be.

**Mr. Mackintosh:** One document appears to indicate that, and again you have to watch dates because of fluctuations, on March 18, 32 percent of the Remand Centre population were gang members, so that maybe is helpful for the member.

**Mr. Lamoureux:** Just give me a moment here. There are a few gangs, in particular in Winnipeg that cause a great deal of attention being drawn to them. Hells Angels is one of those, and again it is just more a question of getting some comfort that the ministry or within the department, they have the sense of what sort of numbers there actually are. For confidentiality reasons, I am not sure, you might not want to share those numbers, but is it something that you can tell us in committee in terms of just the overall size of some of these gangs. I am thinking in particular the Hells Angels and Indian Posse. Are these gangs that are growing today?

The second part, because this will be the last question I will ask the minister, is in regard to gangs. What does he project, if we are looking at 3000 active, inactive, what would he believe a realistic number two years from now would be?

**Mr. Mackintosh:** Well, I will not speculate, but in terms of Hells Angels, I know the criminal intelligence services advise the Hells Angels' criminal influence is increasing in B.C. and Ontario and is declining in Alberta, Manitoba, Québec and Atlantic Canada. In terms of numbers, as I say, it fluctuates so much I hesitate to put a number on the record where there may have been fluctuations even in the last week because it is very fluid.

In fact I was in discussions about two months ago with someone on this very topic, and as we were speaking, there was a new chapter established in a town in Ontario. In fact if one put numbers on the record with regard to the province of Alberta, we have seen a very significant change there in terms of patching over. I think that I want to just—with ballpark figures and that is all I will do but it is generally the understanding that when it comes to the Hells Angels, there are over 500 to 600 people who are active with that motorcycle gang across the country.

In terms of full patch and member prospect hang around, whatever you call them, those kinds of categories, there are four categories recognized in that gang. So, if we have 500 to 600 of them across Canada, of those categories in Manitoba there have, and again in terms of what is at play today, will pursue information on that one, but there has always been a general public discourse from police in the range of somewhere, anywhere, depending on circumstances, between 9 or 10 and 15, something in that range. I think if you look at the context you can see where Manitoba places on that.

Now, having said that, I think it is important to recall that organized crime such as the Hells Angels have relations with other groups and it is important to keep that in mind in terms of the breadth of the influence of organized crime. It should never be underestimated. There is a very serious problem across the modern world and beyond with organized crime. If we want to talk about the Hells Angels, it certainly is a very serious concern not only to law enforcement. Canada has its share of challenges in that regard.

When you look at what has happened in Québec, the gang-related violence there has been profoundly disturbing, and indeed, as I have seen in discussions with experts from that province, we saw innocent people, a little boy included, killed as a result of those challenges. We also see in the province of Ontario and in British Columbia some very significant activity by that gang, but I think it is important to keep in mind the context and at the same time be vigilant.

\* (16:30)

**Mr. Goertzen:** Mr. Acting Chairperson, I know that the minister has undertaken to bring forward a lot of information. I am somewhat surprised. I suppose that he does not have more of this information ready or available to him. I cannot imagine that he has just become actively engaged in this file today or this morning, but he has indicated that he has spoken to many other jurisdictions and officials in those jurisdictions regarding their organized crime problems. Certainly, we do not have to look all the way to Montréal to see difficulties. We could probably just go a few blocks from here and see some of the difficulties that are occurring right here in Manitoba.

But, seeing that the minister has undertaken these discussions with the justice officials from across Canada, I am wondering if he could indicate, I suppose using the figure that he put forward, 3000 active and inactive gang members on a per capita basis, compared to active gang members or inactive gang members in the province, how we rank with our provincial colleagues.

**Mr. Mackintosh:** We can make inquiries of whether that data is collected, indeed, across Canada, but I think that there may be challenges in terms of whether the measurement or whether the criteria used is similar across the country. I know that there has developed some symmetry between the criteria with law enforcement officials, but that may not be the case right across the country.

**Mr. Goertzen:** Is there any information available from last year or from any previous year? Has the minister ever attempted to find out this particular bit of information?

**Mr. Mackintosh:** Well, as I say, the intelligence on gang activity is shared with the department on a regular basis. That information comes to my



attention, so we will provide whatever information the member is seeking.

**Mr. Goertzen:** The minister indicates that he can provide information. Has there ever been such a report that has come to his attention out of his department in terms of where we rank with our provincial counterparts in terms of the number of active or inactive gang members in relation on a per capita basis?

**Mr. Mackintosh:** We will look to see if that information is available. The numbers have not been provided to me, I do not think, lately, at least on the basis of per capita. There may be some value as well for us to provide some briefing for the member. Actually, that might be an expeditious way to have the member's inquiries dealt with, but we can have some discussions with law enforcement on that and then the member may have some other questions that flow from his questions.

**Mr. Goertzen:** I imagine that in the six years that the member has been the Minister of Justice, he must have tried in some way to quantify the difficulty, that we have gangs, in relation to other provinces.

*Mr. Chairperson in the Chair*

Certainly, I know that the minister has measured against other provinces, other justice initiatives, perhaps when they are more favourable than this particular statistic might turn out to be. But is there any way that the minister can quantify with data or, I would hate to think that the minister is going on intuition, what our organized crime problem is in the province of Manitoba as compared to other provinces in Canada?

**Mr. Mackintosh:** Well, for some time now, of course, I have been interested in and pursued information and statistics on the incidence of organized crime, including in Manitoba, but also in other jurisdictions. Some of that information we have just talked about now, in terms of the history of the development of chapters, for example the Hells Angels and the number of members, and so on, I have data like that. I think it would be a good idea to share that with the member if he is interested, but we will try and get something that is updated for the member and make sure it is as current as possible. As well, though, I will defer to the advice of law

enforcement in terms of what should be distributed publicly.

**Mr. Goertzen:** I thank the minister for those further undertakings. I will be spending a lot of time in briefings and getting responses back and certainly, I look forward to that.

My record on getting responses back has not always been favourable. I am still waiting for Estimates' responses from two years ago from the Minister of Water Stewardship (Mr. Ashton), but I know that the Minister of Justice will put the record of the Minister of Water Stewardship to shame. These responses will come quite quick and probably somewhere in the building, staff for the Minister of Water Stewardship are scurrying, I am sure, to find the answers from two years ago. The minister heard—  
[interjection]

The Minister of Conservation (Mr. Struthers) will be happy to know that Mr. Driedger is alive and well and doing well in Grunthal, and I am sure that he, too, is putting together information for the current Minister of Conservation and I will pass along my greetings for the Minister of Conservation.

I do think, though, that after six years in the office of Minister of Justice, I guess I find it, maybe shocking is not the word, but disappointing that some of the information we are looking for, I do not think is surprising information or the information that the minister over the course of the last six years would not have found useful in his own analysis, is not more available or readily available for the minister to digest.

I suspect I certainly do not think it is a staffing issue. I know you have very capable staff working for you in the department. Perhaps it is more an issue of direction that comes from the office, but after six years in the office of Minister of Justice, I wonder if, since we cannot seem to get any kind of data at this point in terms of the problem we have in Manitoba with organized crime in relation to other provinces, the minister would care to, from his own perspective, indicate if he thinks that we generally have a worse organized crime problem than other provinces, or if we are on the better side of the scope.

**Mr. Mackintosh:** I rely on the advice and opinions of law enforcement and the representatives in the department who have that information. We have just

talked about some of the numbers, for example, with the Hells Angels. Again, it is very important that if the member wants numbers, I am not going to be held to account for numbers that have changed today, or numbers that should not be released publicly.

The Prosecutions Branch, for example, tracks these matters as they come into the justice system, which is our bailiwick. Of course, we have a specialized prosecution unit. I understand it was just recently the subject of discussion in the media that, unlike in many provinces, we have a special group of prosecutors who are assigned to dealing with gangs, and are always, of course, looking to enhance that specialized and targeted prosecution service.

If the member wants information, as well, on the distribution of organized crime across Canada, I think the Criminal Intelligence Services would be useful for the member to get information from and will pursue that.

\* (16:40)

**Mr. Goertzen:** I thank the minister. Certainly, some of that information would be helpful. I think we agreed that there are issues regarding confidentiality on the number of full-patched or prospect members for gangs such as the Hells Angels or the emerging Bandidos, that we could deal with that in another manner, another form, but I do not think the information I was requesting in terms of the problem that we have in relation to other provinces was a difficult one to address. I understand why the minister might not want to address it. I think the answer is probably clear in his avoidance of it, and we do have a more significant problem than other jurisdictions do. I suppose that is perhaps the direction that Mr. Lavigne, the gang expert, was going in when he suggested that we have a difficulty in the province and part of that difficulty is related to the work of the Minister of Justice.

Certainly, after six long years, I suppose I would have thought that much of this information would have been quick to roll off the mind of the minister. I know he has a number of other things on his mind, but this must be paramount among them with the issues that go on in the media and that he must hear from his own individual constituents. Perhaps we are getting to some of the root of the difficulty we have

with organized crime in the province. It is a lack of information we have in relation to them.

Along that vein, I wonder if the minister can indicate whether or not his department, policy or otherwise, or research, has done any type of research to determine what the dollar figure of the drug trade is in our province that might relate to organized crime.

**Mr. Mackintosh:** The state of police intelligence on that, I know, would be an estimate more than anything, but we can ask law enforcement if they are prepared to share any of that information with the member.

**Mr. Goertzen:** Has the minister himself been briefed on those facts any time in the recent history?

**Mr. Mackintosh:** That information is at best an estimate. If the member wants that information, we will defer to the police as to whether it should be released or not, but as well, there has from time to time, been a public release of some information. I know there have been some Canada-wide estimates released from time to time. I think the department has consistently advised me that information is not information that should be relied on to any great extent, just because the real extent of that will not be a certainty.

**Mr. Goertzen:** We have asked a number of questions regarding gang members in relation to other provinces on a per-capita basis. There have been other measures that have been asked for by other members in terms of incarceration. I have asked questions now about the drug trade. The minister has indicated essentially on all these items that he will seek to find out the information. He does not have it at hand, and maybe he has never asked for it. Maybe he has never seen it. Maybe he does not want to see it. Maybe it is unreliable.

How, then, does the minister in his role as Minister of Justice, and I suspect that it has some authority in it other than simply asking for stuff from the Winnipeg police or lobbying the federal government, how, then, does the minister quantify what our gang problem is in relation to the other jurisdictions? When he is trying to determine for himself how we are fairing with other provinces, what method does he use?

**Mr. Mackintosh:** I think the member misunderstands the role of the police vis-a-vis the Justice Department. The police in Manitoba make deployment decisions based on assessment of their needs, based on intelligence gathering, based on the professionally gathered intelligence and the state of knowledge of the officers of the particular police force. That kind of information is what the police are all about. That is why they are there, to gather that information and then make deployment decisions based on strategic intelligence. We respect that.

So I think it is important that the member understand the different responsibilities of Manitoba Justice versus law enforcement agencies, in particular. When we provide funding under the provincial policing agreement for the RCMP, then it falls to the RCMP to make decisions as to what the needs are that should be addressed by the officers that are funded.

The member should know that, of course, Manitoba Justice does not make those deployment decisions. Manitoba Justice does not control investigations under the law of Canada. That is a responsibility of the police. If the member thinks otherwise, we will certainly share his views with the police forces and see if they concur. But the questions are based on a false premise, and what we have to be responsive to is any concerns expressed by police to Manitoba Justice where Manitoba Justice can assist them in their law enforcement activities.

**Mr. Goertzen:** I would certainly encourage the Minister of Justice to share my question and your answer with law enforcement. I might take it upon myself to do it, but I do not believe, in fact I am quite certain I did not ask questions about the deployment of law enforcement. We have passed by those questions.

My question was specifically in terms of I imagined the Minister of Justice must, in some fashion, when he is trying to determine whether or not the problem with gangs in Manitoba is escalating, whether or not it is decreasing or whether or not it is stagnant and not moving one way or the other, must have some type of measurement in terms of how he judges it. I do not imagine that he puts his finger in the wind out of his office and sees which way the wind is blowing, or checks to see if there was a shooting in the paper today and not a shooting in the paper the other day, or goes home and asks his

neighbours whether or not they think that the problem is worse or better.

We have asked a number of different questions in terms of statistics, data that I would assume would be helpful, if not all of it then certainly some of it, to give an indication of how the problem with gangs is doing in the province of Manitoba. I am just wondering, since the Minister of Justice did not have any of that information on hand, how he, individually, as the minister responsible, as the person who has been appointed by his Premier to deal with this problem in the province of Manitoba, how he judges whether or not we are improving our situation in relation to organized crime or whether or not it is getting worse.

**Mr. Mackintosh:** The member, of course, is just being argumentative. It is important that if figures are provided on the record that they be accurate. So I am taking that caution, as well as abiding by the caution that I not going to undermine police-intelligence gathering. The member knows that full well.

In terms of what the volume of organized crime activity is as it affects the Department of Justice, that is information that is within our bailiwick. For example, the Prosecutions branch and the Corrections branch have information about the presence of gang activity. Indeed, as we talked about earlier, the establishment of the analysis unit for Corrections criminal organization intelligence is a recognition of the fact that we can improve the way we dissect the information obtained in Corrections as to the presence and activity of gangs as they are operating or as they are represented by incarcerated members. In terms of prosecutions, the Gang Prosecution Unit has provided figures in terms of the custody dispositions. For example, they have been analysing and will continue to analyse and update numbers there.

\*(16:50)

So I think it is important that the member appreciate that the information that law enforcement is empowered and is their responsibility to obtain is information that, indeed, is theirs. We have, as well, information that comes to us, but, because of the ongoing relationship with law enforcement and the regular meetings, we are kept apprised of developments in the area of organized crime and it is

important that we do that and continue to do that. I think with the developments in Manitoba there is a better sharing of that information across the different divisions. I think historically and, indeed, when we came to office, everyone was doing their own thing and there was not the organized strategy, the organized activity that was required to counter organized crime.

One of the first things we did in coming into office was to establish the criminal organization high risk offender unit in Justice and then went to work on putting together the legislative tools that we wanted to allow police to add to their arsenal and then start working with the police to ensure the Integrated Organized Crime Task Force, but now with the development in Corrections of some good information about gangs it was time to take it to a new level and provide a better analytical capacity and a more effective and robust sharing of that information.

**Mr. Goertzen:** I guess I find it ironic that there seems to have been in the minister's mind so much advancement in terms of analytical research and yet there seems to be so little available, and so probably part of the difficulty we have in determining how to solve the problem is we probably do not have a very good indication how to measure it. I wonder if the minister could indicate there are some initiatives that he has brought forward that he suggested would be helpful in the fight of organized crime. I cite The Fortified Buildings Act. I wonder if the minister could indicate how many uses or charges have come under the Fortified Buildings Act since it was proclaimed into law.

**Mr. Mackintosh:** Staff does not want to guess on that and neither do I. I know there have been some actions under that legislation and we can provide that to the member on a timely basis.

**Mr. Goertzen:** Could the minister indicate how many actions have been taken under The Criminal Property and Forfeiture Act?

**Mr. Mackintosh:** That rests with the police to trigger. None have been brought to my attention as of this date, but if there are any actions that are ongoing, I will advise the member.

**Mr. Goertzen:** Did the minister, when he brought forward these particular pieces of legislation, both

The Fortified Buildings Act and The Criminal Property Forfeiture Act, have any expectations in terms of what usage they might have and what benefit they would have in terms of reducing organized crime, and particularly the usage numbers that he would have expected?

**Mr. Mackintosh:** The Civil Remedies laws and the Forfeiture laws, of course, are available for police to use with their strategic knowledge and those are tools available. They can complement the criminal approaches, but I cannot second guess nor make expectations, in terms of what use they may make of them in the coming years, but they are available, and they are available in Manitoba. We have seen them go to work in some jurisdictions beyond Manitoba, so it is our hope and expectation that they will be useful in certain circumstances for the police.

In terms of The Safer Communities and Neighbourhoods Act, I think we are in the neighbourhood of 92, I am advised, investigations that have led to closures of drug dens or prostitution houses and the other kinds of activities that are listed under the act.

It is my advice that as of February 8, at least, there have been 11 inspections under The Fortified Buildings Act, and three were conducted under a warrant, and those three resulted in orders. One inspection revealed no fortifications; seven inspections resulted in two informal resolutions; four resulted in removal of fortifications and one resulted in the director not finding grounds to issue an order. If there are further numbers subsequent to that, we will advise the member.

**Mr. Goertzen:** With the limited use of The Fortified Buildings Act, I do appreciate there has been more use under The Safer Communities Act, and I appreciate your predecessor who brought forward the genesis of that act and the foundation of it. I know that your government carried through with it with some minor amendments to the act, but certainly it was rooted in good foundation, and I am sure your predecessor will be happy to hear that it has been a success to date. Hopefully, we will be able to see the same success with The Criminal Property Forfeiture Act and The Fortified Buildings Act, but it is certainly well behind the model of The Safer Communities Act.

I wonder if the minister could indicate, during the 1990s there was a secure courthouse built for a

multi-accused trial that involved the Manitoba Warriors, and I think it was probably helpful in disbanding of that organization, but what happened to the courthouse? Is it still in department property or government property?

**Mr. Mackintosh:** The member's observation of The Safer Communities Act, I think, has to be corrected because the former legislation was a terrible law. It was victimizing. It would require, actually, the neighbourhood victims' neighbours to go and post notices on gang houses and the like, and was a terrible labyrinth. In fact, I recall the department constructed a visual diagram of all the processes, and I have never seen anything like it. It kind of reminded me of the post 9-11 response in the United States and the whole bureaucracy that unfolded there, which I hope has been corrected. Here, we went to work, as we committed before the election, to repeal that legislation, and it was repealed in whole.

I think the new model is a good one now. It has been adopted by Saskatchewan, and I know there are a couple of other provinces that have expressed some interest at either the political or the staff level in that model. We are continuing to look to see if there are any recommendations from the public or from the people who administer that as to how it can be improved, and we will look to do that, but it certainly has been a very positive impact on particular neighbourhoods. It is one of those actions we have taken that has resulted in regular commendations of the government and the department in particular and the people who are administering that. There are highly skilled investigators that have been assigned to that legislation.

The questions related to the Chevrier property should be directed to the Minister of Transportation and Government Services. It is under the jurisdiction of Minister Lemieux.

**Mr. Goertzen:** Perhaps the minister could just indicate if he is aware of whether or not the property was sold because I know there was discussion about it being sold at one point, or whether or not it is being used by government for a different use from what it was originally intended.

**Mr. Mackintosh:** I think those questions are properly for the Minister of Transportation and Government Services.

**Mr. Goertzen:** It was designed to be a courthouse of sorts so that is why I ask the question whether the minister has ever inquired into its availability for that type of service.

\* (17:00)

**Mr. Mackintosh:** Well, some time ago I know this was a subject of some currency. The member should know, if he has not been advised, that that was never designed as a permanent facility. In fact, it was only at best a temporary and short-term facility. As well, it was designed for a very large number of accused, I think in the neighbourhood of around 40. Subsequently, the case law has developed to conclude that that kind of number of accused was inappropriate to be the subject of a large-scale trial or so-called megatrial.

As I recall, there has developed across Canada, but I think in Manitoba, at least some court guidance that there should be no more than eight or nine accused in any one trial. I think, though, that even the current thinking is that efforts have to be made to reduce that number significantly. Indeed, recent experiences in Manitoba show the challenges of megatrials. So work is underway nationally, in no small way because of the work of Mr. Finlayson and others in our Prosecutions service, who have learned lessons about the prosecution of megatrials and how to manage those kinds of trials. The facility itself, then, was just not relevant anymore to trials in this province or indeed, I think, in Canada.

**Mr. Goertzen:** I gather the answer to that question then was no, although I do appreciate the accolades that were given to Mr. Finlayson. I think they are probably well earned, and if it took a while to get to that, then that was probably worth the wait.

I do want to ask some questions regarding policing numbers in the province, and they relate somewhat to the announcement that came forward from the minister in the budget. Could he indicate, prior to the announcement, what the complement was for the City of Winnipeg police force?

**Mr. Mackintosh:** Yes, I have been given that number, but I want to just double check with Winnipeg Police Service in terms of the complement before and after.

**Mr. Goertzen:** I will await that response. Could the minister indicate what the vacancy rate may have been in the Winnipeg police force, either through leave of one form or another or just simply through unfilled positions?

**Mr. Mackintosh:** That is a matter, of course, for the City. I do recall the member had raised allegations in the House about expected vacancy rate, which had produced some serious concern and consternation from Winnipeg Police Service about that number, because it was, as I recall, a number of around 70 or something. We actually had a call from a very senior official from Winnipeg Police Service concerned about the member putting information on the record like that. I think it is important that we get the updated information. We will provide that to the member.

**Mr. Goertzen:** Just so that there is no misunderstanding, as sometimes happens in the course of questioning, what I have been asking for is what the complement was, which was an undertaking to receive, and then how many of those positions were unfilled. I understand that the minister will get that information. I appreciate that.

I think what the minister is referring to was a question regarding the number of retirements that would be forthcoming out of the City of Winnipeg police force before the summer, not the number of positions that were unfilled.

Certainly, I did indicate in the House in Question Period that I believed, and I had that substantiated in the last week, that there would be up to 60 retirements from the City of Winnipeg police force by summer. That number, from the information I received from individuals who should know, remains current.

So, the minister might want to just be cautious in terms of what information he is putting forward on the record and what information I, in fact, am asking for. But, having said that, I do also wonder if the minister could indicate what the current RCMP complement is in the province outside of Winnipeg and perhaps, I will have to get this information as well, and what positions are either left unfilled or are not filled because of temporary vacancies.

**Mr. Mackintosh:** With regard to the member's numbers though, the retirements that he was alluding

to in the House, I understand, was a number that was referred to the Winnipeg Police Service. They got back and said that the number was wrong, so I want the member to be aware of that concern raised by them.

The numbers for Winnipeg police that I have been advised of say that the complement will increase from 1206 to 1229. In terms of the RCMP, as the member likely knows, the RCMP services are divided into a number of different divisions. There is a federal complement in Manitoba. There is a complement under the Provincial Police Service Agreement, and as well, there is a complement under the First Nations policing initiative.

My understanding is that the PPSA currently has 650 positions; 626 existing less 4 for OCN which will go to FNCPS, plus 5 under the budget, plus 23 in new officer positions for a total of 650. Then FNCPS, I am advised, has 12.5 existing, plus 7 new, for a total of 19.5. As well, there is the Aboriginal Community Constable Program, in addition to what I have just described, and that is a total of 28 currently, I am advised.

\* (17:10)

**Mr. Goertzen:** I appreciate the minister providing those statistics. Does his office also keep current on the number of those, or the number of just the complement, the funded positions, and how many of those positions are actually filled on a regular basis?

**Mr. Mackintosh:** I know from time to time we have requested that information of the RCMP and of course it varies each and every day. We can undertake to get a current number from the RCMP. I do not think that any number I have is current for several weeks.

**Mr. Goertzen:** I thank the minister for that response. Could he indicate what, and I will wait for the endeavour to get the number that are actually filled at the current time, both on the City of Winnipeg and on the RCMP complement, could he indicate what he believes would be an acceptable level of vacancy in a police force at any given time?

**Mr. Mackintosh:** Well, if one is looking for a comparable, I suppose, one could use vacancy rates in the private sector or the public sector. I do not know if that is what the member is looking for.

**Mr. Goertzen:** No, I understand that law enforcement might be different than a departmental figure. I am just simply asking the minister if he has, if there is something that he would consider to be, an acceptable level of vacancy in a complemented force at any given time.

**Mr. Mackintosh:** Well, for example, the Justice Department has been operating at, I think, approximately an 8% vacancy rate, if that is useful for the member.

**Mr. Goertzen:** Well, and if that is the target that the minister was set with the police then we will just simply take that.

I wonder if the minister could indicate, in terms of the highway detachment at Selkirk, if he is aware if that has been reopened.

**Mr. Mackintosh:** When the member is asking about vacancy rates, there is no target that we have directed the police to obtain. Vacancy rates will vary from time to time and vary according to the different organizations. Whether the vacancy rate in the Department of Justice is a good comparable is questionable. I just ask the member what he is looking for in terms of vacancy rates because they can vary significantly and vary according to even such issues as how many graduates are coming from Regina, for example, to the RCMP, how many sick leaves there are, maternity leaves, more recently even paternity leaves, but we do get vacancy numbers from the RCMP from time to time and we can provide that to the member.

Obviously, we want to pursue a resourcing of RCMP that ensures a robust staffing to complement, and we have increased funding accordingly for the RCMP every year that we have been in office. In fact, the funding increase to policing overall in this budget is the largest ever that we could find in recent Manitoba history.

**Mr. Goertzen:** Maybe I will rephrase the question. I think I had asked what the status of the Selkirk highway detachment was, whether it is reopened. In fact I do not think I could rephrase it to make it any simpler. Could the minister indicate what the status is of the Selkirk highway detachment, whether it is reopened?

**Mr. Mackintosh:** Mr. Horn advises that it is his information that members are going back into there after some redeployment. It was a temporary deployment I think in the winter. I think Steinbach as well had some redeployment. My understanding is that there are members back there, I think as many as six or so. That was the information I had several weeks ago from the RCMP. So my understanding is there is staffing back there. I know at the time that there was a redeployment, there was an expectation of re-staffing those units by spring or early summer, and it sounds like they are on track.

**Mr. Goertzen:** Maybe, with the help of staff, the minister could define what "on track" means, when the Selkirk highway detachment will be reopened and what staffing levels it will have when it is reopened, and what staffing levels it had prior to its closure when it was at full complement.

**Mr. Mackintosh:** We will relay that request to the RCMP and get an answer for the member.

**Mr. Goertzen:** I suspect that the minister must have some information because he was able to find out that it was on track, but perhaps he simply just does not want to disclose it here. We will try another detachment, the Headingley highway detachment. Could the minister indicate whether or not that has been reopened?

**Mr. Mackintosh:** It is my understanding that the Headingley detachment has been ongoing with staffing, but if there is something different we will make inquiries of the RCMP and let the member know.

**Mr. Goertzen:** Could the minister also undertake to determine what the current employment is of the Headingley highway detachment in terms of the officers that are in the detachment and what its full complement would normally be?

**Mr. Mackintosh:** I am not clear whether the member was in the previous question asking about the traffic unit or the Headingley area detachment.

**An Honourable Member:** The traffic unit.

**Mr. Mackintosh:** The member says the traffic unit. We will find out. We will relay those questions to the RCMP.

**Mr. Goertzen:** Is the minister aware of or has he been briefed on any reports that would indicate that highway patrol in the province might be reduced to as few as 35 officers in the province in the coming while?

**Mr. Mackintosh:** The RCMP has not provided me with that projection.

**Mr. Goertzen:** Does the minister—is he aware if there are any projections of reducing the number of highway patrol to 35 in the province, from within his staff members, if any of that has been provided to his staff within his department?

**Mr. Mackintosh:** I am advised not.

**Mr. Goertzen:** Can the minister indicate if he or individuals in his department have statistics on the number of drug seizures that might be on either the eastern border of the Trans Canada or the western border over the past number of years, whether or not there has been a decline in the number of seizures over the past year from previous years?

**Mr. Mackintosh:** As the member should know, although I do not think he does, drug enforcement, drug prosecution, is federal. I know last week—was it last week? Yes, last week he was calling for the province to establish a drug treatment court. That is within the jurisdiction of the federal government in Canada, and indeed the two courts that he mentioned, the pilots in Toronto and Vancouver, are of course entirely federal courts. Only the federal government deals with the drug prosecutions in this country and the drug enforcement as well unless of course there is municipal work done under the municipal councils. Of course, the laws as well are federal in nature. So I think there might be that misunderstanding.

\* (17:20)

The drug court, for example, is a concept that is being promoted by 21 agencies in Manitoba. The provincial government is one of the 21 organizations that are part of the application, and, of course, the member knows this. He will not find this surprising, of course, but he knows that talking about this drug court in the way that he has, has been quite offensive to those who have worked very, very hard in these 21 organizations over the last year and a half in earnest,

and, indeed, over the last three years in putting together the proposal which was submitted in January.

I think it is unfortunate that the member would denigrate the good work of the organizations. The Addictions Foundation of Manitoba, in particular, that is a key sponsoring agency. I can take that myself, but I will stand to defend those in the community, those who have researched this and put together an excellent proposal for the federal government to consider as one of eight contenders for three more drug courts and drug treatment courts in Canada.

Perhaps the member would, if he wants, put on the record an apology to those agencies. I will pass that on because right now he is trying to take credit for something where the credit is actually owing to agencies like Klinik. Well, I can list all 21, but the member might want to assist his reputation by correcting the record and making sure he is not sending a message to those who are working hard for public safety that their work is not appreciated, because, quite frankly, in my view, it is appreciated.

The member should not try such trickery; he was caught. He will continue to get caught if he tries to take credit for things he just recently came up with. So he will have to defend that himself, but it is a federal matter.

**Mr. Goertzen:** Well, I think the minister protests a little too much. Certainly, what we as a party and me as an individual called for was the establishment of a drug court in the province of Manitoba. We are glad to see that call was supported shortly thereafter and that there was a recognition of that support.

I guess I am somewhat, well, I am not personally offended by the accusations by the minister, but I am disappointed, I think, because when an idea comes forward, I do not think it should be turned into a partisan, back and forth issue. We have been very, very supportive of groups like law enforcement. We, too, have regular meetings with law enforcement and groups like the Addictions Foundation.

I suspect if the minister is upset about anything, it is an announcement that perhaps he wanted to make at some point has lost some of its fizzle. Perhaps, he was a little concerned that opposition was able to bring forward an idea that he had not put



forward sooner. Certainly, from my perspective, it does not matter where the idea comes from, whether it is the opposition or the government or groups that are working on it. I think we could, collectively, in a bipartisan way, say that this is a good initiative and move forward on that basis.

If the minister, of course, wants to take a low road on these kinds of issues, that off-ramp to the low road, I guess that is always available to him. Certainly, we will stand by those organizations who have put forward the application to the federal government for matching funding in the drug treatment court and look forward to it coming on-stream and seeing what the effects of it will be.

If it has prevented the minister from having another kind of fancy announcement or something, I do not think it should. I think it is something that we might, if we were accepted by it, be happy to participate. Perhaps, the minister wants to invite us to the announcement when it is forthcoming. We certainly will be happy, on a bipartisan effort, to stand with the minister at that time and say this is a good thing for Manitoba. I am sure that invitation will be coming in the mail at any time.

I would like to ask the minister if he is available for a question regarding the number of police per offence that we have in the province of Manitoba.

There was an article in the recent past regarding the number of offences per police officers we have in the province. Before the minister goes off on some sort of an avenue trying to say that he has received many calls from police officers upset that we raise that issue, I would like to say that I receive many calls from officers who are happy that we have brought forward the issue of the number of offences per officers in the province. I think they were feeling they had a difficult time keeping up. No doubt the minister will be able to find a way to suggest that somehow it was offensive to somebody in the community in law enforcement.

I do note that in the article the minister's staff person—it was not he. Our spokesperson is how it is referenced in the article, took exception to the fact that I suggested we were seventh worst in the province in terms of offences per officers. He said we were not seventh worst. In fact, we were sixth worst in the province. I wonder if the minister wants to confirm his spokesperson's comments.

**Mr. Mackintosh:** The member may have missed the point on the drug court. I know the member is embarrassed, but if he wants to claim credit for a multi-agency proposal, the member should know there were 21 agencies involved spanning many different approaches. I think we have a very strong proposal. The work began in earnest, say a year and a half ago, and I believe the submission was in January, so I do not have to argue it here. I will let the member defend his own claims against the agencies that have worked so hard on this initiative.

In terms of the police resources, as I said in my introductory remarks, the budget increases the policing resources in Manitoba at a historic level. I believe the number is approximately \$9.5 million in new money for policing which is the largest single new investment in policing that we could find. We have increased resources to policing each and every year that we have been in office.

The \$9.5 million will add 54 new police-officer positions over the next two years. I think it is important to recognize that while there is no magic and no exact science in terms of what policing numbers should be, Manitoba has the second highest number of police officers per capita in Canada. This number will, I am sure, make a difference to that. I know the Member for Inkster (Mr. Lamoureux) has not supported us in increasing police numbers, but we have recognized that—the critic reminds me of what the Member for Inkster has been saying.

I think there has been a recognition that there has been more help needed on the front line, and I think by the way the funding is flowing, we can achieve both stronger specialized and integrated units and a stronger presence on the front line, so it is a recognition of that and in terms of how that will impact on different measures of policing, we will see.

Over the years we have seen an ebb and flow, unfortunately, of supports for the RCMP under the Provincial Police Service Agreement. I am sorry that before we came into office there were reductions in support for the RCMP. In fact, during a year when there was a record violent crime rate in Manitoba, in fact I think the highest violent crime rate ever recorded in Canadian history, it was accompanied by a reduction in supports for the RCMP. So I think the words of the member ring hollow if they think they

are bringing a party position to the funding and support for the RCMP.

We have increased the amount significantly, and we will do what is necessary to try to ensure that the police have the supports from the provincial government. We have gone from, for example, in 1999, there was an establishment of 603 officers, and, of course, now I talked about this 626 and how that is going to change. So even with the establishment there is a big difference. I also would urge the member to look at his own election platform, and what would have happened if they had been elected, because it would have resulted in huge, huge slashing of Justice services in Manitoba and significant reductions in the number of policing based on their plans for the budget for the Department of Justice. I cannot take his advice very seriously in light of all that.

**Mr. Lamoureux:** Mr. Chair, it is interesting to see the Minister of Justice say, "You know what? We have the second-highest per capita of police officers in Canada in comparison to others." It is almost like you are proud of that fact. To me, I would not be proud of the fact that I have more police officers per capita than other jurisdictions when we have the crime rate. We have also, you know, the highest number of cars being stolen in the province.

I think the Minister of Justice has really lost touch with what it is that the police could and should be doing if he enhanced the resources outside of the police department, thereby freeing up the time that our police have. Saying that we are the second-highest in Canada is almost an admission of failure. That is what I see that is happening in the province.

People as a whole, the constituents that I represent, do not see this government being progressive in any fashion in dealing with crime. Hiring 22 new police officers in the city of Winnipeg, so we have got a bit higher, a bit more of a head start, but that is not going to resolve crime in the province of Manitoba.

We had an interesting discussion on the CJOB panel about the probation officers, and maybe—

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

## LABOUR AND IMMIGRATION

\* (15:10)

**Madam Chairperson (Bonnie Korzeniowski):** Good afternoon. Will the Committee of Supply please come to order?

This afternoon, a section of the Committee of Supply meeting in Room 255 will be continuing with consider of the Estimates of the Department of Labour and Immigration. It was previously agreed to consider these Estimates in a global manner. The floor is now open for questions.

**Mr. Ron Schuler (Springfield):** I would like to thank the Chair for that introduction and, after a very short break, it is great to be back for the long haul.

I have a few more global questions to ask and then I would like to start going through the book section by section.

My first question to the Minister. Can she tell us what position Mr. Bob Luna has within the department?

**Hon. Nancy Allan (Minister of Labour and Immigration):** Mr. Luna is employed in the Employment Standards branch, and the exact position is Employment Standards Officer One.

**Mr. Schuler:** Is that a permanent position?

**Ms. Allan:** No.

**Mr. Schuler:** What is the status of his position?

**Ms. Allan:** There was a competition through the Civil Service gateway program that is with the Civil Service Commission, and it is a program for visible minorities. Two people were hired in the department, in my department in regards to this particular program, and it is a term appointment at this particular time.

**Mr. Schuler:** So Mr. Bob Luna is one of the two visible minority positions that were hired?

**Ms. Allan:** That is correct.

**Mr. Schuler:** Of course, this minister knows Bob Luna was an aide, a political staffer to Minister

Becky Barrett. Is that now a six-month position he is in?

**Ms. Allan:** I actually want to clarify. He actually was not employed with the department for some time. I believe he left last year, and then applied through the Civil Service Commission for this position at the same time as another Aboriginal woman that was hired. I believe the appointment is for six months.

**Mr. Schuler:** Could the minister tell us does Karen Kennedy work for the department?

**Ms. Allan:** Yes.

**Mr. Schuler:** What is her position in the department?

**Ms. Allan:** She is an Employment Standards Officer in the Employment Standards Branch.

**Mr. Schuler:** Did she get this position through competition or is this also a six-month?

**Ms. Allan:** She has been permanent for over a year.

**Mr. Schuler:** The position she got, did she get that through competition, or was that a six-month placement and then turned into a permanent position?

**Ms. Allan:** We will get those details for you.

**Mr. Schuler:** I will just stop there for a moment. Usually, I find that to be an unacceptable answer. Far be it for me to compliment ministers too much, but that minister was very forthcoming the last time. I know we received the package, and I should have mentioned that in my opening statement. I certainly appreciated that the department, whoever put that information together and the minister sending it to my attention. I am aware the minister has looked up all those good questions. I appreciate that, so we will wait for that.

Again, the question coming from that, Ms. Karen Kennedy was a political aide to Becky Barrett, and was this a six-month position that was later on turned into a full time position, and was there a competition for that?

My next question is Melissa Churchill. Does she work for the department?

**Ms. Allan:** Yes. She is an Employment Standards Officer in the Employment Standards Branch.

**Mr. Schuler:** Was this done through competition, this placement?

**Ms. Allan:** We will include those details with the other individual the member was asking about.

**Mr. Schuler:** Does this minister have any information? Is Ms. Melissa Churchill at all connected to her government?

**Ms. Allan:** I am not exactly sure what the member has asked.

**Mr. Schuler:** The concern being that Ms. Melissa Churchill received this position due to political connections. I will wait until the information comes forward and if we have any other further questions, we can always ask those at a later date. I will go one to the next one.

Rick Rennie, does he work for the department?

**Ms. Allan:** Yes, he does.

**Mr. Schuler:** Where does Mr. Rick Rennie work in the department?

**Ms. Allan:** In the Labour and Management Services division as a policy analyst on a six-month term.

**Mr. Schuler:** Am I correct that Rick Rennie was a political assistant to the Minister of Advanced Education (Ms. McGifford)?

**Ms. Allan:** That is correct.

**Mr. Schuler:** Was this position a direct appointment, or was this through competition?

**Ms. Allan:** This was a direct appointment, and after the six months, there will be a competition for the position.

\* (15:20)

**Mr. Schuler:** I will ask the question. I doubt I will get a full answer on this. Are there any other political staffers that have worked for the government in the last six years who are now working for the Department of Labour?

**Ms. Allan:** I think that is it.

**Mr. Schuler:** There are concerns that individuals who have connections to the NDP get positions on a six-month term, then it becomes permanent, and often without a competition. There is a feeling that this is a fairly blatant misuse of the way the system is supposed to work. So I will wait for the further information on those issues. I appreciate that the minister could pass them.

I then have one more series of questions I would like to ask, and that has to do with the master labour agreement on the floodway. In previous times, the minister had indicated that her department was not involved at any point in time with the master labour agreement on the floodway. Is that still the case?

**Ms. Allan:** I had indicated to the MLA previously that the lead minister on that particular issue was the Minister responsible for Water Stewardship (Mr. Ashton) and that my department did not have a lot of direct involvement in that particular issue. That is still the case.

**Mr. Schuler:** There is now the discussion about putting a forced unionization or master labour agreement on the new Hydro building. Is the minister, through her department, involved at all in the negotiations with that master labour agreement?

**Ms. Allan:** No.

**Mr. Schuler:** Again, that meaning departmental staff or the minister. I know the minister cannot comment on what goes on in Cabinet, so I do not mean in Cabinet. But that means that no one within your department, no consulting, that this is basically being done through a different department?

**Ms. Allan:** That is correct.

**Mr. Schuler:** Which department is handling the master labour agreement on the Hydro tower?

**Ms. Allan:** My understanding is that that would be Manitoba Hydro.

**Mr. Schuler:** There would still have to be some political direction. I do not understand how Manitoba Hydro could necessarily just do it on their own. I will leave it at that, and we will check with the appropriate minister then on that one.

Also, there is discussion with the new airport structure being built, that there would be a master labour agreement, a forced unionization of the workforce there. Has the minister been in any discussions on that particular issue?

**Ms. Allan:** No.

**Mr. Schuler:** If it is not through her department, then which department would be handling that project?

**Ms. Allan:** Our best guess would be the Department of Transportation.

**Mr. Schuler:** Okay, certainly that is where we will be directing our questions then. The minister knows that I and my party have great concern that master labour agreements are being applied on urban projects when they were basically only meant for rural and remote, far remote, not even rural, remote projects. That is what they had been historically used as, but the minister and I will continue to disagree on those issues, so we will leave it at that.

If it is so agreeable, I would like to start going, if we can, section by section through the budget.

**Madam Chairperson:** I just need clarification. Are we beginning at 11.1(a) or (b) or 11.2?

That is the one. Is it agreed that we begin at 11.1(b) and continue consecutively? *[Agreed]*

**Mr. Schuler:** I notice that there is an increase in Executive Support. Is that because of added positions, or is that just increase in salary?

**Ms. Allan:** The increase reflects the general salary increases and the normal salary adjustments.

**Mr. Schuler:** I will share my frustration with the committee, because I know they are all just waiting to hear my frustrations with this whole budget process. I cannot wait for GAP to come into effect, because I always find it bizarre the Estimates of Expenditure '04-05 that are printed in this book are not the same ones that were printed when we did the last Estimates, and that is the way that the system seems to work, which is so bizarre. That having been said, is it possible to know what the overall budget increase is for the department over last year's actual

Estimates, not last year's estimates of Estimates. Does the department have this?

**Ms. Allan:** The increase is 7.1 percent or approximately just over \$2 million.

**Mr. Schuler:** Where would the bulk of that \$2 million have gone?

**Ms. Allan:** The bulk of that increase in spending is obviously in salary increases. We have 331 employees, but the other money has gone into our immigration program, and it is cost shared with money that comes from the federal government, I believe, almost \$1.2 million.

**Mr. Schuler:** Moving on to page 27 in the yellow book, Mechanical and Engineering. We have seen a slight increase again. Is that more to do with just salary increases, or is that additional staff?

**Ms. Allan:** There is no additional staff. It is general salary increases.

**Mr. Schuler:** Moving on to page 31, Pension Commission. Actually, I have a question of Bill 10 with the minister, but I am going to have to wait for a different venue to ask that question.

I do, however, want to say on the record—she probably does not even work under this commission, but Ms. Deb Lyon did an outstanding job and we certainly appreciate the presentation she made to us. It was long and it was very tough slogging, because it is a lot of minutiae. I am hoping to put a phone call in to her and asking her when actually the bill comes into effect. Is it at proclamation, but there were two other areas which confused a little bit, but I will try do a phone call in to her, so what I want to know about on the pension side, I will give a her a phone call.

On page 33, the Manitoba Labour Board. Can the minister tell this House who the most recent board members are, and who is the Chair?

\* (15:30)

**Ms. Allan:** The Chair of the Board is John Korpesho, and we are busily looking for a list of the board members.

My apologies. We do not have that information available. There has been one change. I cannot quite

recall it off the top of my head, but we will get that information to you as soon as possible.

**Mr. Schuler:** Thank you, and if the minister can do it like last year, she sent the package over with all of that in it. That is fine.

Employment Standards, there seems to have been a substantial increase in staff there. Why was there such a heavy turnover or why such a strong addition? Three of the names mentioned have all found jobs in Employment Standards.

**Ms. Allan:** There is no increase in staff, actually. Employment Standards branch is one of our most difficult areas in regards to staff recruiting and hiring, and we have had quite a few retirements. So the staff component is actually the same as it was last year.

**Mr. Schuler:** I just want to bring an issue to the minister's attention, and this is probably as good a place as any. I cannot seem to find it. It has to do with the compassionate care bill that we passed to comply with federal standards. I happened to be driving on the highway, had a substantial amount of time to listen to the radio, 3600 kilometres worth.

I do not know if the minister is aware, but there is great difficulty with that whole area and that having to do with the fact that the legislation that was passed to get compassionate care funding, you had to be able to prove that within a certain amount of time, a loved one would decease. Doctors, of course, being by and large compassionate individuals, are really hesitant to say, "Well, you know, oh, your loved one will snuff it in so and so many months." That is usually not the bedside manner of a physician.

They found that out of the budget so little was being used, I think really not a large amount of people, so what they did is they cut the budget. I know the federal minister has said right now the Liberals will agree to anything and consistently do nothing, but agree that that was a problem. I would just point out to the minister, now that it is at the top of my mind, that is also a problem with Bill 10, when if you can prove you are terminally ill and with such and such time, you can withdraw all the money. The problem again is the same issue as this, that physicians are loath to put an end date on somebody's life, because there are extenuating

circumstances that the person may not. Anyway, they are just not comfortable doing that kind of stuff.

Back to the compassionate care. Has the minister had discussions with the federal minister on this issue, and are they looking at dealing with it?

**Ms. Allan:** Actually, yes. The federal government is reviewing that legislation and are not happy with the take-up in regard to the numbers of people that have taken the opportunity to take that kind of leave. Not so much, I do not believe, the doctors. That might be part of it. Another part of it is simply just making people aware that that opportunity is there for them to take that kind of leave.

The other thing that they are thinking of doing, the federal government, is expanding the opportunity for siblings because right now in the legislation siblings are not allowed to take compassionate care leave, so I think they are planning on expanding the definition of family members who would be able to take leave. So, if there is anything along those lines in regard to any expansion of the legislation, we would bring in legislation that would harmonize with the federal legislation.

**Mr. Schuler:** Again, I hesitate, but I will point out to the minister that that is typically where the federal government likes to go, is not deal with the problem, just heap more on and try to make more people feel good. That is actually not the issue, and if that is where the federal government wants to go, they have missed it completely.

The problem is, for instance, and they had a lot of instances on the radio where a woman wanted to take time off for her child who is ill with leukemia, who was given sort of a time frame where either it works or it does not, but the doctor would not put a death sentence on the child. It was two years of chemo, and the child actually came through and seems to be doing okay. Well, that would seem to be the right case for this, yet this person did not qualify. She had to quit her job. Actually, if I remember the story correctly, the husband quit the job, so he took care of the child because the mother had the better-paying position, and the compassionate care was supposed to help mitigate some of that.

In this case, it was a good-news story; the child actually lived, yet for the compassionate care to kick in you need a death sentence, and this was laid out to

the federal minister. The federal minister, of course, agrees to everything, and I am just wondering if there are any discussions on strengthening that. Do you absolutely need a death certificate written in advance to access this? Often it might take less time, often it takes more time or, actually, the person is fine. But the compassionate care when it comes to childhood leukemia and I am very aware of this just from family, it can work, it may not work. No physician is going to say to a parent, "Well, what the heck. Let us put 23 months on your kid's life." That is heartless and cruel. In some instances, the only thing you have really going for yourself is hope. That is the only thing you have going. That is what gets you to lie in the hospital week in, week out with the sick child because you hope this child will make it and often, or sometimes, they do not; sometimes they do.

That is where, I think, the federal government has missed this, so their reaction to this was they cut the budget because they felt that there just was not a demand for it, or what they will say is that there is no interest in it or whatever. Actually, it reminds me of that great trick that the banks do. They will never say no to anybody looking for money, especially small business. They just will not ever approve your loan, and after three years you will finally figure out they are never going to lend you a cent but they have never said no to you. That is sort of where this is going, is that there is not a real demand for it so they cut the money. If you have a child who is sick with leukemia, no doctor is going to put a death sentence on the child.

So, anyway, I just laid that out for the minister. In discussions with the federal minister, I know federally they have a lot on their mind. It was CBC Radio, I thought they had made a very compelling argument that this is something that should be discussed one more time, and I leave it there for the minister.

**Ms. Allan:** I want to thank the member for his comments around this particular issue, and I understand what you are saying, that it would be nice to see family members if they were able to, perhaps, stay at home with family members when there is a very, very serious case of illness. Perhaps, maybe, it could be called, instead of compassionate care, it could be called compassionate care and/or some kind of family leave in regard to very serious illnesses, particularly when children are involved and there are

serious kinds of illnesses. So I would be more than happy, when I have an opportunity, to speak to the federal minister, to speak to him about it and ask him what the actual—they are reviewing the legislation; they know they have a problem—nature of that review might look like.

\* (15:40)

**Mr. Schuler:** I would like to move on to page 49, that being the Women's Directorate, and the tough work ahead of this section of the department. We have all read today's newspapers and what disastrous outcomes come from family violence. In this case, most tragic, certainly our hearts go out to the family, and particularly to the children, if I remember correctly, three young children or three children, I do not know how young. How absolutely devastating and tragic, and I am sure the Women's Directorate will be looking into it. It is sad, but at some point in time, they will be on the Legislative grounds again with candles, far too many candles. There should be none.

To those individuals who work in this section of the department, we appreciate their work. I had a family member who once worked at a women's shelter and would tell us about the—not specifics, of course—but just the horror of what goes on. I did want to pause here and thank those individuals who do a job that actually some of us just cannot do. It takes an awful lot of grace to be able to take on these jobs and do them in such a fashion with care and with strength.

We as members of this Legislature appreciate the work that is being done, and I thought it would be appropriate to pause for a moment and compliment and encourage those individuals to keep working on behalf of those families who have gotten themselves to a point where they have great need and certainly the need of the expertise of this particular directorate.

**Ms. Allan:** I thank the member for his comments and I will ensure that we forward a copy of your comments to the Women's Directorate.

I am really pleased every time I am in the community. We just did an announcement last week with MAISEY on a language guide for changing language around how young people in difficult situations are portrayed in the media. I was there,

once again, with Sue Barnsley and Jane McBee. Every time I am in the community, the community just tells me such positive things about the Women's Directorate and the Women's Advisory Council. I appreciate the member's comments and will make sure they are forwarded to the Directorate and to the Advisory Council.

**Mr. Schuler:** On to page 51, one of my favourite areas of government. I am sure it comes as no surprise that I will mention a brainchild of the former minister, the now-member from River East. I have said on a lot of occasions, the former Minister of Labour, Becky Barrett and I had our differences on lots of areas. I always gave her credit for seeing an initiative that came from the former Progressive Conservative administration, seized on it and it has continued to grow and it has been fostered and I know this minister has continued to grow it.

Being a child of immigrant parents, I am able to spend a lot of time in immigrant communities and love the stories. In some instances, I think things have gotten a little bit easier and then, I think, in other areas, it has become more difficult. I guess where it is easier now is we have a wealthier society than we had at that point in time. My parents came to Winnipeg and it seemed to me that everybody was poor. The same kinds of support were not there. It is interesting the need for immigrants also was not as great then. Everybody wanted immigration, but now we have a real need. We have a growth rate in our population that just will not sustain us. For those of us who either came in immigrant families or were first-generation immigrant families, there were six children in my family and I have gotten to half of that. I now have come to love and appreciate and really truly understand what my parents sacrificed for us.

I beg this committee's indulgence. We drove all the way to British Columbia and back with all the modern conveniences available: Game Boy, personal DVD players, sticker books and all the rest of it. I can remember those few times we went on those highway trips. It was a quest. It was an endurance test. May I say it was horrible. We sat in the back of a car. First of all, nobody had a seat belt on. I mean, the thought of that just horrifies me. You drive on these highways, and nothing was twinned at that point in time, in these vehicles that were not safetied at all, and all of us in the back seat. You drove, nothing to do, and you hung out the window because,

of course, then it was if you opened up a window that caused too much drag on the car. So, in the summer, no air conditioning. You would drive with no windows down.

I certainly appreciate what they have done, and we certainly appreciate this program that has been allowed to flourish and grow. I have had opportunity now to work with a family that unfortunately the federal government chose to deport. I think it was shameful. I personally got involved too late. They did not actually get the right legal advice. But I believe it is a program that has to be fostered and developed, and it has to be strengthened. I know the minister mentioned that there was a substantial increase, and I would like to ask the minister where exactly those increased dollars are going to go.

**Ms. Allan:** There is an increase in the settlement services of \$660,000. I am also pleased that there is an increase in our qualifications recognition. We put \$125,000 new dollars into QR. When you were in my office last, I know that you were keen to go over and visit the Immigration branch, and I actually phoned Gerry Clement and told him that you would be getting in touch with him. When you go over, you will meet an incredible woman. Her name is Ximena Munoz. She has been managing our qualifications recognition because she is passionate about QR. We are very excited about the new funding that is going into this very important area to grow our immigration program. There is also one new staff here that we have put into the budget as well.

**Mr. Schuler:** The minister, of course, reminds me, and I always like to make sure that I give a lot of credit where credit is due to Gerry Clement and his employees. I had the opportunity to work with a woman; I apologize, her name escapes me now, outstanding individual. She comes from Argentina, and she was just amazing. You know, I watched her. She, of course, speaks Spanish fluently, made the individuals so comfortable, was so helpful. I would encourage those who work with immigrants—she did not raise any false hopes—do not do that. That is so awful when individuals try and do that. I found that the whole department and, certainly, the individuals that I worked with were professional. They were supportive. They were friendly, did not raise false hopes. I thought she did just an amazing job, and that is what we need. We need to attract more individuals to this great province. It has a lot of opportunity, and I look forward to setting up an appointment and

having the opportunity to go through and see the scope of the department. So, again, I do compliment the ministers of the past who have seized on an opportunity that is unique in the country, and I do pay a lot of credit not just to the former member from River East, but also all of those who came afterwards, who have seen to it that this program continues to grow and to flourish as a beacon for Manitoba.

I just want to ask the minister one question. What is the total increase this year in Immigration?

**Ms. Allan:** A 12% increase.

**Mr. Schuler:** That was how much in real dollars?

**Ms. Allan:** 1.186.

**Mr. Schuler:** Okay. So, \$660,000 for settlement, \$125 for qualifications and new staff, and where would the rest of it have gone?

**Ms. Allan:** \$526,000 for adult language training, and the rest would be salaries.

**Mr. Schuler:** I thank the minister for that. Moving on to page 55, of course, another one of my favourite areas of Multiculturalism. I spent an awful lot of time in working with multicultural communities, not just involved on my own but working with others and, of course, that was some of the best times of my life. I still have an opportunity to meet with some of the individuals I worked with and talk about the good old days when we were there as compared to the good old days today. We are just not as involved there anymore and certainly had a good time.

Of course, there is the advisory council to the minister. Could she not tell this committee who is all on the committee right now?

**Ms. Allan:** They just had their elections a couple of months ago and their new chair is Doctor Magsino and the vice-chair is Zofia de Witt and we will get the rest of the appointments in the little package I will put together for the MLA.

**Mr. Schuler:** I, of course, congratulate the chair on his election. I do not know this individual that well, but the vice-chair, Zofia de Witt, I know from my days of being involved. In fact, I saw her at a multicultural event just about a month ago. It was



great to see her, and I know she will contribute a lot to the meetings and to the discussions and what is brought forward. Even though I do not know all the individuals' names, I congratulate them all on their appointment.

I then would like to move on. If we can go to the Special Operating Agencies, the Office of the Fire Commissioner. A while back we had a set of projections that the commission was going to be losing money. Is that still the case?

**Ms. Allan:** No, actually the Office of the Fire Commissioner is in sound financial shape.

**Mr. Schuler:** Have there been any added areas where dues or fees have been increased?

**Ms. Allan:** No, there is no increase in the fire prevention levy or any other increases.

**Mr. Schuler:** Of course, this was an area where the former minister, Becky Barrett, and I clashed a lot and it is probably why I never got the joint services agreement or the good neighbour agreement on the Esso tank farm in East St. Paul. I thank the minister for that. I always feel it is important to raise it. I read through the agreement. It does not give me a lot of comfort, but just in case the Office of the Fire Commissioner has a sleepless night and happens to go on Hansard because that certainly will kill any insomnia of anybody.

Again the growth, the growth around the tank farm is substantial. I have pointed out in years before this minister was minister that would there ever be a catastrophe, it would actually hit Transcona probably more than my community, because what happens is the smoke goes up, it cools and then it usually comes down as oil or tar droplets, and that is just brutal on houses, vehicles and the environment.

Anyway, just so the minister is aware of it, there was a time, and this was before this minister's time, before she was minister, that there had been a gasoline spill and in retrospect, by the way, not just had the fire department not been called, neither had Environment, nobody had been called. That kind of thing is just not acceptable. We in East St. Paul have no qualms with the Esso tank farm. They are very good neighbours. They keep their site clean. It is quiet and all the rest of it.

We just want to ensure that what goes on there is done in a very safe manner, that should there ever be a problem and we should be under the assumption that there never will be, but if there ever was one that there be a plan in place to ensure that it be taken care of, unlike the gasoline spill, which was a disaster that was avoided, I would say, simply by an act of God, because that was probably one of the more foolish things that could ever have been done, that no fire department was called in at that point in time. That kind of stuff is just unconscionable and just unacceptable because the costs would have been prohibitive.

I think that is all that people are asking for, certainly those in East St. Paul, the quadrant of North Kildonan or River East and then into Transcona where the bulk of it would have been done. Anyway, I just raised that with the minister and I think that is about the end of the questioning that I have. Certainly, I know there is now a series of questions that will be asked by the Chair and then the Estimates would then be passed.

**Madam Chairperson:** Resolution 11.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$17,030,300 for Labour and Immigration, Labour programs, for the fiscal year ending the 31st day of March, 2006.

*Resolution agreed to.*

Resolution 11.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$12,664,800 for Labour and Immigration, Immigration and Multiculturalism, for the fiscal year ending the 31st day of March, 2006.

*Resolution agreed to.*

Resolution 11.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$803,800 for Labour and Immigration, costs related to capital assets, for the fiscal year ending the 31st day of March, 2006.

*Resolution agreed to.*

\* (16:00)

The last item to be considered for the Estimates of the Department of Labour and Immigration is

item 1.(a) Minister's Salary, \$29,400, contained in Resolution 11.1.

At this point, we request that the minister's staff leave the table for the consideration of this item.

**Mr. Schuler:** Yes, I just want to make this minister aware that her predecessor, Becky Barrett and I sat at this committee doing Labour Estimates for six weeks. I just want to make that out to the minister that if she thinks she is entitled to pay, can you imagine what the former minister would have been entitled to? We sat during some of the most hot days of summer, but I will leave it at that on this.

**Madam Chairperson:** Resolution 11.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$710,200 for Labour and Immigration Executive, for the fiscal year ending the 31st day of March, 2006.

*Resolution agreed to.*

**Madam Chairperson:** This completes the Estimates of the Department of Labour and Immigration.

The next set of items that will be considered by this section of the Committee of Supply are the Estimates of the Department of Family Services and Housing.

Shall we briefly recess to allow the minister and the critics the opportunity to prepare for the commencement of the next set of Estimates?  
[Agreed]

The Committee recessed at 16:02 p.m.

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The Committee resumed at 16:38 p.m.

### FAMILY SERVICES AND HOUSING

**Madam Chairperson (Bonnie Korzeniowski):** Will the Committee of Supply please come to order? This section of the Committee of Supply will be considering the Estimates of the Department of Family Services and Housing. Does the honourable Minister of Family Services and Housing have an opening statement?

**Hon. Christine Melnick (Minister of Family Services and Housing):** Yes, I do, Madam Chair.

I am pleased to present to this committee for its consideration the 2005-2006 Expenditure Estimates of the Department of Family Services and Housing. I look forward to engaging in a constructive discussion regarding the direction of our government in regard to the department in these Estimates.

Recently, our government outlined its funding commitments for this fiscal year in the provincial budget. Our province's most important resource is its people, and this budget puts people first and promotes the safety and well-being of all citizens. This year's budget provides approximately \$969.3 million for the Department of Family Services and Housing. This represents an overall increase of over \$56.6 million or 6.2 percent over the 2004-2005 Adjusted Vote.

One of our key areas for investment includes services for persons with disabilities where we have provided an additional \$27.2 million for programs serving adults and children with a disability, including an additional \$17.6 million for community living supports for adults with a mental disability. I would like to mention that, since coming into office, our government has more than doubled the funding for the Supported Living Program, representing an increase of \$80 million.

\* (16:40)

We are maintaining our commitment to persons in financial need and are providing additional funding to improve income assistance rates in northern Manitoba and to provide for an integrated shelter benefit for low-income citizens.

We are also committed to spending all of the new federal early learning and child care funding on supporting and enhancing our child care system. We estimate the Province will receive approximately \$25.6 million in 2005-2006 from the federal government for early learning and child care. All of this funding will be directed to our child care system. We expect that the goals of our five-year plan will largely be fulfilled in the next year and that we will be able to go beyond this plan.

I will elaborate on these priority areas later on when we look at the department's main operating divisions in more detail, but first I would like to say a few words regarding the department as a whole. The Department of Family Services and Housing is

committed to improving the quality of life for Manitobans through furthering the social, economic and labour market inclusion of all citizens. We strive to ensure that diversity is respected, that people feel accepted and valued and live with dignity and security. We work with the community to support Manitoba children, families and individuals to achieve their fullest potential.

Family Services and Housing supports citizens in need to achieve fuller participation in society and greater self-sufficiency and independence. We help keep children, families and communities safe and secure and promote healthy citizen development and well-being. Our mission is accomplished through the provision of financial support, the provision of services and supports that assist individuals to improve their attachment to the labour market, through the provision of supports and services for adults and children with disabilities, through the provision of child protection and related services, through the assistance to people facing family violence or family disruption, through the provision of services and supports to promote the healthy development and well-being of children and families, through the assistance to Manitobans to access safe, appropriate and affordable housing, through fostering community capacity and engaging the broader community to participate in and contribute to decision making, and respectful and appropriate delivery of programs and services.

The department has three major program divisions: Employment, Income and Housing; Services for Persons with Disabilities; and Child and Family Services. In addition, the Community Service Delivery division is dedicated to the delivery of the department's services throughout Manitoba, and the administration and Finance department is responsible for monitoring a comptrollership function for the department.

The department also has two internal service providers: Policy and Planning, and Human Resource Services. Two other units report to me directly. The Social Services Appeal Board is an independent board that hears appeals for the majority of programs and services provided by the department. The Disabilities Issues Office co-ordinates disability policy across government and reports to me in my capacity as the minister responsible for persons with disabilities.

The department will be undertaking a number of initiatives this fiscal year. Some of the areas that we will be giving attention to include expanding supports and services for citizens with disabilities living in the community, including funds to accommodate more adults with a mental disability in community settings and day programs, and increased funds for respite and other support services.

We will also be improving safety through the installation of sprinklers in residential care facilities with residents who are non-ambulatory or unable to care for themselves. We will be improving income assistance benefits for all families living in northern and remote regions of the province to assist them with their additional costs for food. We are also establishing an integrated shelter benefit. We will be increasing mileage rates for the first time since 1982 to transport patients in the employment and income assistance and vocational rehabilitation programs.

In addition, we will be implementing year four of Manitoba's five-year plan for child care, and building on our strong commitment to child care in partnership with the federal government, which has committed an additional \$5 billion nationally for child care over the next five years.

Our priorities for investment and community-based non-profit child care include: increasing wages and incomes for service providers, expanding training supports, funding more spaces, making child care more affordable for low-income families and improving child-care environments.

We are establishing a new agency-accountability unit which will enhance the accountability of external agencies. This will also provide supports to agency boards and ensure that agencies are complying with the department's financial reporting standards.

We will begin developing the Waverley West lands from which profits will be redirected to rehabilitate inner-city neighbourhoods. We will continue to work with community organizations and other northern stakeholders to address housing issues for northern Manitobans in conjunction with other social and economic issues that contribute to a lack of adequate and suitable housing in northern and remote communities.

We will also continue to implement initiatives to increase the supply of affordable housing in Manitoba under the federal-provincial Affordable Housing Agreement.

I would like to take the opportunity at this time to express my sincere appreciation to the Family Services and Housing staff for their ongoing work on behalf of the department, their dedication to continuous improvement and their commitment to the provision of high-quality service to Manitobans.

I believe that the funding that we have made available in 2005-2006 Estimates addresses our priority commitments of providing supportive and preventative services for Manitoba families and children, supporting persons with disabilities to live and participate fully in community life, assisting persons with low income and increasing and improving the supply of affordable housing throughout our province.

These commitments support our government's goal of building thriving and safe communities in which to live and of keeping government affordable to Manitobans.

I am very much looking forward to this committee's review of the Department of Family Services and Housing, Housing's Expenditure Estimates for 2005-2006, and I will welcome the comments of committee members.

Right now, I would like to take the opportunity to introduce my Deputy Minister and members of the department senior staff.

**Madam Chairperson:** We thank the Minister of Family Services and Housing for those comments.

Does the official opposition critic, the honourable Member for Morris, have any opening comments?

**Mrs. Mavis Taillieu (Morris):** Just a few opening remarks. I have many questions, so I will just be brief here.

I would like to thank the minister for her comments and say that I look forward to some frank discussion regarding the Department of Family Services and Housing. Certainly the minister and her staff have been accommodating when I have asked

for briefing on an issue, and I trust that they will be forthcoming and forthright during this process.

Having had an opportunity to review certain areas of the department and also speak with a variety of people, I have many questions. These are not just my questions but questions that Manitobans have.

The minister did say that her budget is, and she stated the exact amount, it is almost \$1 billion. To be a good steward of taxpayers' dollars demands accountability and transparency within government. Manitobans have a right to ask questions and to have them answered.

The minister and her staff are well aware of the Estimates process, well aware of the types of questions that will be asked and should be prepared to provide the data requested. I fully expect to get the answers to my questions. With that, I would just like to proceed with the questions. Thank you.

**Madam Chairperson:** We thank the critic from the official opposition for those remarks.

Under Manitoba practice, debate of the minister's salary is traditionally the last item considered for the Estimates of a department. Accordingly, we shall defer all consideration of this item and proceed with consideration of the remaining items referenced in Resolution 9.1.

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

\* (16:40)

**Ms. Melnick:** I would like to introduce the staff who are here. There is more staff coming and when they do arrive, I will introduce them.

First, I would like to introduce Milton Sussman, the Deputy Minister of the department. I would also like to introduce Grant Doak, the Administration and Finance Acting Assistant Deputy Minister. I would also like to introduce Kim Sharman, Employment, Income and Housing Assistant Deputy Minister. In addition, Peter Dubiński, Child and Family Services Assistant Deputy Minister. Also with us today is Sid Rogers, Strategic Initiatives and Program Support Director. We also have with us at this time the

Community Service Delivery Assistant Deputy Minister, Martin Billinkoff.

**Madam Chairperson:** We thank the minister. We will now proceed to the remaining items contained in Resolution 9.1 on page 72 of the main Estimates book.

Shall the Resolution pass?

**Some Honourable Members:** Pass.

**Mrs. Taillieu:** Madam Chair, recognizing that I was handed this Estimates book as I walked in the door, I have not had much opportunity to look at this particular Estimates for 2005. Just for expediency, I would like to be provided all the names of the directors in the various areas in the organizational chart, but I realize that would take some time now. I wonder if the minister would be willing to table that before the end of the Estimates.

**Ms. Melnick:** Yes, we will get that for you.

**Mrs. Taillieu:** Thank you. I would also like to know, though, now if you could tell me the names of the people that will be in charge of the four authorities once the devolution process at Child and Family Services is complete.

**Ms. Melnick:** We are just getting that information for you now. I think you are requesting the names of the four CEOs, the four authorities. Elsie Flett is the CEO of the southern authority; Diane Kematch is the CEO for the northern authority; Scott DeJaegher is the acting CEO for the Métis authority; and Dennis Schellenberg is the CEO for the general authority.

**Mrs. Taillieu:** Thanks very much.

I will like to proceed with some questions around the devolution process, recognizing that this is an Aboriginal Justice Inquiry initiative and certainly sensitive to culturally appropriate standards. However, there are many questions that I have that I would like to just go through. Recognizing this is an initiative to place children in care in culturally appropriate homes, how many different cultures does the minister recognize in this initiative?

**Ms. Melnick:** The devolution is into four authorities: the northern First Nations, the southern First Nations, the Métis and the general. If your question is

specifically to the various ethnic groups around the province or First Nations groups, we would allow those authorities to work with people and make placements as they see is in the best interest of the children.

**Mrs. Taillieu:** Thank you.

The intake forms state two different cultures, Aboriginal/Métis and none. How many families in the province would actually be classified in the none category?

**Ms. Melnick:** The form is used to designate Aboriginal, Métis and other. That is self-identification so we would allow individual families to self-identity.

**Mrs. Taillieu:** The authority determination form says, "familiar community connection" and it says, "none, Métis, or First Nations' community." I would again ask, can you break that down into numbers that would fall within First Nations, numbers that fall within Métis and numbers that would fall under none.

**Ms. Melnick:** The approximate breakdown would be: Métis, 15 percent; northern First Nations, approximately 17 percent; southern First Nations, approximately 40 percent. The remainder would be about 38 percent. Now those percentages can change at any given time as children move in and out of care.

\* (17:00)

**Mrs. Taillieu:** Thank you. We have heard from some staff that this process has been particularly hard on them as they are seconded through the various agencies and are uncertain of their future. Can the minister say how many people presently employed within the Department of Family Services will lose their jobs when the devolution is complete?

**Ms. Melnick:** Certainly we recognize that a time of transition can be a difficult time for people. We know there has been support provided within Child and Family Services through the transition support unit. Also, all permanent staff who are employed by the department previous to December 2000 received a letter.

Now there are people who were subsequently hired on term. They were made aware that there

would be term positions. We will, through the devolution, be placing all permanent staff and making every attempt to place individuals who are on term positions. I believe the people who will not be working in that specific area when we complete the devolution will be less than 50, but again, where the qualifications warrant, we will look to accommodate their employment, perhaps, in other areas of the department.

**Mrs. Taillieu:** So, I understand then that anyone hired beyond 2000 is considered a temporary employee?

**Ms. Melnick:** Many people who were hired post, as I mentioned, permanent staff before December 2000, got the letter of employment. People who were hired permanently or made permanent after that time also will be accommodated. There are very few people who are actually on term.

**Mrs. Leanne Rowat (Minnedosa):** I am sorry, the answer might have been given, but is there a percentage of the number of individuals that are on term at this point in time?

**Ms. Melnick:** There are approximately five to six percent who are on term now.

**Mrs. Rowat:** Just to clarify, they are seconded? These are the individuals that are seconded that are put into the term positions? I know I am walking into a conversation that already happened.

**Ms. Melnick:** They are working now. They are on term now. Does that answer your question? Okay.

**An Honourable Member:** I think so. If not I will come back to it.

**Mrs. Taillieu:** During the course of this devolution, should a position come open, who will get first opportunity to get that position? Will it be someone who has some seniority with the department in terms of being a term position?

**Ms. Melnick:** Seniority would, in fact, drive first choice. Seniority would drive first choice.

**Mrs. Taillieu:** So the minister is saying that in a new position, a new opening that someone has been on term position with the department, would take

preference over a new person applying for a job even if that person were Aboriginal?

**An Honourable Member:** I am sorry, could you repeat that?

**Mrs. Taillieu:** I am asking for clarification. You were saying that seniority would be the determining factor. So if there was a new position and there was a person that had some seniority as a term position with the department, and the minister is saying seniority would apply, would that also apply if a person applying for this position was Aboriginal?

**Ms. Melnick:** I think you are talking about new positions that would become available after the secondments. As the authorities hire, there will be people who will be seconded to the authorities from the department. Seniority would play the key role there. Now, the authorities would have the option to hire Aboriginal people who were qualified for the positions, whether they were from the department or whether they were from other agencies, other areas. But, anyone who has the letter of employment who may be going to an authority for a certain period of time would be accommodated when the time that they were working in the authority would be completed.

**Mrs. Taillieu:** Just for clarification then, is the minister saying that someone who has not worked in the department would be hired into a new position over someone that had worked in the department?

**Ms. Melnick:** The authorities would be seconding people from the department into the authority. They may also be hiring people from outside of the department, but anyone who has the letter of employment from the department will be assured of being accommodated by the department if they are not seconded or upon returning from an authority.

**Mrs. Taillieu:** Someone that has been on a temporary basis term position since 2000 and has actually worked through the devolution process for five years may not be given first opportunity then to receive a permanent position?

\* (17:10)

**Ms. Melnick:** Anyone who is hired after the December 2000 letter of employment went out would actually be permanent by now. So there would

be accommodation either within the Department of Family Services and Housing or within one of the authorities.

**Mrs. Taillieu:** Okay, just again to clarify then, what was the date then that people are considered term employees? As of what date?

**Ms. Melnick:** There were people who were permanent before December 2000, were given the letters. Now subsequent to that, people who had been working on term at various periods, most have become permanent, so, they too, would be accommodated. There are very, very few people who would actually be on term who would actually be in danger of losing employment. Every effort will be made to accommodate those individuals as well.

**Mrs. Taillieu:** Can the minister say how many grievances have occurred as a result of the devolution process?

**Ms. Melnick:** No grievances on this issue have been brought to our attention.

**Mrs. Taillieu:** Some people have told us that they are not allowed to grieve. I am wondering if there is an overarching policy in regard to this devolution process that prohibits people from grieving?

**Ms. Melnick:** Certainly there is nothing of the kind. I do not know the specifics of what you are referring to, so I would not be able to comment on what the situation would be there.

**Mrs. Taillieu:** Just to clarify then, if people have a concern and file a grievance, it would be dealt with?

**Ms. Melnick:** Well, I think we have to be aware of the nature of the grievance of any sort. Grievances fall within the parameter of the collective agreement, and where I am not aware of any specific instance where a grievance has been brought forward dealing with the devolution, we have to look at a grievance as to the nature of the grievance, whether it falls within the parameter of the collective agreement or beyond. If there is a way to deal with it through another way, where we are talking very high level terminology here, I cannot suggest there would be a way to deal or not deal with any specific problem.

**Mrs. Taillieu:** Can the minister tell me exactly what the qualifications are to be a social worker within Child and Family Services at the present time?

**Ms. Melnick:** Currently, the qualifications would be around the BSW, Bachelor of Social Work. Now the job protection branch and the authorities are currently negotiating what would be the qualifications on an ongoing basis. Part of that is the discussion around prior learning and experience, so the PLAR model, as well as the recognized educational qualifications. Right now, the qualifications are as they always have been with negotiations currently under way.

**Mrs. Taillieu:** Did I hear correctly that there is negotiation of qualifications for social workers within the Department of Child and Family Services? How is that going to play out, negotiations for qualifications? Can you explain what process the negotiation will take?

**Ms. Melnick:** I think that perhaps I could qualify the choice of words would not be negotiation, it would be consultation. That has happened at every step of the child welfare initiative where we have worked with the way the roll-out would happen, timelines and, in this case, standards. There is not discussion within the department but we are consulting with the authorities.

Now, to be very clear within the act, it is, in fact, the department who will have the final say, but again, where this has been an exercise of consultation, an exercise of discussion, we are continuing along within the same spirit in which we began the devolution.

**Mrs. Taillieu:** Thank you. One e-mailer said the words to me, "There is a de-skilling within the department."

Are there going to be different levels of educational standards within the different authorities?

**Ms. Melnick:** Actually, the opposite is occurring. This is the first time that the department is, in fact, setting a province-wide standard. Now, an authority could choose to go beyond that standard, but they could not go below it.

**Mrs. Taillieu:** What is that standard and has it changed recently?

**Ms. Melnick:** A few moments ago, I talked about the consultation that is taking place. Right now, the standard that is within the department is the standard that it has been with each authority. It is the standard that the authority has been using. Now as we complete the consultations and we develop province-wide standards again, each authority will be required to meet that. If they prefer to go above that standard, that will be their choice, but they would not be allowed to go below.

**Mrs. Rowat:** Could the minister indicate to me who is sitting on the committee that is setting the standards?

\* (17:20)

**Ms. Melnick:** On the committee that was inquired about, is the director of Child Protection, Joy Cramer; the director of Agency Relations, Linda Burnside; and the CEOs of the four authorities which I referred to earlier. I could go through again if you want me to.

**Mrs. Rowat:** Can the minister indicate to me when this committee was struck and how often this committee meets?

**Ms. Melnick:** The committee was struck last November and they were meeting quite frequently. Right now the focus is on the rollout that will be coming up in Winnipeg probably in the month of May.

**Mrs. Rowat:** Madam Chair, is there in terms of reference for this committee, have they set terms of reference? Also, if you can indicate they meet quite frequently, can the minister indicate to me, say, in the last six months, how often they have met?

**Ms. Melnick:** There is a policy discussion paper which we could get for you. I know they were meeting at least monthly since November, 2004. I do not have the exact dates of the meetings in front of me right now.

**Mrs. Rowat:** Madam Chair, could I encourage the minister to provide a copy of the policy document to the critic? Also, a question regarding the individuals that are sitting on this committee. Are there any

representatives from either the university or the colleges?

**Ms. Melnick:** The Director of Agency Relations, Linda Burnside, is, in fact, a member of the School of Social Work at the University of Manitoba and she is, of course, one of the key players on the committee.

**Mrs. Rowat:** Regarding the development of qualifications, can the minister also share with the committee the course descriptions and how that will play into—never mind, forget it.

**Mrs. Taillieu:** Just to carry on along that line, if there is going to be differences with levels of education, or what would be deemed equivalent to education, how will people be able to change jobs within the four authorities should they choose to? Is that precluding them from doing that?

**Ms. Melnick:** Certainly, I spoke earlier to the provincial standards, and so those would be the standards that would be necessary to apply for a position in either of the authorities or the department. That would be the base line. Now, again, if an organization of an authority was wanting to go above that, they would have the right to do that.

**Mrs. Taillieu:** I believe that the training required to earn a Bachelor of Social Work right now is four years at university. Will there be a new definition of bachelor of social worker that does not require a four-year university degree?

**Ms. Melnick:** Currently, there are different standards for entry-level positions. What the provincial standards will do will set a common entry level. Now, that entry level could be combinations of prior learning experience, certainly prior experience, degrees of which there would be in our standards the four-year bachelor which you referred to earlier, and then cultural appropriateness. So hiring would be made on the basis of several different elements as it always is for any position that a person would apply for.

**Mrs. Taillieu:** What is the current entry-level qualification for a social worker?

**Ms. Melnick:** Did you ask what is the current—

**Mrs. Taillieu:** What is the current educational standard for entry level?



**Ms. Melnick:** In the department?

**Mrs. Taillieu:** In the department in a social worker position.

**Ms. Melnick:** Currently, well, of course, depending on the position, there can be entry-level positions where you have a certificate with equivalent experience. There can be a diploma necessary, degrees necessary, but all the postings also speak to equivalent experience which is where we get into the prior learning, prior experience, and if we are talking about the devolution, the cultural appropriateness.

**Mrs. Taillieu:** Thank you. Prior to the devolution beginning, was there a standard for the education of social workers within Child and Family Services?

**Ms. Melnick:** There has not been a change. Again, for positions, it could be a BA with experience, a BSW with another formula of experience. Nothing has changed through the devolution as far as qualifications.

**Mrs. Taillieu:** Are there any shortened courses to allow for people to become a Bachelor of Social Work without the four-year program, educational university program?

**Ms. Melnick:** There was a two-year diploma program created at the University of Manitoba for social work that is, again, as I talked about the different combinations, that has to do with the PLAR as well. So it would be two years plus relevant experience.

**Mrs. Taillieu:** What are the qualifications to enter that program?

**Ms. Melnick:** It is varied. That is what prior learning experience is all about, looking at what experience would be relevant to enter a position, to enter a program. There is no specific formula when you are talking about PLAR. The requirements would, in fact, be set by the University of Manitoba, if we are talking about this particular program. It would be set by the institution that is offering the diploma, degree or whatever the certificate.

**Mrs. Taillieu:** So there is a difference between the social worker certificate and the Bachelor of Social Work, and these two would be different, have two completely different job descriptions and one would

not be able to integrate with the other, or interchange or replace the other?

**Ms. Melnick:** Well, again, as I was speaking previously, the formal education matched with the prior learning assessment, prior experience, cultural appropriateness, is all put together, if you will, when a person applies for a position. So there could be a situation where a person has a BSW—

**Madam Chairperson:** The hour being 5:30, committee rise.

### AGRICULTURE, FOOD AND RURAL INITIATIVES

\* (15:10)

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

Today, this section of the Committee of Supply will be considering the Estimates for the Department of Agriculture, Food and Rural Initiatives.

When this department was considered by the Committee of Supply meeting in Room 254 on March 24, it was agreed, on that day only, to have a global discussion. The critic, the honourable Member for Lakeside (Mr. Eichler), and the honourable Minister of Agriculture (Ms. Wowchuk) have agreed, I am advised, that the discussion of the Estimates of the department will proceed in a chronological manner. We shall, therefore, proceed with the consideration of Item No. 1(b).

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

The floor is now open for questions.

**Hon. Rosann Wowchuk (Minister of Agriculture, Food and Rural Initiatives):** Mr. Chairman, if I recall correctly, we said that today we would deal with the crop insurance and credit corporation, and those are the staff that I have available today.

Mr. Chairman, if we could, we would begin with crop insurance. We have crop insurance staff with us. I have Neil Hamilton who is the general manager, and Jim Lewis, director of finance and administration. As well, at the table I have my Deputy

Minister Mr. Barry Todd, and Marvin Richter who is executive financial officer for the department.

**Mr. Chairperson:** The floor is now open for questions.

**Mr. Glen Cummings (Ste. Rose):** I have one brief question. Under crop insurance rules and the setting of the price on sample Canola, I just wanted to have it noted on the record and ask crop insurance representatives if they would choose to make any comment through the minister on an issue that I have been involved with. I have done further checking and, talking to some of the players in the grain industry, I was able to collaborate that they do have a price for sample Canola, but asked how soon they will be taking any; the answer is "unlikely" and "how old are you." Well, no. "How old" is my comment.

I just wondered if the corporations, and I suspect they will not have had time, but if they still intend to continue with a review of how pricing on sample Canola is being handled.

**Ms. Wowchuk:** Mr. Chairman, it has been a very difficult year for producers with the qualities of grain. The member speaks, particularly, of Canola and the grade factor.

I could indicate to the member there has been a survey done of the industry to see what they are paid for this quality of grain. The member asked about the amounts of grain that were sold at those prices. We do not know the amounts of grain that have been sold at those prices, but I can tell the member that after surveying the industry the corporation made a decision after the review in January to set two new grade factors to address these issues. Of course, given the difficulties, you will not always meet the needs of all the producers, and not everybody will be satisfied with the results, but the board is still reviewing this matter.

**Mr. Ralph Eichler (Lakeside):** I would like to start off with the minister giving us some type of indication of the cut in staff for the amalgamation between the two departments. Through Administration, I see there is four cut there. Will there be much of a savings there, and who are those employees who are going to be cut?

**Ms. Wowchuk:** Mr. Chairman, we are still going through a review of the positions, but I can assure the

member that all of the offices are going to remain open. The positions that we are talking about reducing are positions that are vacant now.

**Mr. Eichler:** The question it poses as you go from 60 to 56, and, yet, your salary and benefits are going up while still cutting four positions. Obviously, there is not much of a savings by amalgamation. So what is the purpose of the amalgamation then, if it is not based on salary?

\* (15:20)

**Ms. Wowchuk:** Mr. Chairman, we have 60 positions. Those would be the Agricultural Credit Corporation. It was at 98; it is going down to 94, so that is a reduction of four positions.

There are regular salary adjustments that take place, and those are regular salary adjustments. As I indicated to the member, these were vacant positions last year as well. Because they were vacant last year, you will not see as big a saving as you would see if you were eliminating the positions if they had not been vacant last year.

**Mr. Eichler:** We will move into the CAIS program and the recent announcement by the federal government for the billion dollars. It is my understanding that Manitoba farmers are going to be in the neighbourhood of \$123 million that should flow. The government has said they are not able to participate in this program, which would lead me to believe the government is going to be into a windfall, then, because the \$123 million will then become income, leaving the province not having to pay out as much through the CAIS program, so she is going to save some \$50 million, and yet she says she does not have the money. Could the minister or her department comment on that?

**Ms. Wowchuk:** Mr. Chairman, as I had indicated when the federal government made their announcement to put \$1 billion into the agriculture industry, we were very pleased that the federal minister and federal government had those kinds of resources to make available, but they made the decision on their own. It really points out to the areas where there are areas of trade where the federal government has much more responsibility. Provinces across the country have said they are not going to participate in this program, but I can assure the member that we will continue to support the agriculture industry.

I will point out a couple of areas. I point out the \$20 million that we are putting into tax rebate that the federal government is not sharing in, the money that we are putting into Rancher's Choice that the federal government is not sharing in, and the money that we announced that we are going to do other investments in processing. I believe it is very important that we move in that direction and we target our finances to those areas we feel we can make a difference. I can assure the member that from my discussions with producers, they are very much agreeing that we have to look at ways we can increase the profitability for producers through value-added and other opportunities. We are going to be looking at how we can make investments in some of those areas.

**Mr. Eichler:** With the comments, then, following up with Rancher's Choice, has the minister met with the people from Rancher's Choice or the mayor's staff from Dauphin with regard to the environmental licensing and the current announcement with the problems they are having trying to get the environmental licence processed?

**Ms. Wowchuk:** Yes, I have had discussions with the mayor of Dauphin and the reeve of Dauphin.

**Mr. Eichler:** Would the minister comment on that then?

**Ms. Wowchuk:** Mr. Chairman, the issue of the effluents coming from the slaughter facility is not a new issue. This has been in discussion since September when we learned that Rancher's Choice had approached Dauphin with a plan to construct and operate the slaughter facility with the intent of sending pre-treated wastewater to the Dauphin municipal wastewater treatment plant.

After that happened, the Department of Conservation provided a document called the "Advice Document" to both Rancher's Choice, the City of Dauphin and the R.M., outlining the approval process and identifying numerous considerations for the preparation under The Environmental Act.

Since that time, there have been various concepts of how the wastewater might be treated. They were looking at treating it on-site, then, they looked at using the Dauphin lagoon. Now they are looking at another wastewater treatment facility in order to pre-treat the effluent.

People from my department, people from the Department of Conservation, Water Stewardship, Intergovernmental Affairs, are working with them both to look at what would be the best option to treat the effluent to meet the environmental requirements. They have been in discussion on this issue for some time now.

As I said, both the Rancher's Choice and the City of Dauphin were provided with the documents of what would be required to treat the wastewater in October.

**Mr. Eichler:** I guess the next obvious question would be: Is there a time frame of which the minister or her staff is working toward to try and have an environmental licence in place so that Rancher's Choice can go ahead and tender the project so that construction can begin?

**Ms. Wowchuk:** As you may have heard, because there has been a lot of discussion in the media on this matter, Rancher's Choice is in the process of filling out their application. While they are filling out their application, they have hired engineers to work with them. There are staff people from various departments working, as well, to find a way to move this issue forward. It is Rancher's Choice, at the present time, that has to complete their application process, and then we can move forward from there.

**Mr. Eichler:** On the low-interest loans that the minister and her government have pointed out several times in their press releases, that they have loaned out some \$70 million to farmers of Manitoba, could the minister or her staff outline the cost of that loan to the people of Manitoba, what that cost is actually going to be as far as interest cost is concerned, and how much is going to be recovered from the producer?

**Ms. Wowchuk:** Mr. Chairman, I have crop insurance staff here with me. I would ask the member if there are further questions on crop insurance, and, then, once we are done with crop insurance, I can bring the extra staff in, if that would be okay.

**Mr. Eichler:** That is fine. Then we will deal with the wildlife compensation. Is that okay?

The wildlife compensation budget was cut by quite a sizeable amount. I am concerned that this compensation is just another cut. We look at the

overall budget that is supposed to be so efficient through the amalgamation, yet we still have an increase in that budget, then a decrease in the wildlife compensation.

What is the crop insurance program going to do to cover off some of these costs for the farmers when it comes to wildlife damage?

\* (15:30)

**Ms. Wowchuk:** The elimination of the 20% top-up was in the previous year's budget. In this budget, you see an adjustment and from 758 to 732, and that is the adjustment that comes from crop value and the corporation uses a ten-year average and looks at the number of claims. That is how they make an estimate of how many dollars are going to be needed here.

**Mr. Eichler:** What was the actual dollars paid out in '04-05? Does the minister or her staff have that available for us?

**Ms. Wowchuk:** There was a total of 1700 wildlife claims with a total compensation of \$1,874,400. That was the total budget. Up to January 31, '05, we paid out \$1,807,000 as of January 31 for wildlife claims, and that is the federal-provincial share.

**Mr. Eichler:** Just so I am clear on it, then, is that equivalent to the 40 percent, the 1.8, or is that total?

**Ms. Wowchuk:** That is the total amount and the Province pays 40 percent of that.

**Mr. Eichler:** The Special Farm Assistance program, what is that program for and what does it hope to try and do?

**Ms. Wowchuk:** That is the guarantees on the Farm Mediation Board that we have to pay out as a Province as well.

**Mr. Eichler:** So have there been payouts on that, then, through that guarantee, or is that just a budgeted figure, and if so, to who and how many?

**Ms. Wowchuk:** If the member could just hold that question until we get the MACC staff, they could help us with that one.

**Mr. Eichler:** With the Loan Assistance program then, we show an increase there of just around six.

Are we expecting more loans this year as opposed to last year, or is this going to be part of the loan program that has been established in the past, or is that going under Agricultural Credit? Which one is this one?

**Ms. Wowchuk:** Yes, given the year that we are having in agriculture and the challenges that we are facing, we are anticipating some additional emergency loan assistance.

**Mr. Eichler:** Would the minister care to elaborate on that a bit? Is it going to be an extension of the existing loans, or will it be a new program?

**Ms. Wowchuk:** Mr. Chairman, we are still continuing the program with those loans. So as a result there are still loans outstanding, and we anticipate there will be further loans. So that is an adjustment in the budget made in anticipation of further loans.

**Mr. Eichler:** We will get back on that a little bit more when the agricultural credit comes in as well.

The Bridging Generations Initiative, there is an increase there as well. Could the minister outline the reason for the increase and a bit about the program?

**Ms. Wowchuk:** Mr. Chairman, this is a program that has been put in place to help young Manitobans get into the industry. It is our hope that there will be an increase in participation. There is an increase in management training credits due to new loan activity, and then there are some of the normal adjustments that take place with staff who administer the program. But we anticipate, and I am very hopeful, that we will see more activity in this area. There was very good participation with the Bridging Generations program, and when BSE hit us that slowed things down. I am hoping that we will see more participation in this program.

**Mr. Eichler:** How many participants were there in 2004-2005 that the government actually helped, and how much money was spent in that department then?

**Ms. Wowchuk:** In 2004-05, we had 77 applicants approved.

**Mr. Eichler:** So just on the 77, then, what was the total payout, the loan?

\* (15:40)

**Ms. Wowchuk:** In 2004-05, there were 77 applications that were approved, and the dollar value of the applications was \$10,928,710. I will share a little more information with the member. In 2003-04, there were 93 applicants that were approved for a total of \$10,782,586. So there are a few less applicants, but the dollar value is very much the same.

**Mr. Jack Penner (Emerson):** First of all, I would like to extend my appreciation to the Crop Insurance Corporation in how they dealt with the disastrous effect on behalf of all the farmers in Manitoba. I think staff in the rural areas and their adjustments and the whole process was, I thought, handled very professionally. You need to be commended on the job you did in extremely difficult circumstances. To bring four-wheel drives, ATVs, out there, to be able to get them through the mud in some of the corn fields and bean fields and stuff that was out there, through the water to make the adjustments, I think, was service beyond the call of duty in many cases. I think your field staff performed exceptionally well. I would like to ask what the total amount of losses was that was paid out to farmers in crop insurance in the past year.

**Ms. Wowchuk:** Mr. Chairperson, we paid out \$183 million. We have calculated \$190 million, and there are still some over-winter claims that will have to be worked on in the spring.

**Mr. Penner:** Can the minister tell this committee what the current state of the fund is in crop insurance? What are the surpluses now or the deficits in the Crop Insurance Fund?

**Ms. Wowchuk:** As of March 2005, the surplus reserve, I should say, is \$230 million.

**Mr. Penner:** Could the minister then indicate what her plans are for this coming year as to what level of increases or decreases in premiums we might see for the various crops in the province of Manitoba?

**Ms. Wowchuk:** Mr. Chairman, there is about a 10% increase in rate, and there has been about a 10% decrease in price so the premium will stay at about the same level for the producers.

**Mr. Penner:** So that basically amounts to a 10% decrease in coverage levels for the coming year?

**Ms. Wowchuk:** That is right. The price change has resulted in a 10% decrease in coverage.

**Mr. Penner:** For some reason, that one does not quite ring the kind of bell that I think should be rung at this time of year. I want to say to the minister that the severity of the income crisis in the province, at least in our part of the province, and I believe that holds true in virtually all of the province, is probably far more significant than she realizes. All indications are that the outlook for prices, as it currently sits, does not look very bright for this coming year.

I know that the increases and decreases are based on averages, I believe on past years' averages and projections. I believe, and I stand corrected here, but projections forward are also taken into consideration when the adjustments on commodities are made. I wonder if the minister could give us a bit of an indication as to how that is done.

**Ms. Wowchuk:** Mr. Chairman, for most crops the federal government sets the price, and that is the price we go with. It is an estimate of farm-gate receipts from August 1, '05 to July '06, so within that year. That is where they do the estimates. As a Province, we can insure for less than what the federal government sets the prices at, but we cannot insure for higher. We use the prices that the federal government has set for us for every year that we are insuring, and we are using those prices this year.

**Mr. Penner:** Thank you very much, Madam Minister, for that response. I thought that is how it was, but I was not quite sure.

Can the minister give us an indication as to how much additional revenue she forecasts in the 10% increase in coverages, in other words the 10% increase in premiums that she is telling Manitobans now that they are going to have to pay?

\* (15:50)

**Ms. Wowchuk:** Mr. Chairman, most of the increases are due to the losses that we had in 2004. That is built into the formula that we have when there is a loss and then there is an adjustment to the formula.

The member asked how much more the producers' premium rate would go up, how much more would be collected from the producers. That would be \$2.52 million as the producers' share. How much

was paid out of reserves last year? About \$90 million was paid out of the reserves as well as money from the reinsurance. There is also a change in the cost share because, as you know, under the APF there is a requirement to move the producers towards 40% contribution and that is being done over a couple of years to get to that. So in this year there was some increase as well. So there was some increase there, but the largest increase was due to the losses in 2004.

**Mr. Penner:** Thank you very much, and therein, I think, lies the problem that has not been properly enunciated and is not properly understood by many in the farm community, that, eventually, if the CAIS program and the APF keep moving the way they are moving, we have so far only dealt with one of the pillars of the APF, and that is the farm income pillar, and we are now already seeing increased premiums through the whole process being allocated to the agricultural sector. I believe my prediction that I made a while back is starting to show some relevance, that we would eventually end up with an insurance scheme that would see the disappearance of crop insurance as we know it and would eventually—the minister shakes her head but I think we will see the devolution through this process unless there are some major changes in policy in Ottawa and that the governments of the provinces are able to negotiate. I would suggest to the minister she start the negotiations quickly because we are moving very quickly to a premium type of insurance policy through CAIS and the APF and look at the federal policies that are drafted and published. You can see them and I have seen them and read them. That is why I say this. I have some very grave concerns that we are moving, as it sits right now, moving further and further away from where we should be moving. What we should be doing is implementing mirror programs of the American program.

I know that governments, both provincial and federal, say they cannot afford to match funds with the U.S. Treasury, but we have no difficulty forcing our producers to go head to head with the U.S. Treasury in competing in the world market when they use highly laboured subsidy programs such as their food aid program to compete with us in the international marketplace, in markets, in gaining access in markets such as the food aid program in that area, the disaster assistance program that they have in place in the United States, plus their

guaranteed income on their grains program and other commodity programs.

I believe that it is time that we in Canada and in Manitoba should be at the forefront of this, going to Ottawa and saying we must change these programs, because when I was in Washington just a month or so ago, and some of your colleagues, Madam Minister, were there as well, we heard the U.S. trade group tell us point blank, "We are going to get rid of your supply management programs and we are going to get rid of your programs under loans guarantees and low-interest loans to the Wheat Board." They said, "We do not care so much about the Wheat Board, whether they stay in existence or not is immaterial as a marketing agency, but the program they use to gain markets and/or access markets," I think was the term they used, "We are going to get rid of." They were very blunt about that. I said to them, "Well, if you look at it that way, maybe we should be as insistent on you getting rid of your disaster program, you getting rid of your food aid program and you getting rid of—and the name escapes me now—the agricultural grain support program that they have." The name escapes me, but I said, "You get rid of them and then we will be on even playing fields."

I believe it is important to note that this APF program that we have negotiated, or allowed ourselves to be manipulated into I believe is the better word, as provinces is not serving the best interest of our ag producer. Number one, it is a year late from when the payouts should be made. Just as an example, this year there are the huge losses on some of the farms. They will not qualify for payouts until well into 2006 if there are not other things that are used as impediments to see those payments actually happen.

The second issue I think I need an explanation for from the minister is, when the federal government announces a billion dollar program, she says her province will not participate in that program. Instead, she goes out and announces a \$63 million program to the general public, which is the farmers' own money. How can she, with clear conscience, say that farmers are going to benefit substantially from being able to go to the bank and use their own money?

I think it is a bit of a stretch that the minister used there. I think the minister needs to think very

long and very hard whether it is in the best interest of a healthy industry and healthy producers to use that kind of strategy, I think misconceived strategy, at this time.

I would like to ask the minister, when she and her provincial counterparts are going to demand from Ottawa that they scrap this APF program, scrap the other four pillars they have been dealing with. This has very little to do with crop insurance, and I apologize to the crop insurance staff that are here. However, I want to say this to you, that we had the environmental inspectors down on our farm, and I had two 2500-gallon fuel tanks custom built some 10 to 15 years ago. They are state-of-the-art tanks and we will have to crush them in July 2006. We will not be able to use them because of the silliness of the environmental program, so-called environmental program, that is being implemented.

I would invite the deputy minister, today, and you, Madam Minister, to come down to our farm and take a look at our set-up on fuel, and if you can explain to me with a straight face that these should be destroyed, and not be allowed to be used, then I would like to know the reason why. There is not a leak in that operation and there will not be for 30 years because these tanks are built of quarter-inch steel. You cannot destroy them unless you absolutely try and run into them with a truck. You would damage your truck before you would destroy the tanks.

Which farmer in their right minds, today, would allow any fuel to leak, at between \$3 and \$4 a gallon for diesel fuel; 68 cents a litre and you multiply that by four? That is an American gallon. You add a fifth to that and, I think, you have the Canadian gallon. So tell me what the amount is. Which farmer in their right mind would sit there and allow their fuel tanks to leak? It is impossible to assume that farmers would allow that, and we are sending environmental people out to these farms and saying we have to inspect.

\*(16:00)

Every tank I have on my farm that I use to transport fuel from those tanks, those storage tanks, to where we are operating, will not be allowed anymore. We will have to replace all those tanks, and they are going to have to be inspected every year. Again, I ask with a straight face: Which farmer in

their right mind would allow fuel to leak out of those vehicles? It is too expensive; you cannot afford it.

So why have we allowed ourselves to be led into this kind of a farm policy, I ask the minister. In large part, the reason I ask this now is because it includes the CAIS program, the silliness, and the huge amount of work that goes into it. The amount of money that we have paid to our accountants over the last two years is exorbitant, and for what? For no reason at all. But we have to do it in order to comply with the program, and it is hugely costly.

So I say to you, Madam Minister, please, whatever you do, go back there and say, "Let's use some common sense. Let's trust our agricultural community because they are probably more aware of what they need as far as the environment is concerned than anybody in Ottawa, or for that matter, in Winnipeg, does." We are more cognizant of maintaining an environment and a clean environment on our farms than we probably have ever been. I think we do a better job of protecting our water and our soil from any kind of contamination, including fuel.

So I want to ask the minister when are you going to take that case to Ottawa and make the case that farmers are responsible and that farmers need the kind of protection that other countries offer their producers if we are going to expect them to be in business over the long term.

**Ms. Wowchuk:** The members raised quite a few issues, and I will try and cover all of them off here. First of all, the member is concerned about the APF. The APF was designed in discussion with farm organizations, farm groups. People worked on it. I remember in this House, in fact, the member urging me to sign the APF, saying, you know, "Get on and sign the APF, and let's get this money in producers' hands." He may not want to admit to that, but there was urgency. Are there problems with the APF? Of course, there are problems with it. That is why under Manitoba's leadership we now have a cash advance under APF so producers can get their money in it. There is also a review of the APF going on to look at how we can improve it.

Are we moving fast enough? The member seems to want to scrap the other pillars, whereas farm organizations are telling us to move along, get the other pillars implemented. That is what we are

hearing from producers. So the member is not listening to what farm groups are telling us, and that is to move along on the APF.

I can ensure the member that under the APF there are no inspectors. The farm inspections and the environmental farm plans are being implemented on a volunteer basis, and they are not inspected by an independent body. So the member is wrong when he is talking about the inspections that are going on on farms. Yes, there are inspections going on on farms. They are not coming under the APF, and I would encourage him to raise those issues. I believe that would be maybe under Conservation that there are some inspections, but under the APF there are no inspections going on right now.

With regard to the producers, the member criticizing me for announcing that the \$63 million is going to be freed up. That is quite interesting when the Keystone Agricultural Producers put out a press release thanking me for moving on this, for being the first province to sign—

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

**Mr. Chairperson:** The honourable Minister of Agriculture (Ms. Wowchuk) has the floor.

**Ms. Wowchuk:** Thank you, Mr. Chairman. Under the APF that farmers agreed to, they were required to put money into the program. Then that was reduced to one-third. Then we got an agreement that if anybody had an amendment, if anybody had over a third in, they could withdraw that money.

We now have an amendment that allows for producers to take all of their money out. That is \$63 million, and I was announcing to producers that they would be able to withdraw it once we had seven provinces on board and the federal government to sign it. Producers were very happy with that change that was made to the APF.

So, Mr. Chairman, the member also talks about crop insurance changing. That was where he started out, and the member opposite will remember when Minister Vanclief was in, I believe it was sometime in January of '03 when the federal minister then floated the idea of all of the programs coming under one program, and we were very concerned that that was going to be the end of crop insurance at the time. We valued the crop insurance program in this

province. It has some of the best participation in the country. Our producers value it, and as we make changes to CAIS, one of the guarantees I want is that it is not going to undermine crop insurance, that, whatever the new program is going to look like, it complements crop insurance but does not undermine it.

So, certainly, producers will get their money back out of the deposits of CAIS as we design a new program because obviously there are concerns, and we want a new program designed. That is why there is a review on.

With respect to the food aid package that the U.S. has, this is exactly the kind of program that has to be eliminated, and the framework that has been put in place to look at agriculture issues calls for the elimination of export subsidies, scheduled export credits, export credit guarantees with terms in excess of 180 days, and the provision of food aid. The question of providing food aid exclusively in full grant form will also be addressed.

It is an important issue that the member raises with regard to food aid, but to ask us to go in that direction is not the direction that we are going under the WTO; in fact, that is one of the areas that we are looking for to see that eliminated rather than being used as a trade barrier for us because it does help the U.S. and the U.S. distorts markets for other countries with their food aid.

**Mr. Penner:** Just one further question with regard to crop insurance. On the soy bean coverage this fall, the corporation indicated that there was no grade assurance because I understand that the Grain Commission did not have any great assurance and therefore could not be applied. Can the minister give us a bit of an explanation as to what has happened in the interim and how those claims were settled this year where there are some questions about the claims?

\* (16:10)

**Ms. Wowchuk:** Mr. Chairman, it is not because the Grain Commission does not have grades. What happened was when the producer groups were negotiating with crop insurance and what they wanted their insurance to look like, they did not anticipate this kind of situation. They thought that they would be able to blend their crops as they had in



the past. Nobody anticipated the situation that we have right now.

For 2005, we have put in place a grade guarantee. For 2004, there was not any, but they did not pay a premium for it either. So, in 2005, they will be able to pay a premium to get the grade guarantee. As the program was being designed, it was really the producers that were working with the corporation and did not think they would need that, because in the past they had always been able to blend and address their issue.

**Mr. Cliff Cullen (Turtle Mountain):** Mr. Speaker, I thank you for the opportunity to ask the minister some agricultural questions relevant to the producers of Turtle Mountain and, I think, as well, throughout the province of Manitoba.

I do agree with my colleague from Emerson that we do have to develop a strategy, for lack of a better term, an insurance strategy that works for all producers. I think producers throughout Manitoba are not really interested in bailouts. They want a system or a solution that will work, something that they can bank on at the end of the day. I think that it is important that we try to move to meet those ends.

I do have some questions that are in regard to, specifically, the CAIS program. I do have some correspondence from my constituents who have concerns over the CAIS process. It is quite a complicated process for them, and it is becoming quite expensive in terms of accounting fees and whatnot. I wonder if there is any way that the process can be simplified going into the future.

**Ms. Wowchuk:** Yes, I can indicate to the member that we are looking for ways to streamline. Of course, it is a fed-prov program, administered by the feds. We are looking for ways to streamline. There is a new administration group that was put in place to look at that, but when you look at a whole farm program there is a lot of information that is required. It is the first round that is the most difficult. After that, hopefully, it will be a little bit easier.

Mr. Chairman, I wonder if I could ask, is there a willingness to pass crop insurance, and then we can bring the other staff in here?

**Mr. Cullen:** Further to the CAIS program, just a last question, it appears that the CAIS program really is not working for the beef producers to a high regard

because of the inventory. I know there has been some discussion about having a look at the CAIS program as it relates specifically to the livestock industry. I just wonder if there has been any move forward to address those specific issues.

**Ms. Wowchuk:** There are two issues that are very important to producers. One was the CAIS deposits. We have been able to resolve that CAIS deposit to get that money flowing back to producers. It is not flowing yet, because provinces are just in the process of signing off on that.

The other one was on the inventory evaluation and there is a study going on that one. I anticipate that the results of that study will be brought to the ministers at our meeting in July.

The other issue is on the cash advance. When we were doing the cash advance, there was something done with the inventory. It was based on the number of animals on farms. Those were issues that were outstanding for the cattle producers because of inventory.

So some of those things have been addressed. There is recognition that it is difficult for the cattle industry right now. As I said, in those ways, with the advance, looking at the number of animals, and now the study looking at how the inventory can be evaluated, are issues that we recognize as being important, and are being worked on.

**Mr. Cullen:** Thank you, Madam Minister. I am sure producers will be happy to hear that.

The other question I have is in regard to the Manitoba Agriculture Services Corporation, the proposed amalgamation of MACC and MCIC. I guess there is some feeling out there, as it may relate to closure of offices and proposed amalgamation of offices, and there is a bit of a fear that that may happen. Could you reassure us that access to staff will still be there?

**Ms. Wowchuk:** Mr. Chairman, although we are bringing the two corporations together under one piece of legislation and one administration, there is going to be a lending branch and an insurance branch. The lending branch will continue to operate out of Brandon, and the insurance branch will continue to operate out of Portage la Prairie. We are not looking to close offices in rural Manitoba, and it

is my hope as we move along we might be able to even offer more services because there are some places where we might have a crop insurance office and not a lending office. Perhaps, we might even be able to improve services.

Our goal is not to reduce services. We made that very clear when we made the announcement that this was not about reducing services. It is, in fact, my greatest desire to enhance services to people in rural Manitoba.

**Mr. Cullen:** In terms of services, I know the Province now has a hiring freeze on, and it relates both to agriculture offices and Manitoba Crop Insurance staff, as well. I know we have vacancies throughout the province, throughout my constituency, and I am just wondering when we can see those vacancies in agricultural offices, the ag rep offices, when those will be replaced. I know we are short of agents throughout the province in Manitoba Crop Insurance. So I am just wondering when we will see those vacancies filled.

**Ms. Wowchuk:** I want to ensure the member that there is no hiring freeze, but, as we were doing the review of the department, we did not want to fill vacancies while we were doing the review. We are now in the process of filling vacancies, and the same will happen with the corporation. As we complete our work on the legislation and bring the corporations together, then we will continue to review those positions and look at how we may be able to fill them.

\* (16:20)

**Mr. Cullen:** So there is no immediate intent to fill the ag rep vacancy in Pilot Mound.

**Ms. Wowchuk:** That is not what I said. What I did say was that we were doing a review and a reorganization. Now that we have hired the managers, then we will move forward and fill other positions, but there are changes in job descriptions, and we are working through this. We had said that this will not happen immediately, because of the changes in the job descriptions, changes in responsibilities, changes in locations of offices. This will take some time, but it is not our intention to lay people off.

I know that the member represents the Pembina area. The team that covers the member's area has

several positions that need to be filled. As they get themselves established, because, as you know, the new managers were just announced just last week, I believe, so as we move forward, they will look at those positions.

**Mr. Cullen:** In regard to the job descriptions for these offices, whereabouts are we in that particular process? That seems to be the place where we are being held back from filling these positions. Where are we at in terms of developing those positions or those proposed positions?

I guess, subsequent to that, have you had discussions with local organizations as to how those job descriptions might best fit a specific area, or are you developing the job descriptions on your own?

**Ms. Wowchuk:** Mr. Chairman, when we began this process of reorganizing the department, there was a lot of consultation with the user groups, with the farm community, farm organizations, the industry discussing what they felt was needed, what services they felt we should be bringing into the department. In that sense, there was a lot of discussion, and people stated very clearly where they wanted some changes. We have done that.

The individual talks about the job profiles. The job profiles that we are working on now are developed in consultation with staff from staff to staff. The staff works on those profiles, and that is being done right now. Then, when people have been put in place into those various jobs, then you come to the work plan, and the work plan is developed with the community.

I would have to say that this process is moving along quite quickly. We have got the managers in their areas. They are working on the job profiles or job descriptions of what each of the positions will look like, what the requirements will be, and then it will move forward from there. Definitely, there is a lot of work being done, and staff is fully involved in it.

**Mr. Cullen:** I will address my questions to Manitoba Crop Insurance, and I thank you for taking the time to be here today. Again, I know we do have a shortage of some agents in crop insurance, and I am just wondering when we can expect those agents to be filled.

I should also comment on the staff from Manitoba Crop Insurance. I know they certainly have gone through a lot of work this past year with just an unheard amount of claims this year. I know this staff has worked very hard in trying to address some of those claims and move forward in getting those claims addressed. I think the staff from Manitoba Crop Insurance deserves tremendous praise for the efforts they have been through over the last several months to get the money back into producers' hands.

The only comment I have is I hope that because of the large number of claims we had and the ability that it would take some time to get to all those claims, that our producers will not be penalized, because it did take some time to get to those claims. So I just want some reassurances that, you know, those claims, even though they were not done with until some time after the harvested production reports, they will still be addressed in a fair and equitable manner.

**Ms. Wowchuk:** Mr. Chairman, I would like to join with the member in commending the staff of crop insurance, because last fall was not an easy year to be dealing with the crops, given the weather conditions, given the frost. There was an enormous amount of claims, and agents had to work very, very hard, but I can indicate to the member that all claims follow the same process. It does not matter whether it is a very busy year, or whether they carry over. All field claims have been done. There are some over-winter claims that will have to be reassessed in the spring, but I do not anticipate that anybody will be treated unfairly. They will, whether their claim got treated earlier, or adjusted earlier or later, all of that is being done, and I expect that everybody will be treated fairly.

I am sorry, Mr. Chairman. We should not be talking across the way without going through you.

Mr. Chairman, at the present time there are three agencies that have vacancies, and we will be reviewing those.

**Mrs. Leanne Rowat (Minnedosa):** I have a few questions regarding crop insurance, and they are specific to the Minnedosa constituency, but they also represent the Manitoba agriculture sector as a whole.

I, too, would have to congratulate Manitoba Crop Insurance for the work they have done in a

difficult few years in rural Manitoba. I do have some questions, however, regarding the offices and also some of the programs.

I do know that, in talking to staff and talking to individuals who utilize the services of the branches in my constituency, there seems to be some confusion at times when programs are being announced and applications were not available for the producers, and I am hoping that, when programs are going to be announced in the future, staff are made aware of the announcements and also have the information available to share with producers. That is just a comment and a recommendation to the minister.

I, too, as the minister has indicated, have a strong desire to ensure that services are enhanced and retained within rural Manitoba. I, unfortunately, do not believe that this is occurring at this time. It seems to be on a decline with this present government.

\* (16:30)

I have a question regarding vacant positions within Manitoba Crop Insurance and, specifically, to the community of Souris. I do know that an individual retired, I believe, this past December and there does not appear to be any replacement in place. If the minister can share otherwise, I would be more than pleased to learn of this.

Also, keeping in mind if the minister does not have a replacement in mind, this office is being serviced by an individual from Virden who has to travel 45 minutes to provide the service that producers require in the community. Forty-five minutes, an hour and a half travel time, could easily provide enhanced service for a lot of the producers in the area. I am asking the minister if, and when, she is planning to ensure that Souris' office is manned to its full potential.

**Ms. Wowchuk:** I want to go back to the opening comments that the member made about programs, announcements and applications not available. The member must be talking about some of the BSE programming that we ran through the Crop Insurance Corporation and the specifics that she has where applications were not available. I would be interested in hearing on that, but I can tell you that I give full

credit to the corporation for how quickly they moved.

When these programs were being designed to get money into producer's hands, the corporation was, I believe, very efficient in what it was doing. If the member has some specifics she would like to raise here in the House, or something specific she would like to share with me, I would be happy to talk about them.

The member talks about services on a decline. Again, I would have to disagree with her. This reorganization is about enhancing services and taking advantage of technology for producers and offering additional supports to rural Manitobans, whether they be in the agriculture industry or people interested in rural economic development.

With regard to the three agencies that I spoke about earlier, there is no intention of closing these agencies. Each of the agencies has a full-time clerk. They have a team leader that deals with the claims, and the agency officers are being rotated between the offices. The member referred to Virden travelling to Souris. Yes, there is travel because we are rotating. We are bringing in adjustors in peak seasons to deal with the claims in order that, whether it is in the sales season, or in adjustments, there are people that are covering these offices.

As I said earlier, we are in the process of making some changes, and as we make those changes in the corporation, then we will make a decision about these agencies and how we fill them. I assure you we are not closing offices, and there is staff in those offices.

**Mrs. Rowat:** Covering offices, looking at creating opportunities through employment of those offices is not enhancing the positions or the services within rural Manitoba.

I do know that there have been several individuals who have complained about the inability of this government to ensure that there are people in the offices to address the services. The staff there are working very hard to meet all of the requirements, but when you have individuals traveling from one community to the next, taking an hour and a half travel time, you have staff people that are just not being able to be there.

I do not know what she means by technology being provided or enhancing the services. Everybody has computers. Everybody is receiving services from individuals, but I think a lot of producers are very concerned that they are going to see a closure of offices and having to use technology, either through phone or e-mail, to access information.

I am asking the minister, specifically, when she plans to fill the position in Souris, if she is planning to fill the position in Souris. When can the office and the people that utilize this office see an individual permanently in this space?

**Ms. Wowchuk:** I hope the member will leave from these Estimates and assure people in Souris and other areas that we have no intention of closing offices. There is—*[interjection]*

**Mr. Chairperson:** The honourable minister has the floor.

**Ms. Wowchuk:** There is a full-time staff in that office. There is a clerk that works in that office. There is a team leader in that area, and the agency offices are covered by a rotation, so someone comes into that office to do the work. In the busy season, in the season of sales, adjusters are brought in. So there are people in that office.

We are making some changes in the corporation. As we do move through that, then we will make a decision on the three agents that I have indicated are not filled right now, but we will continue to provide services to our clients. That is the assurance that I can give the member, and I hope that she will take that message back to the people of Souris that we are not closing that office.

**Mrs. Rowat:** My question is specific to Souris. Can the minister assure me that this position in Souris will not be lost through attrition and that a staffperson will be placed in this position in Souris?

**Ms. Wowchuk:** Mr. Chairman, I do not know how I can be clearer to the member. I have indicated that we are not closing offices. We are continuing to provide services. As we go through our reorganization, each position is evaluated. This position will be evaluated as well, but we will continue to provide service for our clients in Souris.

**Mrs. Rowat:** I guess the answer is the person from Virden will continue to travel the hour and a half every day, or when services are needed in that community, and we will continue to see a decline in quality service from this government. The minister has indicated that she will not be fulfilling this position in the short term. So, again, the individual in the office will have to continue to work on her own with very little support from this government to provide the enhanced services that she proudly spoke of.

Regarding changes to the service delivery of crop insurance in the Ag GO offices, I would like to know if the minister has any information she would like to share on the offices being pulled together into one office, and, if this is going to happen, can she confirm the possibility of this happening, and if there is a location in the community that they would be working together in?

**Ms. Wowchuk:** I think I missed part of the question. If you could repeat it, please. Was the member talking about—I just did not get it.

**Mrs. Rowat:** It is my understanding that there are going to be changes in services in the agriculture sector. In the community of Souris, right now we have a crop insurance office, and we also have an Agriculture Services office or a GO office. It is my understanding that these two offices, there is the potential and rumour that they are going to be pulled together, and the services of both offices will be offered out of one location. Can the minister confirm that this is in the plans?

\* (16:40)

**Ms. Wowchuk:** Mr. Chairman, I want to go back to the previous question, first of all, and then I will get to this one.

I want to correct the record again where the member has said that we are going to reduce services in Souris, that the clerk will continue to work alone. I have a lot of confidence in the clerk, in the team leaders and the people who work in that area, in their ability to carry on the work and we will continue to have the agents rotate.

With regard to Souris's service, I want to share with the member the services that we have in Swan River. We really have a one-stop shop. We have the

Enterprise Centre in Swan River where we have the crop insurance. We have the credit corporation. We have everybody in one office and producers really like that. That happens in other parts, I believe Dauphin as well. Dauphin has a similar situation where crop insurance and the credit corporation were brought together into the provincial building where all the producers could do really a one-stop shop.

I have said in the past that, where there are places that we might be able to bring services together, we would consider them. That has not happened, and Souris is one of those places that will be reviewed. I can tell the member specifically that we are not at that stage yet. We are in the beginning of the reorganization, but I am confident that we will continue to have services there. What the configuration of those services will be like, I cannot give you specifics on that right now because we are just in the beginning of it.

I think what we should be most concerned about in this is what are the services that we are providing for producers and for rural communities. The member may not agree with the comments that I have made that this is about enhancing service, but I can tell everybody in this House that the decisions that we made to reorganize the department were made in very close consultation with the industry, with producers, people very much had discussions with different commodity groups on the kind of service that they wanted.

Specifically to the question, is there a chance that we might move offices together? That decision has not been made. I hope the member will not take that as a yes or a no because, quite frankly, I cannot give you that answer because we are not at that stage yet. We are just at the stage of where we have hired the managers and we are looking at job descriptions and looking at putting people into positions and we will continue to work in this vein.

**Mrs. Rowat:** The minister has indicated that they are working on job descriptions and they have people in positions already that are really kind of concerned and wanting to know what their job positions are. So I encourage her to work rather quickly on those job descriptions so that people know what their responsibilities are to their roles. I know that they are very committed to their communities and very committed to the producers that they represent, but some of them are a little bit concerned and confused

about what their new titles really mean and what their roles will represent.

Specific to the crop insurance individual who is working by herself, I think you can only push somebody so long in keeping them in a position where they are responsible for so much. So I encourage the minister to have respect and appreciate, you know, not only in the community of Souris, but there are other communities where individuals are working independently and on their own and are looking forward to their reinstatement and I guess the changes of services to be complete so that they know who they can rely on and look for for supports.

My question to the minister is regarding a program that a constituent of mine had written the minister about and was actually able to receive assistance on. I guess it is called the green Canola program or it is a green Canola program is what the constituent had called about or had written about. I just want to know if the minister can tell me, when they had initially talked to somebody in the department, they were told that they would not receive assistance and then further into their dealings with the department they found out that they did access dollars, so can the minister indicate to me what precipitated the change in policy on that program?

**Ms. Wowchuk:** Mr. Chairman, there were two comments that I would like to address. The member referred to the individual at Souris that is working alone. I want to, again, indicate that there is a clerk there. There is a team leader that is there almost full-time. There is adjusting staff that come in as is needed, particularly in the sales period and the rotating agents, and that agent is there more than a couple of times a week. So the individual is not working alone. I just want to clarify that.

With regard to the green Canola program, I had indicated earlier that there was a survey done in January and that survey is based on what the industry is buying. Based on that survey, they were able to make some adjustments and refine the factors. Two additional classes were added in. So we went from three to five. Based on that, that is how a change was made. I would assume, then—I do not have the specifics—the individual that the member is talking about probably got an additional payment based on the refinement that took place based on the survey

that was done with the industry on what they were buying.

**Mrs. Rowat:** Two questions to the minister and Deputy Speaker: How much money was paid out in that program prior to the change and then once the changes occurred? What type of notification did you make to producers that the changes were made because some may qualify, after the changes were made, that would not know that the program is there?

Based on the meetings, the critic, the MLA for Lakeside (Mr. Eichler), and I had discussions with several producers in my constituency, and this was a topic that did come up on a regular basis in meeting with them. One producer had brought up the comment that he stumbled upon qualifying for the program, finding out that there were some changes. So others were concerned that they did not know about the changes and were concerned that maybe they could have qualified or could qualify for the program.

\* (16:50)

**Ms. Wowchuk:** Mr. Chairman, the producer that the member is referring to would not have had to stumble on the program because it happened automatically. The payment was retroactive. If you had a payment earlier and an adjustment was made, the payment was made. They did not have to apply. Over 500 producers will receive an additional payment—did receive because of the revised Canola grades, and there is an additional \$250,000 that was paid out. As well, there was an adjustment in wheat, and 1100 producers were affected by this. There was over a million dollars paid out in additional indemnity. So people did not have to apply. When the adjustment was made, it would automatically have gone to them. If someone is telling the member opposite they stumbled on them, I think they are misleading her a little.

**Mrs. Rowat:** When she is indicating there will be 500 producers that will be receiving payment, can she indicate to me when this money will flow to the producers? Is it all out, or are we waiting for another program?

**Ms. Wowchuk:** The Canola is done. The wheat is not completed yet, but people who are entitled to an adjustment in Canola have received their adjustment, or their adjustments have been mailed out. The wheat

has not been finalized. It is very close to being finalized, but all the cheques have not been finalized yet. Very shortly.

**Mr. Eichler:** I want to thank the staff for their patience. As you know, agriculture is a very important issue to members on this side of the House and I am sure, lots on that side of the House as well, but we got off topic a few times and we do want to move on. What we will try and do now is I will be specific to crop insurance so we can go ahead and bring in the rest of the staff on the other issues.

I do have some questions specifically for crop insurance before they do leave. The objective as outlined on page 50 is to provide farmers with comprehensive, predictable, individual, targeted income stability. Would the representatives or the minister care to comment if they have a plan in place for the stability for the livestock producers and the grains of the province with the decline in those commodities, specifically for the grain and the livestock sector. What plan do we have in place that is going to be somewhat of a safeguard for those producers within the province of Manitoba?

**Ms. Wowchuk:** There are two elements of risk management that we have. One is the production insurance which addresses the variability of production loss. Under the APF it is no longer called crop insurance, it is called production insurance because there is an element here where we could start to provide livestock disease insurance. Nobody has moved in that area yet, but it is an area where we have the ability to move.

Then there is the CAIS program, which addresses variability of farm income on a whole-farm approach. We hear a lot of criticism of CAIS and concern, but in reality, there is a lot of a money that goes through that program. Our budget is over \$50 million for CAIS and that is only the provincial share of the budget. That is a significant amount of money, this, as well as the money that we have in the crop insurance or the production insurance program. So those are the two areas where we meet our objective of providing comprehensive, predictable, individual- targeted income stability.

Now, is it addressing everything with the low commodity prices that we have now, with the return that producers get? There are still challenges, but I think one of our bigger challenges is looking at farm

receipts and how much does the producer really retain and how much goes off to suppliers of services to the producer. I believe that is the big challenge that is ahead of us, and how do we narrow that gap and get more profitability on the farm. It is an area that we have work to do. That is why we look at ways that we can add value. That is why we have been having discussions with a variety of people on how we might be able to get more of a return for producers, but the low commodity prices are a real challenge for producers now.

**Mr. Eichler:** Mr. Chairman, the insurance values being based on previous years' sales—as I pointed out in my opening comments, grain prices from 2004 are down 19.4 percent from 2003. It is estimated for 2005 that 30.4 percent of the grain will be in the top two grades, and the ruminant cattle prices are down 23.1 percent.

Now, for the producers, you said earlier that there was going to be a 10% increase in premiums and a 10% decrease in the value payout, so it is really hard for us on this side of the House to understand how these farmers are going to be in a position come fall without some type of sustainability project that is going to have to be mandated through crop insurance or through the government through another initiative. To me this is looking like it is going to be producer-driven instead of government-driven, and I would like the minister to comment on that or highlight where Manitoba Crop Insurance can be a lead player in this program.

**Ms. Wowchuk:** Mr. Chairman, on the crop side, through the production insurance, the prices that we can insure for are set by the federal government and we cannot insure above the market price. It is not allowed so you insure for what the market price is. Certainly, with the prices down, then you are insuring for a lower amount.

The price support comes under CAIS, and that payment is based on a five-year average or an olympic average with the high and low year dropped off. Given the current situation where prices are, there should be a payout under CAIS to the producers to help with price support. Again, I indicate that those programs were designed in consultation with producer groups. They helped to design the programs.

\* (17:00)

When you have low prices like this, you always have to start thinking about—when the prices are low and input costs are high, there is a tremendous pressure on producers and that is when we, and I say "we" collectively, all have to look at our input costs, what share the farmer is maintaining, and how we might be able to work with producers, but we cannot address price through our production insurance. That is just not what the production insurance is intended for.

Now the member talked about reduction in coverage. There was the APF agreement which is one that members opposite supported and encouraged me to sign. I worked on this one, although we did not get everything we wanted in it, the APF has a clause in it that requires the producers to move to 40 percent of the premium and that is what we are moving towards gradually and that is part of the increased costs that are also there for the producer.

**Mr. Eichler:** Mr. Chairman, I appreciate those comments, but we did, yes, encourage you to participate in the APF program, there is no doubt about it, but we did ask you to do the best job you did trying to negotiate the settlement that will be best for all producers. We think there is a lot of work that needs to be done on that program, without a doubt. The Manitoba Crop Insurance, could they tell us how many claims are still outstanding for, I know there are several farms that are still waiting to get their crop off from the fall of 2004, is there some type of money that has been set aside? If so, how many claimants are outstanding and what is the budgeted amount of money?

**Ms. Wowchuk:** Mr. Chairman, there are about 900 outstanding claims, crops that are left out for the winter. We anticipate that to be at about \$5 million. Five million has been set aside to deal with those.

**Mr. Eichler:** In light of the current financial situation in the farming community, does the minister and her staff have any idea of when this money or these claims would be settled?

**Ms. Wowchuk:** Mr. Chairman, once the crop has been harvested, or destroyed if it is not harvestable, then the claim can be closed, but I can indicate to the member that there are advances that are made on these claims, so it will only be the final portion of the claim that is still outstanding and will be dealt with

in the spring when a decision is made whether to harvest it or destroy the crop.

**Mr. Eichler:** Mr. Chairman, then the \$5 million that is outstanding, how much of that money has flowed already, then, or how much is being held back?

**Ms. Wowchuk:** Mr. Chairman, the \$5 million is what is being held back on those claims. A larger portion has been paid already, this is the amount that is being held back until the claims are finalized.

**Mr. Eichler:** Is there a way, Madam Minister, that we could be more efficient in ways of getting these claims processed? You had mentioned that it either has to be destroyed or processed in order to get the claim finalized. Do we not have the expertise within the department of crop insurance whereby they can visit a site and determine whether or not this payment should be made to the farmers? In order to wait for the crop to get off, they have to wait for the fields to dry up enough in order to get on there to either destroy it or combine it. The people I talked to last fall just opened the sieves and ran it through. It was too tough to even try and salvage anything out of it, which again put extra burden and cost onto those farmers, plus the cost of fuel, never mind the wear and tear on the machines.

**Ms. Wowchuk:** Mr. Chairman, the adjusters have been out there already. Given the weather conditions, these crops could not be harvested.

I want the member to know that the individual is not required to harvest it. So it may not be that there will be the need to run additional equipment, but crops deteriorate in the winter, and it is in the producer's best interest to have a further adjustment, because if there is additional deterioration then the producer gets a larger payment. This is done in the best interest of the producer, because if he or she has not been able to harvest then they are able to get a further adjustment on the crop. Once that further adjustment on the crop is done, it may not be necessary to harvest it.

The corporation is looking out for the interest of the producer and looking at what additional payment they may not get because the crop has deteriorated over the winter months.

**Mr. Eichler:** Thank you for that, Madam Minister. The department then, what you are stating is it is



going to be looking at ways within the next couple of weeks before the crop is going to be planted in order to try and make settlement. Is that something safe we can go to the farmers with and try and explain to them?

**Ms. Wowchuk:** Yes, that is right, Mr. Chairman. We would want to settle these claims as quickly as possible, because the farmers are wanting to get back on their land and start working on their next crop.

**Mr. Eichler:** Just a few more, Madam Minister. If your staff would just bear with me, I am just about to wrap up.

The money, then, if we can get this solved within the next couple of weeks, what is the timeline for payout for the \$5 million that is outstanding?

**Ms. Wowchuk:** Mr. Chairman, it usually takes about three weeks after adjustment for the paperwork to be done and the money to flow.

**Mr. Eichler:** With respect to crop insurance and the CAIS program, last year when the farmers were encouraged to sign up and get involved with the CAIS program there was a misconception, and also misinformation that was sent out in regard to the percentage of crop insurance that you had to sign up for. Is there a way, because a lot of farmers did not sign up for crop insurance, thinking that the CAIS program would be covered off—has the department looked at ways of trying to seal that crack and make that crop insurance available to them, or is there a way of backdating applications so that they are able to qualify for the 70% payout?

\*(17:10)

**Ms. Wowchuk:** Mr. Chairman, crop insurance has never changed. What was offered in crop insurance before CAIS and what is offered now is the same. It was always made very clear that what was offered by crop insurance would not be covered off by CAIS. That was a clear message right from the beginning. So producers had to make the choice on whether they were going to buy that production insurance by March 31.

The member asked if there would be any retroactivity in this, and no, there is no retroactivity, because that would not be fair to those producers who have been, over the years, buying their

insurance, to now have some retroactivity offered to those who had chosen not to purchase the insurance.

The meetings that I attended and that I have heard people talk about and the information that was put out stated very clearly that CAIS could not replace what would be offered under crop insurance.

**Mr. Eichler:** Well, we are not here to debate and get into different issues, but, obviously, the farmers are a very intelligent group, and for them to tell me they did not understand the program I find alarming because they do understand the program. What they did not understand was the information that was provided to them. So that is a bit of misinformation on I do not know whose part, but when they ask me about the program and they tell me they did not understand it until the deadline has passed and then they cannot sign up, I find that very misleading.

The minister talked about the efficiencies in the amalgamation with the crop insurance in MACC. Is Manitoba Crop Insurance looking at ways for farmers to access more information through the Web, or filing on the Web, or are there more efficient ways? Following through the banking industry, there is so much that can be done on-line now. Is the Manitoba Crop Insurance looking at ways to streamline their programs?

**Ms. Wowchuk:** Mr. Chairman, we are working on a few things: to use the Web for harvest production reports; we are looking at how we might do hail insurance through the Internet, but definitely we are looking at those new technologies.

The member talks about the lack of information that was out there. I would like to share with him that over 85 percent of the acres are insured, and there were very few people who cancelled their crop insurance because of CAIS. If the member is saying that there was some misinformation out there, I would not mind if he shares with us which part of the province it was in, because the general information right across the province was that the linkage was there. If there was a high level of misinformation, I think we would have seen more cancellation of crop insurance because of CAIS. Really, it was very, very minimal. If there are specific areas where the member has some thoughts about lack of information, I would not mind hearing about them, and we will work at that. Again, the crop insurance

staff is pretty diligent about getting accurate information out to the producers.

**Mr. Eichler:** Just to kind of wrap up, is the Manitoba Crop Insurance looking at insurability for the other ruminant animals such as bison, sheep, goats, that type of thing?

**Ms. Wowchuk:** As I said, there is discussion under the APF, the ability to bring a livestock disease insurance program in. Nobody has started to work on those details, but this would not be a price insurance. It would not deal with a collapse like we saw under BSE. It is an insurance. For example, if some of you have a disease on your farm and you are losing some animals, that would be very different than an insurance that would address an issue like the revenue the people lost because of BSE. Again, I say to you, Mr. Chairman, that there is a possibility of doing this under the APF, but it is at the very preliminary stages. No one is working on a program yet.

**Mr. David Faurichou (Portage la Prairie):** I would like to begin by complimenting the Manitoba Crop Insurance staff and the corporation and how it has performed under very challenging times. The word from the agricultural community is that they have been very happy, for the most part, with the time, effort and dedication shown by crop insurance staff about the outstanding claims.

Perhaps the minister and staff would look at what would safeguard the Crop Insurance Corporation's position, yet allowing the monies to flow insofar as even personally our farms have beans out and, yes, have taken the advance, but the beans were not worth the diesel fuel to harvest them in the first place. Why are we still keeping them in the field and holding back a portion of the claim? I would like to look at leaving the crop and leaving the claim outstanding to be perhaps an exception rather than the rule, and to be able to ascertain right from the very get go as to whether or not it has to be left in the field over the winter and to hold the claim.

Also, I would like to perhaps look at the ability of dispute between grading, of where representative samples effectively have been gathered, submitted. Crop insurance, however, they draw on expertise to make the grading, comes in differently than that of the sample grading by an elevator company that has graded the samples on behalf of the producer when

these are different, and then again having to ask the producer to essentially gather another sample under supervision of crop insurance staff is definitely a lot of extra work and a lot more to determine a grade dispute. It is a lot of effort. Maybe I will just stop there and ask a couple of questions already.

**Ms. Wowchuk:** If a person has a sample they are not happy with, they have the ability to contact the Corporation. That sample will be graded at no cost. If the individual is not happy with that grade of the resample, they have the option to pay for an adjuster to come to their farm and draw another sample, and that is sent to the Canadian Grain Commission. That sample is then binding, and that is the process that is in place right now. I would ask the member if he is questioning that process, or if he is satisfied with that process of having the option of going to a binding agreement once the second sample is drawn. I am not sure what else the member would want.

\* (17:20)

**Mr. Faurichou:** No, I recognize that we have to have balance and fairness within the process with establishing grade. It is, though, a lot of work and actual dollars to essentially have a third party there to sample while a bin is turned and to make certain that it is a blended sample and representative of the entire bin. But it is a very onerous task at the present time, and I just want to raise that with the minister. Many producers have already third-party determination as to what the grade would be insofar as the elevator manager has already graded the sample. Now, being different from the crop insurance grading, what is the producer to do but essentially then have to pay for a re-sampling of the bin.

So perhaps I will move on, or is the minister wanting to comment?

**Ms. Wowchuk:** I guess I look at this and I see this as the fairest way of doing it because if you are going to third-party sampling, where is that sample coming from? If you are going to an elevator to get that third sample, that is a whole truckload of grain, and I see some difficulties there. There are some costs in this, but I believe it is the fair way. I take the member's comments as advisement.

**Mr. Faurichou:** The other topic, having a background in pedigreed seed, there is a lot of discussion at the present time regarding farmers' saved seed and

the ownership of the actual seed versus ownership of the genetics within that seed. The Manitoba Seed Growers Association, along with the seed trade, has been in discussions. In fact, the Canadian Seed Growers' Association—I should not just speak specific to Manitoba—has developed a position, effectively, attempting to recognize the two aforementioned positions, and I am wondering about the crop insurance.

I know a position, because in the province of Québec, for instance, in order to provide for actual insurance of a crop, the corporation in Québec demands a certified seed be used and, therefore, attesting to the seed purity and the seed genetics. Here in Manitoba, the discussion is ongoing at the present time as to whether or not recognition should be made of the genetics and how does one safeguard the identity of that production not only for plant breeders rights but, effectively, the performance of the crop basis upon the genetics. I am wondering whether the corporation is considerate of going as far as Québec is going or perhaps identifying with the Manitoba Seed Growers position which is, effectively, that the identity of the seed can, in fact, be established through the origin of that seed that is being used in the crop production.

**Ms. Wowchuk:** We have individual productivity indexing. So, if the farmer uses pedigree seed and uses fertilizer and takes it and practises and gets higher yields, then they get the advantage of that pedigree seed. But we are not really interested in telling farmers what kind of seed they have to use or telling them what kind of decisions they have to make on their programs.

The situation is a little bit different than in Québec. I understand that the main crops in Québec are corn and soybeans and those are hybrids, which would be different than the crops we have here. So no, we are not looking at telling farmers that they have to use this pedigree seed. We think that they will make the decisions that are best for them. If they decide to use pedigree seeds, and they have a higher yield, then that will be their advantage.

**Mr. Eichler:** With respect to the essence of time, I would like to suggest to the minister that it would be okay to let the crop insurance people not have to come back tomorrow. So we will be okay with that. We do have another question, though, if we could try to get one more off.

The member from Portage had talked about pedigree seeds and terminator seeds. Specifically, I wanted to ask the crop insurance people, is there a formula which they are trying to work with along with the federal government with respect to payouts other than the input cost for crop insurance? Is there a direction in which the department sees itself going within the next four to five years?

**Ms. Wowchuk:** The member started talking about terminator seeds, and I am not getting the rest of the question. Could you repeat it please?

**Mr. Eichler:** Well, with respect to either pedigree seeds or terminator seeds, whenever the crop insurance is looking at the payouts, specifically, has the department formulated a new policy with respect to payouts, or is the department going to be looking at the status quo over the next four to five years? Where does the department see this going?

**Ms. Wowchuk:** Mr. Chairman, we have no policy on terminator seeds. We want producers to have the widest variety of seed available to them. But wherever we can differentiate we do, for example, with pedigree seed or common seed. With pedigree seed, there is a higher level of coverage. If you are talking about whether we are looking at, into the future, changing some policy with regard to terminator seed, then, no, that is not what we are looking at.

**Mr. Cullen:** Just a quick question. In regard to claims processing, I know producers are asked to sign an authorization form to allow the adjusters to go to third parties to verify sales tickets. Is that process mandatory?

**Ms. Wowchuk:** It is very difficult to get information due to freedom of information from third parties. So, yes, if a farmer wants a claim finalized, then it is important that they sign this form so that we can have that third party verification.

**Mr. Eichler:** Just a point of clarification. When I said there were no more questions on that department, I meant there were no questions specifically for the staff that is here.

**An Honourable Member:** What about the credit corporation?

**Mr. Eichler:** Credit corporation? There is no problem there.

**Mr. Chairperson:** Get it on the record. Who is talking now? The honourable minister.

**Ms. Wowchuk:** If I could clarify, it is my understanding that when we come back to Estimates tomorrow, we will not require the crop insurance or the credit corporation staff. I would ask the member to verify that.

**Mr. Eichler:** Only the credit staff here tomorrow. Not crop, but credit, yes.

**Mr. Cullen:** The question is, is that authorization signature mandatory to resolve a claim?

**Ms. Wowchuk:** We will not tell him that without that signature they will not give him a claim, but if there is a need to settle a claim, then if you come to the end of the year, you can get your insurance at the beginning of the year, whether you have a letter or not. As you come to the end of the year and there is

need to settle a claim and we need to do some verification, then we are going to require that signature to do the verification because of the privacy act, those grain companies are not willing to provide that information without a signature, so it is going to have to happen if there is difficulty settling a claim.

So, is it mandatory? Not necessarily mandatory, you will get your insurance, but if you have not backed the claim, then you will have to work it out.

**Mr. Chairperson:** Committee rise. Call in the Speaker.

### IN SESSION

**Mr. Speaker:** The hour being 5:30, this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday).

# LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 11, 2005

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