

Fourth 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. LVII No. 76B - 1:30 p.m., Thursday, May 25, 2006

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Eighth Legislature

Member	Constituency	Political Affiliation
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.
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.
McFADYEN, Hugh	Fort Whyte	P.C.
McGIFFORD, Diane, Hon.	Lord Roberts	N.D.P.
MELNICK, Christine, Hon.	Riel	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
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

Thursday, May 25, 2006

The House met at 1:30 p.m.

ROUTINE PROCEEDING

INTRODUCTION OF BILLS

**Bill 214—The Environment Amendment Act
(Methamphetamine)**

Hon. Jon Gerrard (River Heights): I move, seconded by the MLA for Inkster (Mr. Lamoureux), that Bill 214, The Environment Amendment Act (Methamphetamine); Loi modifiant la Loi sur l'environnement (méthamphétamine), be now read a first time.

Motion presented.

Mr. Gerrard: Mr. Speaker, The Environment Amendment Act (Methamphetamine) amends the province's Environment Act such that anyone found to have released substances in the environment in the course of making meth is deemed to have caused an offence and is liable for financial penalty. The penalties are a fine of up to \$50,000 for a first offence and a fine of up to \$100,000 for a subsequent offence.

Right now meth makers hurt us twice, once by making the drugs available and then a second time leaving toxic waste to be cleaned up. On average, for every kilogram of meth there is a huge amount of hazardous material, and there have been instances where cleanup costs have reached \$150,000.

What we need is this bill to make sure we can look at the environmental after-effects of meth and have an additional tool to make sure that we decrease the production of meth in this province.

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

PETITIONS

Civil Service Employees—Neepawa

Mr. Denis Rocan (Carman): Mr. Speaker, a petition to the Legislature for the following reasons:

Eleven immediate positions with Manitoba Conservation Lands Branch, as of April 1, 2006, Crown Lands and Property Special Operating Agency, are being moved out of Neepawa.

Removal of these positions will severely impact the local economy with potentially 33 adults and children leaving the community.

Removal of these positions will be detrimental to revitalizing the rural and surrounding communities of Neepawa.

We petition the Legislative Assembly of Manitoba as follows:

To request the provincial government to consider stopping the removal of these positions from our community, and to consider utilizing current technology, as an example, Land Management Services existing satellite sub-office in Dauphin, in order to maintain these positions in their existing location.

Signed by Rick Grant, Eleanor Scott, Garnold Scott and many, many others.

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

**Removal of Agriculture Positions
from Minnedosa**

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

These are the reasons for this petition:

Nine positions with the Manitoba Agriculture, Food and Rural Initiatives Crown Lands Branch are being moved out of Minnedosa.

Removal of these positions will severely impact the local economy.

Removal of these positions will be detrimental to revitalizing this rural agriculture community.

We petition the Legislative Assembly of Manitoba as follows:

To request the provincial government to consider stopping the removal of these positions from our community, and to consider utilizing current technology in order to maintain these positions in their existing location.

This petition signed by Nancy J. Smith, Daniel Onyshko, Beth Bruce and many, many others.

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

These are the reasons for this petition:

Nine positions with the Manitoba Agriculture, Food and Rural Initiatives Crown Lands Branch are being moved out of Minnedosa.

Removal of these positions will severely impact the local economy.

Removal of these positions will be detrimental to revitalizing this rural agriculture community.

We petition the Legislative Assembly of Manitoba as follows:

To request the provincial government to consider stopping the removal of these positions from our community, and to consider utilizing current technology in order to maintain these positions in their existing location.

This is submitted by Gil Lahaie, Nancy MacKay, Linda Masters and many, many others.

*(13:35)

OlyWest Hog Processing Plant

Hon. Jon Gerrard (River Heights): Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

The background for this petition is as follows:

The Manitoba government, along with the OlyWest consortium, promoted the development of a mega hog factory within the city of Winnipeg without proper consideration of rural alternatives for the site.

Concerns arising from the hog factory include noxious odours, traffic and road impact, water supply, waste water treatment, decline in property values, cost to taxpayers and proximity to the city's clean drinking water aqueduct.

Many Manitobans believe this decision represents poor judgment on behalf of the provincial government.

We petition the Legislative Assembly of Manitoba as follows:

To request the provincial government to immediately cancel its plans to support the construction of the OlyWest hog plant and rendering factory near any urban residential area.

Signed by Nolan Klassen, Celine Downs, Charlotte Burch and many, many others.

Crocus Investment Fund

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

The background to this petition is as follows:

The Manitoba government was made aware of serious problems involving the Crocus Fund back in 2001.

Manitoba's provincial auditor stated "We believe the department was aware of red flags at Crocus and failed to follow up on those in a timely way."

As a direct result of the government not acting on what it knew, over 33,000 Crocus investors have lost tens of millions of dollars.

The relationship between some union leaders, the Premier (Mr. Doer) and the NDP seems to be the primary reason as for why the government ignored the red flags.

We petition the Legislative Assembly of Manitoba as follows:

To request the Legislative Assembly of Manitoba to consider the need to seek clarification on why the government did not act on fixing the Crocus Fund back in 2001.

To urge the Premier and his government to cooperate in making public what really happened.

Signed by R. Lecomte, G. Lecomte, G. Lecomte and many, many other fine Manitobans.

COMMITTEE REPORTS

Standing Committee on Legislative Affairs Second Report

Mr. Daryl Reid (Chairperson): Mr. Speaker, I wish to present the Second Report of the Standing Committee on Legislative Affairs.

Madam Clerk (Patricia Chaychuk): Your Standing Committee on Legislative Affairs presents the following as its Second Report.

An Honourable Member: Dispense.

Mr. Speaker: Dispense.

Your Standing Committee on Legislative Affairs presents the following as its second report.

Meetings:

Your committee met on Wednesday, May 24, 2006, at 6 p.m. in Room 255 of the Legislative Building.

Matters under Consideration:

Bill 15 – The Emergency Measures Amendment Act/Loi modifiant la Loi sur les mesures d'urgence

Bill 17 – The Securities Amendment Act/Loi modifiant la Loi sur les valeurs mobilières

Bill 23 – The Safer Communities and Neighbourhoods Amendment Act/Loi modifiant la Loi visant à accroître la sécurité des collectivités et des quartiers

Committee Membership:

Mr. Dewar
Mr. Faurschou
Mr. Goertzen
Hon. Mr. Mackintosh
Mr. Reid (Chairperson)
Mr. Rocan
Mrs. Rowat
Mr. Santos
Mr. Schellenberg
Hon. Mr. Selinger
Hon. Mr. Smith

Your committee elected Mr. Schellenberg as the Vice-Chairperson.

Public Presentations:

Your committee heard two presentations on Bill 15 – The Emergency Measures Amendment Act/Loi modifiant la Loi sur les mesures d'urgence, from the following individual and organization:

Ron Bell, Association of Manitoba Municipalities
Paul Clifton, Private Citizen

Written Submissions:

Your committee received one written submission on Bill 15 – The Emergency Measures Amendment Act/Loi modifiant la Loi sur les mesures d'urgence, from the following individual:

Jim Stinson, Private Citizen

Bills Considered and Reported:

Bill 15 – The Emergency Measures Amendment Act/Loi modifiant la Loi sur les mesures d'urgence

Your committee agreed to report this bill without amendment.

Bill 17 – The Securities Amendment Act/Loi modifiant la Loi sur les valeurs mobilières

Your committee agreed to report this bill, with the following amendments:

THAT the proposed subsection 163(1), as set out in Clause 33 of the Bill, be amended

(a) by replacing the definition "extra-provincial securities commission" with the following:

"extra-provincial securities commission" means a body empowered by the laws of another province or territory of Canada to regulate trading in securities, or to administer or enforce laws respecting trading in securities; («autre commission canadienne»)

(b) by striking out the definition "foreign securities laws"; and

(c) in the definition "Manitoba securities laws", by adding "by reference" after "incorporated".

THAT the proposed clause 163(2)(b), as set out in Clause 33 of the Bill, be replaced with the following:

(b) any person or company who, in respect of that extra-provincial securities commission, exercises a power or performs a duty or function that is substantially similar to one exercised or performed by the director under this Act.

THAT the proposed subsection 164(1), as set out in Clause 33 of the Bill, be amended

(a) by replacing the part before clause (a) with "Subject to subsection (2) and the regulations, the commission may"; and

(b) in clause (b), by adding "or other transfer" after "delegation".

THAT the proposed subsection 166(1), as set out in Clause 33 of the Bill, be amended

(a) in the part before clause (a), by striking out "may adopt or incorporate"

and substituting "may by order adopt or incorporate by reference";

(b) in clause (a), by adding ", or a class of persons or companies," after "persons or companies"; and

(c) by replacing clause (b) with the following:

(b) trades or other activities involving a person or company, or a class of persons or companies, referred to in clause (a).

THAT Clause 33 of the Bill be amended

(a) in the proposed section 167,

(i) by replacing the section heading with "Exemption orders", and

(ii) in the part after clause (b), by striking out everything after "or trades" and substituting "satisfies the conditions set out in the order."; and

(b) by striking out the proposed section 168.

THAT the proposed section 169, as set out in Clause 33 of the Bill, be replaced with the following:

Exercise of discretion, interprovincial reliance

169(1) Subject to the regulations, if the commission or the director is empowered to make a decision regarding a person, company, trade or security, the commission or the director may make a decision on the basis that the commission or the director considers that an extra-provincial securities commission has made a substantially similar decision regarding the person, company, trade or security.

Hearing not required

169(2) Despite any other provision of this Act, but subject to the regulations, the commission or director may make a decision referred to in subsection (1) without giving a person affected by the decision an opportunity to be heard.

THAT the proposed section 170, as set out in Clause 33 of the Bill, be amended

(a) in clause (b), by adding "or other transfer" after "delegation";

(b) in clause (d), by adding "by reference" after "incorporation";

(c) in clause (e), by striking out "sections 167 and 168" and substituting "section 167"; and

(d) by striking out clause (f).

Bill 23 – The Safer Communities and Neighbourhoods Amendment Act/Loi modifiant la Loi visant à accroître la sécurité des collectivités et des quartiers

Your committee agreed to report this bill without amendment.

Mr. Reid: Mr. Speaker, I move seconded by the honourable Member for Rossmere (Mr. Schellenberg), that the report of the committee be received.

Motion agreed to.

TABLING OF REPORTS

Hon. Gord Mackintosh (Minister of Justice and Attorney General): I am tabling the Seizure and Impoundment Registry reports '04 to '06, Mr. Speaker.

Hon. Peter Bjornson (Minister of Education, Citizenship and Youth): I am pleased to table the Annual Report for 2005 for the Teachers' Retirement Allowances Fund.

* (13:40)

MINISTERIAL STATEMENTS

Provincial Mining Week

Hon. Jim Rondeau (Minister of Industry, Economic Development and Mines): Mr. Speaker, I am very pleased to proclaim May 21 to 27 as Provincial Mining Week. The proclamation provided to each member formally recognizes the Province's commitment to the mining industry and the essential contributions this industry makes to our economy and the people of Manitoba.

Every day Manitobans benefit from the minerals and metals that contribute to our high standard of living. You have before you a perfect example of a mineral that is used in many ways to enrich our lives. Nickel, in stainless steel and as an alloy makes

possible space transportation, wireless communications and does duty as your kitchen sink.

The nickel ore sample from the Thompson Nickel Belt and the refined nickel round were provided courtesy of Inco Ltd. I would like to congratulate Inco and the city of Thompson on the 50th anniversary of the historic Thompson discovery this year. Since March 1961, Inco's Thompson operation has produced more than 4 billion pounds of pure electrolytic nickel, and continues to produce more than 100 million pounds annually.

Mining continues to be Manitoba's second-largest primary resource industry and contributes over \$1 billion annually to Manitoba's economy.

Mr. Speaker, I want to recognize Manitoba's mining communities and the skilled and dedicated workers who help keep Manitoba's mining industry strong. To sustain mining in our province, we need exploration to discover new deposits. We support exploration through incentives like the recently renewed Mineral Exploration Tax Credit and the Mineral Exploration Assistance Program. We also provide high-quality, geoscientific data in an effective regulatory framework. These supports are balanced with environmental stewardship and the needs of our communities.

According to the 2006 Fraser Institute Survey, exploration of mining companies have rated Manitoba third worldwide for our mineral policies and geological data base.

In closing, Mr. Speaker, I invite all members and their families to celebrate Manitoba's mining industry this weekend at The Forks. There are lots of free activities and fun for everyone. Thank you.

Mr. Gerald Hawranik (Lac du Bonnet): I thank the minister for his statement. I also thank Inco for the attractive paperweights this year.

It is important to recognize the mining industry. The mining industry in Manitoba is extremely important to our provincial economy in terms of direct capital investment in this province and the direct and indirect jobs in our communities. It is the second-largest primary resource industry in Manitoba.

I am very fortunate to be able to respond on behalf of our PC caucus to this ministerial statement because I, in fact, have two mines within my constituency, the first being Tantalum Mining Corporation. It is located north of Lac du Bonnet,

and it is an important producer of tantalum and produces much of the world's supply of tantalum, which is used in electronics. It also has three-quarters of the world's reserves of caesium.

My compliments to Bill Ferguson, the general manager of the mine and all the employees there who have made it such a success. In fact, on February 14 of this year, my spouse, Pamela, and myself had a tour of the mine. It is not the most romantic thing I have ever done on Valentine's Day, but I can tell you it surely generated a great deal of conversation in our household as a result of that. It is an important employer for our area. It is a charitable corporation for our communities and provides a lot of funding for non-profits within the constituency.

San Gold Resources is another mine within our constituency. It is a gold mine in Bissett. It has local ownership with Hugh Wynne and his family, who have taken over that mine. They are long-time residents of Bissett, an important employer for our area. An important employer in the sense that they train local people to work within that mine and create those local jobs.

There have been many challenges in the mining industry over the years, Mr. Speaker, but not the least of which is in trying to attract mining engineers to Manitoba. We do not produce enough mining engineers. One of the problems we have in Manitoba, of course, is that we are not tax competitive in this country. We are not tax competitive with any other province and, as a result of that, we have a great deal of difficulty attracting engineers to this province and within this industry. I think that in itself is holding back the mining industry. Thank you.

* (13:45)

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?

An Honourable Member: No.

Mr. Speaker: Leave has been granted. No, leave has been denied.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, I would like to draw the attention of honourable members to the public gallery where we have with us 13 students from Heartland International English School under

the direction of their teachers, Carol Hutchison and Gwen Braun. This group is located in the constituency of the honourable Member for Point Douglas (Mr. Hickes).

Also in the public gallery we have from Souris School 37 Grade 5 students under the direction of Mr. Glen Wallmann. Also included in the group is Mackenzie Rowat who is the daughter of the honourable Member for Minnedosa (Mrs. Rowat).

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

Also from the Manitoba Association of Schooling at Home we have 35 Grades 1 to 12 students under the direction of Mrs. Michelle Chartier. This group is located in the constituency of the honourable Member for Southdale (Mr. Reimer).

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

I would also like to draw the attention of members to the public gallery where we have with us today Mr. Dan McSweeney of Inco Ltd. of Thompson, Manitoba. This visitor is the guest of the honourable Minister of Industry, Economic Development and Mines (Mr. Rondeau).

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

ORAL QUESTIONS

Crocus Investment Fund Class-Action Lawsuit

Mr. Hugh McFadyen (Leader of the Official Opposition): Mr. Speaker, 17 days ago a lawsuit was filed, on behalf of some 33,000 Manitobans, making serious allegations about the conduct of this government. Among those allegations were allegations of abuse of public office to prevent, block or shield Crocus from adequate investigations. It claims \$200 million from Manitoba taxpayers and it claims serious misconduct which occurred under this Premier's watch.

That lawsuit was filed 17 days ago. Under the rules, the government has 20 days to file its defence which would be this Monday. Given the Premier's confidence in the government's defence, can he tell us whether his government will file its defence within the 20-day limit or will it be asking for an extension?

Hon. Gary Doer (Premier): Mr. Speaker, I do not know why the member opposite reads a lawsuit that

goes back to 1992 and says it is only exclusively under our watch.

Why is he not telling the people the truth? When he starts telling the people the truth, we will be prepared to answer the question.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. All information brought to the House is taken as factual by the House. I ask the honourable First Minister to withdraw that comment.

Mr. Doer: Yes, I withdraw it.

Mr. McFadyen: Mr. Speaker, anybody who reads the statement of claim will know that the serious allegations regarding abuse of public office relate to events which occurred under this Premier's watch.

So, given the serious allegations made 17 days ago, and that the Premier does not want to answer the question about whether they planned to file the statement of defence within the 20-day limit, but given the problems outlined by the Auditor more than a year ago and given the serious allegations made 17 days ago, what has the Premier done to hold people to account for the terrible losses suffered by Manitobans under his watch?

* (13:50)

Mr. Doer: Mr. Speaker, I would point out again to the member opposite that the lawsuit starts in 1992. It follows a period of time that had eight years of Conservative rule and four years of our responsibility.

I have taken responsibility for the e-mail that the Auditor General talked about in terms of being red flags. The Auditor General has pointed out to the public and it is in Hansard that the e-mail went between officials. Having said that, the day the Auditor General's report came out, I took full responsibility for the e-mails in government, those e-mails that later were confirmed to be not going to any Cabinet minister whatsoever.

We are also dealing with a co-investment that we have made in Crocus, the Maple Leaf Distillers. We are working as hard as we can. We believe the investments we made relative to Isobord, Winnport and Westsun will end up being quite favourable in terms of public accountability. We will be accountable for the co-investments the Province made, and members opposite someday might be accountable for the co-investments they made. Mr. Speaker, \$40 million in losses, they have that

responsibility. It is well documented and well alleged in the material allegations contain within the lawsuit.

I would also point out in the statement of claim, because there is no accreditation yet of that statement of claim, even friends like Wellington West have been sued since last June, and have not answered to that statement of claim, Mr. Speaker.

Mr. McFadyen: Well, the Premier is very good at trying to spread blame and refusing to accept responsibility and accountability for this massive financial scandal, Mr. Speaker. I want to remind him that in June 1998, eight short years ago, allegations were made about the conduct of staff in the previous government. Now, eight years later, there are serious allegations regarding officials in this Premier's government. The current allegations relate to losses of millions of dollars by Manitobans, many of whom will suffer in retirement because of the Crocus scandal, not to mention the damage to our province's economy and our reputation for capital markets.

In 1998, the then-Leader of the Opposition, the current Premier, said in this House, in his question to then-Premier Filmon: If the Premier had nothing to hide, if members opposite have nothing to hide, why will they not just have a judicial inquiry and clear the air. What are they afraid of in terms of this process? Given where we are today, that was the then-Premier's quote.

Given where we are today, given the huge losses, given the serious allegations regarding misconduct under his government, why not have a judicial inquiry? Why not clear the air? What is he afraid of in terms of this process?

Mr. Doer: Mr. Speaker, the allegations in the late nineties were centered around the breach of election laws and the ripping up of cheques for people that the member opposite worked with in the Premier's Office. We already had an Auditor General's report, an Auditor General that could follow the money on the issues of law and the law was established.

I would point out the Hansard from Clayton Manness said, this labour-sponsored fund is not set up for the government to make decisions on where investments will be made. We want the public representatives to make those decisions, not the civil servants and not the government. If we had breached the prospectus, which says the government does not stand by any individual investment, if we had broken the prospectus, we would be before the Securities

Commission, and, therefore, the question the member opposite raises would be legitimate.

But, Mr. Speaker, there is not breach of the law by the government. There is no breach of the prospectus. I would point out the prospectus was signed and underwritten by Wellington West who has not yet filed a defence claim because after a year they still have not been named by an appropriate court. It was only something filed in the courts.

Mr. Speaker: The honourable Leader of the Official Opposition, on a new question.

Floodway Expansion Cost Overrun

Mr. Hugh McFadyen (Leader of the Official Opposition): On a new question, I would remind the Premier that the serious findings he refers to with respect to cheques came out because of the inquiry. Everything that was at the stage of allegations at the time he was calling for an inquiry the last time around, we have serious allegations this time. They need to be investigated. The question of why the Premier—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. McFadyen: Mr. Speaker, he was calling for an inquiry on the basis of allegations that took place. Things came out in the course of that inquiry which underscores the need for an inquiry in this case.

But, on to a new question, Mr. Speaker, related to another example of financial mismanagement under the current government. In September of 2005, the Premier announced that the floodway expansion would take place on a budget of \$665 million for 1-in-700-year flood protection for the people of Winnipeg. We are now hearing reports that cost overruns in the range of \$140 million may be added to the cost to the taxpayers of Canada and Manitoba to get to that same level of flood protection.

Can the Premier confirm that the project announced in September 2005 is now going to be roughly \$140 million over budget?

* (13:55)

Hon. Gary Doer (Premier): Mr. Speaker, first of all, I can confirm that the—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer: Thank you, Mr. Speaker. Just dealing with the preamble from the member opposite, the fundamental difference is that the former Elections Manitoba could not follow the money. We amended that law. Actually, both parties post-Monin amended that law.

Long before the Crocus Fund, this Minister of Finance (Mr. Selinger) passed a law to allow the Auditor General to follow the money into private companies. We actually did so because we were worried about some of the MIOP situations in terms of accountability for the public dollars expended. That is what we did and that allows the Auditor General to go into companies, not just into the government departments, into government files, into government minutes. It allowed them to go into the books of Crocus and allowed them to go into the companies that Crocus was investing in. It allowed them to follow the money, and that is a fundamental difference. I am pleased that Ottawa is changing that.

Mr. Speaker, we do have only the authority so far to proceed with the \$240-million investment. The \$665-million confirmation that was given by the former government has not yet been confirmed by the new government. There are issues of contingencies dealing with potential higher costs, with environmental licensing, as I pointed out yesterday, some potential higher costs of labour and fuel costs. But our ask to the federal government and our request to our own Floodway Authority, instructions to our own Floodway Authority is: proceed on \$240 million, keep the options open on \$665 million. We are trying to get \$665 million confirmed by the new government. We have not got it confirmed yet. Some of these issues of contingencies I raised with the Prime Minister, and Mr. Cannon and Mr. Ashton have talked about it subsequent to that.

Mr. McFadyen: I appreciate the Premier confirming that the government is keeping their options open with respect to the budget on the floodway. Our information is that they are \$140 million over budget given the \$665 million that was originally announced in September of 2005.

So my question to the Premier is: In light of the cost overruns now occurring because of their poor planning, will it be the government's plan to run over budget and have taxpayers pay more than what they were expecting to have to pay for this project, or is he going to cut back on protection for the people of Winnipeg?

Mr. Doer: Mr. Speaker, the final agreement has not been reached with the new government to deal with the former government's commitment. There are issues of increased cost that have been estimated, but we have not, at my level to the Prime Minister, nor at the level of the minister to the federal minister of infrastructure, asked for anything more for the taxpayers than the \$665 million.

We believe some of the items that have been identified by the Floodway Authority as contingencies, such as environmental contingencies, we do not know whether we will require those after the Clean Environment Commission. Their work requests to deal with the aquifer; the aquifer right back to the original floodway in the sixties. There is a contingency fund that the Floodway Authority has requested for that. We do not know whether it will be required until some of the engineering and excavation work is conducted.

There obviously is going to be higher insurance costs if we have \$665 million over the other issue. Fuel costs obviously have gone up significantly, both on this project and other projects, but we have asked the Floodway Authority to work within the \$240 million.

I would point out to Manitobans that the big issue right now is we have not got confirmation for \$665 million. We do not have confirmation for \$665 million. The new government is asking for other issues to be dealt with in the Floodway Authority. We do not know what the costs of those will be. For example, there are the issues of Ritchot that have been raised with us and so our engineers are working on that. I mentioned the aquifer in northeast Winnipeg.

We have said to the Floodway Authority that the \$665 million was the commitment made by the former government. It is the only commitment we are asking for the Prime Minister to acknowledge. We have only the authority of \$240 million right now. We believe by spring of 2007, we will be up to 1,826 flood coverage levels which is the highest flood of the history of Manitoba. So far, we are up to 1-in-140-years coverage. The member opposite will see the bridge elevations east of Winnipeg, heading towards Trans-Canada Highway No. 1.

So our request to the federal government is \$665 million. There will be some changes required if that money is approved, but we may have other changes required from the new government's requests to us dealing with places like Ritchot. I

cannot give the member opposite the specific answer on that.

* (14:00)

Mr. McFadyen: Mr. Speaker, the Premier has said on the record a number of times that this floodway project would be on time and on budget, just like he said in the 1999 election that he would end hallway medicine in six months.

Is this just another case of the Premier making silly promises that he has no intention of keeping?

Mr. Doer: Well, Mr. Speaker, the \$240-million approval from the federal government will be on time and will be on budget. The question is we do not have approval for the second stage. I would point out that the longer we have to wait for the authority for the second stage, some of the costs will go up. Because, as we pointed out to the national government, some of the tenders, the earlier we can have those go out, the more effective and cost-effective they will be. We have only the authority for \$240 million.

There are members of Parliament now in the existing caucus of the new party that campaigned against the floodway. We had a good meeting with the Prime Minister. We had a good tour with the Prime Minister. I said to him that the Floodway Authority was coming forward with higher cost estimates on the environment and fuel costs but that we were not changing the ask from the Province from \$665 million. We asked the Floodway Authority to work within the \$665 million. We do not think it is fair for one government to commit to \$665 million and ask for something more from the new government. So, at my level to the Prime Minister, the answer to your question dealing with the ask for taxpayers is \$665 million.

Floodway Expansion Cost Overrun

Mr. Cliff Cullen (Turtle Mountain): Mr. Speaker, the floodway expansion project clearly relies on public funding. Now the budget was \$665 million. Manitoba taxpayers are making a significant contribution to this project and they deserve to hear straight answers about where their money is being spent. The Premier has been very vague, and vague on the cost overruns.

So will the Minister of Water Stewardship (Mr. Ashton) indicate whether this project will be

completed on budget or is he also keeping his options open?

Hon. Gary Doer (Premier): Well, Mr. Speaker, will the member opposite and the caucus opposite support \$665 million? Some members opposite, the Member for Morris (Mrs. Taillieu), has taken a contrary view on the floodway. I would point out that there are members of Parliament now who took a contrary view on the floodway. The only authority we have now, the only spending authority we have now in place is \$240 million. We will be on time and on budget with the \$240 million.

The bottom line is, and I have mentioned fuel costs, I mentioned contingency costs, insurance costs, I mentioned the environmental contingency costs, but our ask to the federal government is \$665 million.

Mr. Cullen: Mr. Speaker, taxpayers are committed to funding this project to the tune of \$665 million, or at least, that is what they thought. Now the Premier has alluded to changes in the project and increased costs. Will he be prepared to provide some of the details on these cost overrides?

Mr. Doer: Well, Mr. Speaker, I talked about fuel prices. I talked about the insurance issues. I talked about the members opposite that had followed the issue of the aquifer northeast of Winnipeg. There were additional costs.

I just want to make it clear, the only authority we have now, the only authority in place today for spending money with the national government is \$240 million. Last May and June, the former ADM in the federal government said we should proceed on the basis of planning, on the basis of \$665 million, but that has not been reconfirmed by the new government. I respect that; it is a new government. They have raised new issues with us in their discussions, and I believe that the ask to the former government and the commitment from the former government should be the same with this government. If something is added like we showed that will obviously change the numbers.

Mr. Cullen: Well, Mr. Speaker, Manitobans would think this government would look after their investments. We have not even completed Phase 1 of the project and we are already hearing about cost overruns. Clearly this government is blaming everybody else in sight.

Why did they not look at some of these issues beforehand and deal with them? Is this simply

another example of mismanagement by this NDP government?

Mr. Doer: Well, Mr. Speaker, I would point out that we only have authority for \$240 million. That will come in on time and on budget. We believe by the spring of 2007, we will be at the 1,826 flood protection levels. This spring we were at 140-year flood protection levels. We did not need it thankfully, but we also invested a considerable amount of money south of the floodway, over \$140 million. It protected a lot of communities and saved us a lot of money.

The original prediction for the floodway, by the way, by KPMG, was \$778 million. The original IJC projection was \$800 million. Our engineers thought we could come in and projected that we would come in at a lower number, but we have not changed our ask to the Prime Minister nor have we changed our request to Minister Cannon, and that is an important part of this. But I would also point out to the public that we do not have the authority to go to \$665 million.

Health Care System Bureaucracy

Mrs. Myrna Driedger (Charleswood): Mr. Speaker, when health care was regionalized in Manitoba the intent was to decrease the size of Manitoba Health, the bureaucracy there, because the regional health authorities were going to be taking over more of those responsibilities.

I would like to ask the Minister of Health to tell us why there are still over 1,000 bureaucrats in Manitoba Health.

Hon. Tim Sale (Minister of Health): I would like to tell the member that, as she was yesterday in regard to specialists, she is wrong again today. The number that she quotes includes all of the nursing staff and the staff who look after people at Selkirk Mental Health Centre, front-line staff caring for mentally ill, seriously mentally ill people. They are not bureaucrats; they are nurses, they are doctors, they are front-line care staff. Get your numbers right.

Mrs. Driedger: Mr. Speaker, I would tell the Minister of Health that the information we had yesterday came from Freedom of Information documents from the Winnipeg Regional Health Authority. So he should get his information right.

Mr. Speaker, there are now two levels of bureaucracy and administration in health care. There

are 1,100 bureaucrats in Manitoba Health and likely the same number in the regional health authority.

I would like to ask the Minister of Health: Does he not think that this money would be better spent on front-line health care?

Mr. Sale: You know, Mr. Speaker, as a former nurse, the honourable member ought to not be slapping nurses at Selkirk Mental Health Centre. She ought not to be calling down on nurses who are our public health staff, 130 staff in the public health department protecting Manitobans from public health issues.

In her first question she said that there were 1,000, now there are 1,100. In fact, over 400 of those are working at the Selkirk Mental Health Centre, Mr. Speaker, 100-and-some are public health officials working at the level of the people of Manitoba. Let her stop insulting nurses and doctors who work for the health of Manitobans every day.

Mrs. Driedger: Mr. Speaker, the information comes from the minister's own Estimates books. I would like to ask the minister: The top two bureaucrats in Manitoba Health are seconded from the WRHA, the Deputy Minister of Health and the chief financial officer. This is raising a lot of eyebrows right now amongst front-line health care workers.

I would like to ask the Minister of Health: Does he not feel that he has put these two people in a conflict of interest, or is this a case of the tail wagging the dog because the WRHA is in control of health care in Manitoba and not Manitoba Health?

* (14:10)

Mr. Sale: Mr. Speaker, my deputy minister is one of the finest civil servants I have ever met and she was hired when regionalization was started by the government opposite to head up the southeastern region, down south of Winnipeg. She was the CEO of that region when they set up regional health authorities. We have confidence in our senior staff. They are the finest staff that I have ever worked with. I do not think she should be suggesting otherwise.

Mr. Speaker, yesterday she said there were fewer specialists, more vacancies. There are 150 more specialists in Manitoba today than there were when we formed government, 150. Let her get her facts right for a change instead of calling down on Manitoba civil servants and health care providers.

**Child and Family Services Agencies
Review**

Mr. Glen Cummings (Ste. Rose): Sadly, the Minister of Health wants to ignore the need that is out there and only talk about history.

My question, Mr. Speaker, is to the—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. The honourable member.

Mr. Cummings: My question is to the Minister of Family Services. On this side of the House we have been very frustrated by the lack of forthcoming answers and accountability on the part of this minister. The number of deaths that we have had of children in care, and it is well known that there has been a review done internally. In her initial response to that review, the minister said the problems that were found were dealt with immediately.

My question today is very simple. She has never shared with us what the nature of those problems may have been, and I give her an opportunity to clear the air.

Hon. Christine Melnick (Minister of Family Services and Housing): Well, Mr. Speaker, I will table the letter that was received on the 9th of May from Elsie Flette, who is the CEO of the Southern Authority, to Mr. J. Rodgers, the acting executive director from the Child Protection Branch. It says: Please be advised that all our respective agencies have completed their review of current cases. This included all open cases and cases which had closed within the last 30 days. Agencies were instructed to immediately attend to any concerns about a case arriving from the review and they have assured us that they are following up on any concerns identified.

My comments, Mr. Speaker, were about the continual attempts to undermine the child welfare system in Manitoba by members opposite and the Liberals. I am glad the member asked this question so I can table this document in the House.

Mr. Cummings: The child welfare system and the workers within that system have the greatest respect from all of us in this Chamber. The problem is that when we ask for accountability from the senior member in this government responsible for that service, we get nothing but dodging the question, no clear answers and no accountability on our behalf. She is responsible to the public on this issue.

Therefore, Mr. Speaker, I would ask, and we saw a question asked yesterday that she did not want to answer but I will ask her a question about the answers on the internal review. She has tabled this letter, but that still does not indicate whether or not there were any serious problems that were dealt with. Is she aware of any serious problems and how were they dealt with?

Ms. Melnick: Mr. Speaker, I have not been made aware of any serious problems. I think the serious problem here is that members opposite do not understand the reviews. What we are talking about was the face-to-face meetings by the authorities and the agencies. This is what this document is referring to.

What the member, I think, might be asking about is the section 4 review which is underway right now. We also know that underway is the external review. The interim report for that is due on the 30th of June. The final report is due on September 30. I think if the member is going to ask accusatory questions against the front-line workers of this province, he should at least get his facts straight.

Mr. Cummings: Mr. Speaker, all that the public and people who work in the system are most concerned about is the safety and the well-being of the children. But, when we ask questions in this House, too often, coming from that side and particularly from this minister, we get a very thin skin and nothing but an attack because she does not like being asked questions.

Mr. Speaker, the responsibility of the opposition is to ask questions on behalf of the children in care in this province about whether or not they are getting the care that they deserve.

Will this minister answer the question about the nature of any of the issues that were raised and how were they dealt with?

Ms. Melnick: Okay, Mr. Speaker, I will try again. I will read further from the letter from Elsie Flette: We would like to assure you that any concerns that are identified about any particular case are being followed up on by the authorities. We will not be waiting for the final report to address such concerns.

These are the people working on the front lines. These are the people working with vulnerable children and vulnerable families. These are the people who this government is supporting in the very difficult tasks that they have. I think it is time for members opposite to start to show the same respect.

Prostitution Vehicle Seizures

Mr. Kelvin Goertzen (Steinbach): Mr. Speaker, today in the Legislature, the Minister of Justice tabled the Annual Report 2004-2005 for the Seizure and Impoundment Registry. I note in the report that, in relation to prostitution-related seizures of vehicles, the number has dropped of vehicles seized related to prostitution issues in 1999-2000, from 86 vehicles, to the year reporting in this report to 22 vehicles, more than a 300 percent decrease in vehicles seized in relation to prostitution activities.

Can the Minister of Justice explain why there has been such a dramatic decrease?

Hon. Gord Mackintosh (Minister of Justice and Attorney General): One would think that after the last couple of weeks, the member would be careful with his review of the facts, Mr. Speaker. In the Legislature today was tabled the Seizure and Impoundment Registry which showed that last year the number of seizures more than doubled over the year that the member just referenced.

Mr. Goertzen: Mr. Speaker, I refer to the fact that 22 vehicles were impounded during the reporting year as compared to 1999-2000. I just want to ask the Minister of Justice why there was such a significant decrease in the number of seized vehicles.

Mr. Mackintosh: Well, again, Mr. Speaker, perhaps the member would want to look at the years '05-06, where the number of vehicles more than doubled that were seized by the police. Of course, the number of seizures does depend on police deployment strategies. I am very pleased, and I am disappointed the member opposite again would misrepresent work by the Winnipeg Police Service.

Operation Clean Sweep is, I believe, one of the factors that accounts for more than doubling of the number of seizures related to prostitution when it comes to vehicles that are used by the johns to disrupt our neighbourhoods. I might add that the issue of forfeiture is one issue that is in our arsenal, but today we added licence suspension for johns as well.

Mr. Goertzen: Well, Mr. Speaker, we recognize that adding new legislation at times can be beneficial, but if it does not actually result in any sort of effect it does not really mean anything to those who are trying to deal with the difficult issue of prostitution.

Again, in 1999-2000, there were 86 vehicles that were seized and we have seen a significant decrease. I just want the Minister of Justice, a straightforward question, just to answer why there has been such a significant decrease?

Mr. Mackintosh: What I find odd is the member never got up and asked why did the number of seizures more than double last year over the year before, Mr. Speaker. Why does he not look at the figures in front of him?

But, Mr. Speaker, the number of seizures, the number of arrests of johns depends on police deployment strategies. We are pleased to be working with Winnipeg Police Service. Operation Clean Sweep has, as one of its priorities, the sweeps to deal with the challenge of street prostitution.

I just want to announce for members of the House today that in addition to the seizures and the impoundment registry work that is being done on street prostitution, we not only announced licence suspension for johns today who are convicted, but Manitoba's community prosecutor will now be dealing with those cases in the downtown and West End.

We are strengthening our prosecution policy. The Safer Communities and Neighbourhoods Act was strengthened in committee last night. Hopefully, it will pass in this House. I am pleased to conclude by reporting to this House that under the safer communities act 56 prostitution houses have been shut down in this province.

Crocus Investment Fund Public Inquiry

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, as we all know, over 33,000 Crocus investors have lost tens of millions of dollars, and they have to start feeling stonewalled by this government and this government's refusal to uncover what actually had taken place.

The Manitoba Securities Commission will not report until after the next provincial election. The RCMP investigation has been going on for a year and a half, and we have not heard anything at all from the RCMP investigation, Mr. Speaker. The courts are dealing with the issue, and that will be years before we finally see any information coming from that. Even the provincial auditor has indicated that his scope was not wide enough in being able to address all the problems with the Crocus fiasco.

My question is to the Premier. Why is he denying the Crocus shareholders information that they have a right to know, Mr. Speaker? Why did the government neglect its responsibilities?

*(14:20)

Hon. Gary Doer (Premier): We have established, long before this issue, a class-action lawsuit provision that is probably one of the widest in the country. The member opposite talks about a year-and-a-half police investigation. His numbers are wrong again.

Secondly, I would point out his question in the Order Paper talks about was there any awareness of financial difficulties in Crocus prior to December of '04. Well, Crocus put out a press release in September of '04. He may not have read it, dealing with the devaluation of the shares. Thirdly, Mr. Speaker, the member opposite seems to know the next election date. I guess he thinks he is going to call the election.

Mr. Lamoureux: Well, Mr. Speaker, the provincial auditor states, and I quote right from the report: Given the complexities in the breadth of the CIF operations, not all areas were, in fact, reviewed.

Mr. Speaker, whether it is the provincial auditor's office, whether it is the RCMP, whether it is the Manitoba Securities Commission, whether it is the courts, there are numerous questions that go unanswered because of this government's irresponsible behaviour in not wanting to let the Crocus shareholders, indeed all Manitobans know what went wrong. The reason for that is because this government and this Premier were negligent.

My question to the Premier is: How does he justify to the 33,000-plus Crocus shareholders the fact that he is hiding the truth related to the Crocus fiasco, Mr. Speaker? How does he justify that to the Crocus shareholders? Surely some of those shareholders are even members of his own caucus, let alone other Manitobans.

Mr. Doer: Well, Mr. Speaker, the member again flails away on it. I would point out that when the Crocus entity itself was balking and refusing to allow the Auditor General to go in and read the files, read the minutes and follow the investments into the companies, it was this Minister of Finance's intervention and threatening to backup the Auditor General in court that allowed for the full disclosure to take place, not only with the Crocus entity, including minutes and letters and minutes of

meetings, and also the individual investments made with the co-investments including, probably Isobord. The federal Liberals put \$12 million into that so we had nothing to hide and that is why we backed up the Auditor General.

We have nothing to hide because we have always been concerned about taxpayers' money, and that is why we allowed and provided the authority for the Auditor General in 2001 to go into any private company that receives public money. There are people who are concerned about the follow-up of public money into private companies. We said we would reduce the losses of MIOP loans. We actually said we would reduce the losses in MIOP loans, and we would take that money and reduce the small business tax in Manitoba. So far we have been able to make money in MIOP loans, sometimes been characterized as corporate welfare but, so far, Motor Coach, Flyer, all the other companies, we have made money on. It remains to be seen on the Maple Leaf Distillers, but we will be accountable for that decision.

But, certainly, we gave the authority to the Auditor General to follow the money. I am glad in Ottawa they are having the authority of the new Auditor General to follow the money with legislation. They are bringing it under the Accountability Act. I think that is a good precedent. I am glad we started it.

Mr. Lamoureux: Mr. Speaker, the Premier needs to recognize that he is hiding. The bottom line is that there are Crocus shareholders and, indeed, Manitobans who deserve to know what took place, how this government was negligent. As a direct result of that negligence, in excess of \$60 million was lost.

They need to know why those were special relationships between this Premier and some of his union friends, some of his political donors, some of his campaign organizers. They are all involved. Manitobans have a right to know and the only way they are going to know, Mr. Speaker, is if there is a public inquiry.

Unfortunately, he is the only one that has the authority to call the public inquiry. Will he do the right thing and call the public inquiry? Treat Manitobans the way they should be treated.

Mr. Doer: Mr. Speaker, I remember when Premier Filmon brought the legislation in. He actually chastised the NDP for never bringing in legislation to

allow labour to have a labour-sponsored fund. Now I want to point out to people that not all "labour people" feel it is a benefit to the labour movement or labour leaders want to have venture capital invested in labour-sponsored funds.

The advantage of a labour-sponsored fund was for the companies that received venture capital. That is the major benefactor and hopefully, if companies do well, that will help the economy in Manitoba.

So, Mr. Speaker, we got criticized for not bringing it in. No NDP government has ever brought in a venture labour-sponsored fund. So the member opposite starts again from a false premise. Why do people want venture capitals? To help start up businesses across Canada. Why do the federal Liberals give tax credits to it, as the former Conservatives? It is to get more capital in the economy.

Who are the benefactors of that? It is not labour leaders who are starting these companies. It is entrepreneurs. Who got some of the biggest investments? It is Wellington West, for example, and the largest of political donations was made from Crocus to the federal Liberal Party. You do not have to have an inquiry to note that.

Physician Resources Recruitment Strategy

Mr. Bidhu Jha (Radisson): Mr. Speaker, I have spoken on this issue many times because it did affect me personally, when in the 1990s, that side when they were in the government started firing nurses and reducing seats in the colleges. One of that reasons was that my own daughter, who is an associate professor in radiology, is in Washington, D.C., not in Winnipeg.

So my question to the Minister of Health is: I understand, with the questions asked yesterday and their ideologies in trying to reduce and bring Americanization of medicine here, I would like to ask the Minister of Health what is he doing to recruit specialists in the province of Manitoba?

Hon. Tim Sale (Minister of Health): Mr. Speaker, I would like to table from the College of Physicians and Surgeons of Manitoba the Web site report from 1999 and from 2006. The difference is: 1,402 specialists registered in Manitoba in 2006; licensed '99, 1,252; 150 more specialists now.

Mr. Speaker, this includes 27 more internal medicine, eight more neurology, 14 more cardiology,

14 more nephrology, 16 more psychiatry, eight more emergency medicine, three more community medicine, three more internal medicine, three more oncology; 34 specialities have more in them today than they did in 1999.

By the way, Mr. Speaker, the member references information about the number of people in the health system. Let her read pages 95 and 97: 410 people in Selkirk, 87.8 in the Cadham labs. They are not bureaucrats. They are defending Manitoba's health.

Mr. Speaker: Time for Oral Questions has expired.

MEMBERS' STATEMENTS

Missing Children's Day

Mr. Andrew Swan (Minto): Mr. Speaker, today is Missing Children's Day. This is an important day to raise awareness about missing children's issues and the important work that is being done by organizations like Child Find Manitoba to protect children in our province.

Today members of this Legislature and the public wear the Green Ribbon of Hope to show their support for missing children and their families. In Canada each year, there are over 62,000 reported cases of missing children; 2,700 of these cases are in Manitoba.

While many of these cases are resolved with children and families safely reunited, others remain unsolved. Children are the most valuable and vulnerable members of our society. The loss of a child is felt deeply by family, friends and the community at large.

Missing Children's Day is an occasion to recognize the important work that is being done by organizations like Child Find Manitoba to protect our children and young people. For over 20 years, Child Find Manitoba has worked in partnership with the Manitoba government, the federal government, law enforcement and other non-profit organizations to assist in the location of missing children, prevent sexual exploitation of children and promote child personal safety programs

Mr. Speaker, with the expansion of Internet technologies, children are now exposed to predators through the Internet. In response to this problem, our government spearheaded the Children Online Protection Committee. Out of that program, we worked with Child Find Manitoba to establish CyberTip.ca, an Internet-based tip line designed to

clamp down on child exploitation on the Internet. Cybertip.ca has been extremely successful and is the official national tip line for all of Canada.

Missing children may also be sexually exploited. Today I was proud to join the Minister of Justice (Mr. Mackintosh) and the Minister of Family Services and Housing (Ms. Melnick) in announcing a new two-part strategy to target those who prey on sexually exploited women, children and men and to provide more support for neighbourhoods and victims of sexual exploitation.

Mr. Speaker, I thank and commend all of the volunteers and community organizations, including Child Find Manitoba, for their ongoing work in protecting our children. Thank you.

* (14:30)

Mrs. Myrna Driedger (Charleswood): I rise today to recognize Missing Children's Day in Canada and acknowledge the great work of Child Find Manitoba in this province and around the world. A missing child is every parent's worst nightmare. Most parents would like to believe that such an occurrence could never happen to them. Sadly, these things do happen.

Today our thoughts and prayers are with all families whose child is missing and particularly with the family of three-year-old Reachelle Smith of Minot, North Dakota, who has been missing since May 16.

In 1986, the Solicitor-General of Canada declared May 25 to be Missing Children's Day in Canada. It is a special day, a day of renewed hope and a day to remember. Each May, Child Find, an organization I was privileged to have been involved with for a number of years, hosts its annual Green Ribbon of Hope Month to ask Canadians to wear the green ribbon as a symbol of hope for the safe return of missing children.

The green ribbon was created after the abduction and subsequent murder of 15-year-old Kristen French on April 16, 1992. It shocked the community of St. Catharines as well as the rest of Canada. Kristen's fellow students and the faculty of Holy Cross Secondary School in St. Catharines developed the concept of the Green Ribbon of Hope. Green is regarded as the colour of hope and epitomizes the quest for the safe return of all missing children.

The Green Ribbon of Hope campaign is designed to draw public awareness to the issue of missing children in Canada and to the issues around

child personal safety. By wearing green ribbons, we are showing our support and concern for missing children.

Some things are irreplaceable, Mr. Speaker. Thousands of children go missing in Manitoba every year. Our hearts go out to all of those parents who await the day they will be reunited with their children and our thoughts and prayers are with them all today. Thank you.

Free the Children Dinner

Mr. Harry Schellenberg (Rossmere): Mr. Speaker, recently I was pleased to attend the Free the Children fundraising dinner hosted by the students and staff of River East Collegiate. This event was a fundraiser for the construction of a new school in Sierra Leone, Africa. Also in attendance at this event were the Premier (Mr. Doer) and Dr. Lloyd Axworthy, both of whom addressed parents and students at the dinner.

Mr. Speaker, Sierra Leone is a country that is still suffering the effects of an 11-year civil war that displaced hundreds of thousands of people and destroyed much of the country's infrastructure.

River East Collegiate is working in partnership with Free the Children, an organization founded in 1995 by Craig Kielburger, to promote the rights of children and to protect them from all forms of exploitation and abuse. Since its inception, Free the Children has built over 400 schools in 35 different countries and has provided an education to 35,000 children who might otherwise have been employed as child labourers.

All of the funds raised at this event will go towards the construction of a new school, school supplies and a teacher's salary in Sierra Leone. The students and staff of River East Collegiate also hope to raise awareness of poverty and the right of all children to an education. I congratulate the students and staff of River East Collegiate on a successful fundraiser.

Also, Mr. Speaker, River East Collegiate is a candidate school for UNESCO Associated Schools Project Network, a network of 5,000 schools in 150 countries studying human rights, democracy, environmental and intercultural learning.

Thanks to the hard work of former staff member Gareth Neufeld and many others, the school is promoting a global outlook among students in learning about diverse communities and

backgrounds. A special thanks to staff member Ms. Charlene Powell for her work in co-ordinating this event and the UNESCO program.

I encourage all members and the public to make a donation to the River East Collegiate Free the Children fund. Thank you, Mr. Speaker.

Gateway Resources

Mr. Peter Dyck (Pembina): Tonight I will be speaking at the Gateway Resources annual general meeting. This important organization assures that persons living with intellectual disabilities in the Winkler and Morden area receive the best possible services and supports. I have personally worked with the CEO Wayne Benedet, President Ken Wiebe, board of directors and staff at Gateway and can attest to their dedication and professionalism.

Dr. C. W. Wiebe, founder of the Gateway, was instrumental in establishing and building the services that exist today. On behalf of all of the people, Dr. Wiebe, past and current staff and volunteers at Gateway have helped, I would like to thank them.

Gateway has grown and flourished with the support of the local business community and mutually beneficial partnerships have been established. Programs have been set up for individuals using Gateway services that empower them, build their self-esteem and provide valuable work experience. For instance, with the recycling program they know they are helping to save our environment and keep their community clean.

Mr. Speaker, the caring and dedicated staff team at Gateway Resources is making a difference in touching lives in a special way. Gateway has been and will continue to be a leader in providing these significant services to our community. In fact, they are so well respected for what they do that families have moved to the constituency of Pembina to access the services and facilities for their children or other family members.

I look forward to seeing Gateway grow and expand its services. Thank you.

17 Wing Military Support Squadron

Ms. Bonnie Korzeniowski (St. James): Mr. Speaker, I rise today to recognize the Air Force 17 Wing for training and deploying the first Military Support Squadron (MSS) in Canada. The MSS is the first of six units that would be formed at bases across the country as part of the Air Force's new focus on readiness to deploy anywhere in the world at a

moment's notice. Instead of selecting Canadian Forces personnel from various bases across this country to be put together in theatre, the new Military Support Squadron units train together and deploy together.

The 17 Wing was selected to produce the first trained Military Support Squadron and has created from scratch a training plan incorporating all requirements as specified by the MSS commander. Wing Readiness Training Flight (RTF) has been responsible for providing training for the unit and co-ordinating details such as transportation, food and water needs and medical supplies. The advice and lessons learned at 17 Wing will be valuable to other wings as they prepare to train upcoming squadrons. Exercise Maple Flag, which occurs this month at Cold Lake, will be the MSS's opportunity to demonstrate their capabilities as a unit before they deploy to Camp Mirage on June 16.

Mr. Speaker, earlier this month, my colleague, the Member for Assiniboia (Mr. Rondeau), and I attended a parade hosted by the 17 Wing as a farewell to the MSS personnel who will deploy overseas for six months after they return from Exercise Maple Flag. It was a great pleasure to see the 17 Wing rally around the unit. Witnessing the precision and cohesiveness of the group, I felt secure in knowing that these fine men and women will be an exceptional support service for the Air Force's operations. I am extremely proud that the 17 Wing was chosen to train the first MSS in Canada. I know they will do an exceptional job. Thank you.

Mr. Speaker: Continue Orders of the Day—*[interjection]*

Oh, Grievances. Right, we have to do Grievances first. No Grievance? Okay, continue Orders of the Day.

ORDERS OF THE DAY

(Continued)

GOVERNMENT BUSINESS

House Business

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, would you please canvass the House to see if there is agreement to change Estimates in 254 so that Industry, Economic Development and Mines is moved ahead of Aboriginal and Northern, and Aboriginal and Northern will go to the bottom of the list for 254. That is permanent.

* (14:40)

Mr. Speaker: Is there agreement to change the Estimates sequence in Room 254 so that the Estimates for Industry, Economic Development and Mines are moved ahead of the Estimates for Aboriginal and Northern Affairs, and for the Estimates for Aboriginal and Northern Affairs to go to the bottom of the list in Room 254, with the change to apply permanently? Is there agreement? *[Agreed]*

Mr. Mackintosh: Mr. Speaker, would you please call Bills 14 and 37, to be followed by Supply.

Mr. Speaker: Okay, we will deal first with Bill 14, then Bill 37, and then we will go to Supply.

DEBATE ON SECOND READINGS

Bill 14—The Water Rights Amendment Act

Mr. Speaker: Bill 14, The Water Rights Amendment Act, standing in the name of the honourable Member for Pembina (Mr. Dyck).

What is the will of the House? Is it the will of the House for the bill to remain standing in the name of the honourable Member for Pembina? *[Agreed]*

Hon. Jon Gerrard (River Heights): Mr. Speaker, I am rising to speak to Bill 14. A careful look at this bill which deals with amendments to The Water Rights Act suggests to me that the government has failed miserably to do their job properly. This bill really should be pulled by the government, and they should go back and try again. The reality is that the minister should be ashamed of himself to present a bill like this which has been so poorly thought out and which has been, after so much time, presented to us but without clearly adequate thought, adequate consideration and adequate care in terms of the amendments which should be made.

This bill, first of all, in dealing with The Water Rights Amendment Act, The Water Rights Act, this is an act which is clearly a matter of, let us say, heated discussion in many parts of Manitoba. It is a matter of heated discussion, I would suggest to you, because the existing act has some significant problems with it, and we would have expected the amendments to deal with some of the huge problems in the current act.

When you have an act, and the Member for Charleswood (Mrs. Driedger) knows this full well in terms of health care, it is important to set out the principles on which you base your legislation. So, in

the water rights, what should be there is some fundamental principles for managing water in this province. They are not there.

We are really working with a water rights act and now a series of amendments to that act with a black hole in terms of what are the fundamental principles on which water management should be based. It does not say anywhere here that water rights should be based, for example, on ensuring that the quality of the water in our lakes and streams and what other water bodies may be artificially created is one of the principles that should be taken into account when we deal with water rights. Why is it not here?

Maybe this government does not believe in quality of water. Maybe this government does not believe in principles. Maybe this government does not have any principles. Certainly, they do not have any principles in this act.

A second principle that you would expect to be there would be something to the extent of conservation of water. A general principle in terms of water rights is that water should be used wisely. There is no such principle here. We do not know what their goals are, what their principles are in terms of what their intent is in how you manage water rights. Certainly, from the point of view of licensing water rights, of deliberating on water rights, discussing water rights, of making judgments—you have people going onto farmers' lands and making judgments—what principles are those judgments being based on?

If you do not have any principles on which you have people acting and making decisions, you have a problem. This act as it is put together should have been done properly in terms of the amendments, instead of doing a shoddy job which does not adequately address what people in Manitoba, particularly rural Manitoba, need. There should be, I suggest to you, a principle which deals with the fundamental purposes for managing water. Is this to maintain natural streams and lakes? Is this for irrigation? Is this for drainage? Is this for flood control, for wildlife habitat, for hydro dams?

I mean, one presumes that all of those are components of what should be water rights, but there should be some overarching principle here, in terms of what are the purposes and what are the reasonable justifications for trying to alter the natural course, or the natural flow of water. So the principle here is, presumably, we do not know, because there are not

any that you would maintain natural waterways, except that there may be some purposes for which you would make changes and allow changes.

We know that, in fact, the government, several years ago, brought in a bill which dealt with trans—I think moving water from one watershed to another and prohibiting that. But the problem is that when you do bits and pieces, that you do not have a coherent piece of legislation here. That is why this is really problematic.

There should be an overarching principle, I suggest—and we have discussed this in relationship to the water quality act—with regard to whether or not we should have an overall gain or loss of wetlands. We all know that wetlands perform many important functions in terms of flood control, in terms of quality of water and a variety of other things.

This act, I suggest, should have at least put in a principle in terms of what should be the approach with regard to the overall more or fewer wetlands, what should be the guiding principle in terms of wetlands, so that we have at least an act which is based on some coherent approach: a series of principles which are laid down; on which people are making judgments; people are making enforcement; people are entering into the lands, the properties of farmers and others and maybe making changes to that property, could be causing damage to that property, could be doing all sorts of things. But, at least at the very start, there should be some principles on the basis of what the goal is of principles of water rights in this province.

I would suggest that one of the principles is that there should be some rights for landowners and farmers. This is, I suggest to you, in terms of people who depend on agriculture and other businesses in this province, this is an important consideration. Even, I think, the Member for Russell (Mr. Derkach) would agree that it is right and proper to give some rights to farmers. This would have been an appropriate place to say there is a principle, that there should be some rights to farmers and landowners, and that this is more than just a bit of paper with a licence and a few words on it: there are some fundamental rights that farmers and landowners have got. So the first part here is that we would have expected some amendments to this act, which would have laid out some fundamental principles in terms of the provincial approach to water management.

* (14:50)

The next part or piece that I would like to discuss, or component of this legislation, is the aspect of enforcement. Now there are a number of aspects here. The ability to have enforcement powers, there are enforcement powers now, but if one goes just not far north of where the Member for Steinbach (Mr. Goertzen) has his constituency, into the Seine River, I was out a couple of weeks ago, visiting with some farmers along the Seine River. They were complaining to me, complaining loudly that this government was totally incompetent when it came to enforcement of water rights, that people were doing things which were causing damage to others in terms of draining marshes, in terms of how they approach the water management on one person's land, how it affected somebody else, how people were sneaking in on Sundays and various other times when there were not people around to enforce and making changes. The government really was insensitive, was not knowledgeable about what was going on, was not enforcing the problems. The net result was that people were having problems with their farmland being flooded. People were having problems with water management issues.

Lake Riviera is a lake north of Steinbach and east of Ste. Anne, and into this lake the water flows, and outflows had been a significant issue. There were, I think, five culverts providing exit from this lake, but because of the continuing, poorly managed drainage, what has happened is that the water levels were rising, the water was going over the road because of all the water flowing down into Lake Riviera. The problem here is that they had to put in several more culverts and now, with more culverts, what is happening is that the people downstream are getting flooded because the drainage is pouring more water in, the more culverts and more water going downstream and more people downstream having problems with flooding and water damage.

It does not solve the primary issue that a whole lot of marshes and other areas were being drained and a lot more water was coming into Lake Riviera. The net result was a lot of extra water problems that there had not been before. Well, the basic problem here is that these issues, as the Member for La Verendrye (Mr. Lemieux) knows all too well—I understand that he told some people that the whole situation along the Seine River was a mess. Well, describing the actions of his own government, I guess that tells it all when the Member for La Verendrye says that the situation on a river—I think most of it is probably in his constituency—is in a

mess, he is not looking after it, and things are not being enforced. There are, in fact, some water licences with terms which I was shown which are not being followed. Well, why not? Where is this minister?

What the problem here is, in a sense, that we can have amendments to The Water Rights Act, but if we have ministers who do not pay any attention, who do not do any enforcement—because, I do not know, maybe they do not believe in their own act. Maybe they believe there are problems. Maybe, you know, they have some conflicting interests and do not want to get involved. I do not know what the answer is, but the fact of the matter is that we have a lot of things which are not being enforced properly. We have an act which was brought in, in haste, even though the minister had lots and lots of time and, as a result of it being brought in, in haste, there are a lot of problems.

The farmers need some rights under this legislation. Under the authority, all the rights basically are derived for the government, and certainly, people who are farmers, who are trying to raise some crops and make a livelihood, they should have some clear principles and rights and so on as well.

The issue here is that, if you are going to give a lot of power to the government and the people who work for the government, then you need to make sure that there is an appropriate amount of consideration of checks and balances here so that the powers are balanced, and you actually have some rights and appropriate situations for people who are farmers, people who are getting flooded because the MLA for La Verendrye is just not paying attention to their needs. I was told by one of the people there that they tried to meet with him for a long time and have been unable to get a meeting. When you have a government which does not enforce things, the problems build up, which even the MLA for the area calls a mess. It is a real problem, and this legislation is not going to deal with this situation.

Let us add onto this. I have been talking about having the appropriate checks and balances in this legislation. Well, let us look and let us talk about one of the general aspects of this legislation which deals with the protection of the minister and people who act under this act from liability. People are protected from liability so long as they are not acting in bad faith. Well, there is a number of problems with this. Number one is that bad faith is a pretty hard thing to

prove, and so it is not very clear when this would go to court to prove somebody has had bad faith in making a decision. But there are clearly some areas where people need to be held responsible and accountable. Clearly, what needs to be added in terms of accountability is that the minister should be held accountable if he is grossly incompetent or she is grossly incompetent. This act should not provide protection from liability for a minister who is grossly incompetent. So clearly this is an area of this act which needs to be changed.

There are some areas of this act as well which are similar in providing protection from liability for not only ministers but others who are grossly negligent. Well, that is just not right. Honest farmers are trying to do a hard day's work and trying to grow crops, trying to make a living. One of the farmers I talked to had some specialized onions in an area along the Seine River, and he had never been flooded in something like 36 years. Well, after this, and I should say, after the Tory government and the NDP government had been there for the last 15 years, the cumulative changes, the things that had not been adequately enforced, looked after properly, resulted in his fields being flooded. Now it is happening virtually on an annual basis with terrific crop losses because the water rights are not being looked after properly. Clearly, this act has got some major, major issues.

Mr. Conrad Santos, Deputy Speaker, in the Chair

When we are dealing with water rights, we need to be dealing not just with bad faith, not just with gross incompetence as I have already mentioned, not just with gross negligence as I have mentioned, but we need to deal with interests of individuals, conflict of interest, and how you deal with these to make sure that the minister because of his privileged position, or somebody else on acting under the act who may want to protect his land but not worry about flooding somebody else's, do an act under this act which would protect his friends and cause problems for somebody who is not his friend. That is just wrong, Mr. Deputy Speaker, and the fact is that this act needs to be changed so that this sort of problem would not arise. Right now, this act as it was amended by the current minister clearly has some major holes and some major problems which need to be addressed.

* (15:00)

This act, as I have outlined, has a major problem in terms of not even having fundamental principles

which would guide judgments and decisions. It has a major problem with the approach by this government to enforcement. They have not had the resources, the skilled people, the will. We do not know exactly what actually enforced the act as it exists, and we are adding more clauses and powers, et cetera, wherein what is going to be the result here if you do not have reasonable principles on which the act is based and you do not have a reasonable approach in terms of when you go in and you are going to make a decision in terms of judgments.

Now one of the big problems in terms of water rights is the rights of people upstream versus the rights of people downstream. Do the people upstream have a right to drain and flood people downstream? Do the people upstream have a right to hold back water so that it is not available for somebody downstream or maybe it will protect people downstream. Certainly, there needs to be a process here which will provide some arbitration between people who have different perspectives upstream and downstream on the same watershed. As the Member for Carman (Mr. Rocan) knows full well, this is quite an important issue in parts of his constituency, and indeed there have been some not bad things done near Miami, in south Tobacco Creek, in terms of holding back water. But the point here is that because there are no principles in the act, because there is no way to arbitrate between people upstream and downstream, this is a set-up for continuing problems.

There should be, I suggest to you, rights of people upstream and downstream. There should be rights of farmers generally to be able to drain agricultural land and make sure that they can grow a crop. We should make sure that when people are interested in putting in tile drainage, they should have the ability to put in tile drainage and look after their land. The problem here is that in this Water Rights Act there has been so much that has not been paid adequate attention to that, as I have already suggested, this minister should withdraw this act and bring it back after he has done some more work and put it in proper shape.

So, Mr. Deputy Speaker, that is primarily what I wanted to put on the record, to say that we think this act has major defects. We think that the minister made a major mistake in bringing forward this act at this particular juncture so poorly thought out. He is, in essence, wasting people's time debating legislation which was so poorly prepared.

We know full well, those of us who were here not all that long ago when the same minister brought in the water quality act, there were a huge number of amendments that were needed because that bill had been so poorly thought out and so poorly designed. Now we have another bill which is as poorly designed as that one, and I will bet it is going to have lots and lots of amendments just if it goes through to committee meeting and then to third reading and report stage, that this is a bill which has huge problems which needs major changes. The minister should just withdraw it and bring it back next year when he has done the work properly.

This an important piece of legislation for people in Manitoba. It is particularly important for people in rural Manitoba. It should have been done properly, instead of done in a mess. As the Member for La Verendrye (Mr. Lemieux) has said, he has got a mess in Seine River. This will not sort it out for him. He should have looked after it properly.

The fact is that this legislation is not good enough. The minister should take it back until it is done properly. That is what I wanted to say, Mr. Deputy Speaker.

House Business

Mr. Deputy Speaker: On House business, the honourable Opposition House Leader.

Mr. Kelvin Goertzen (Official Opposition House Leader): In accordance with Rule 31(9), I would like to announce that the private member's resolution be considered next Thursday morning is the resolution on Sustainable Development for Rural Manitoba sponsored by the honourable Member for Ste. Rose (Mr. Cummings).

Mr. Deputy Speaker: The Chair thanks the honourable Opposition House Leader.

Mr. Deputy Speaker: Are there any other speakers on Bill 14?

If there is no other speaker, the bill stands in the name of the honourable Member for Pembina (Mr. Dyck). *[Agreed]*

Bill 37—The Labour-Sponsored Investment Funds Act, 2006 (Various Acts Amended)

Mr. Deputy Speaker: We will now proceed to Bill 37, The Labour-Sponsored Investment Funds Act, on the proposed motion of the honourable Minister of Industry, Economic Development and Mines (Mr.

Rondeau), standing in the name of the honourable Member for Pembina (Mr. Dyck).

Is that agreed that it remain standing in the honourable Member for Pembina? *[Agreed]*

Are there any other speakers?

Some Honourable Members: No.

Mr. Speaker in the Chair

Mr. Speaker: We will now move into Committee of Supply.

Would the appropriate Chairs please go to Chamber, Executive Council; Room 254, Industry, Economic Development and Mines; Room 255, Labour and Immigration.

**COMMITTEE OF SUPPLY
(Concurrent Sections)**

**INDUSTRY, ECONOMIC DEVELOPMENT
AND MINES**

* (15:10)

Mr. Chairperson (Harry Schellenberg): Will the Committee of Supply please come to order. This section of the Committee of Supply meeting in Room 254 will now resume consideration of the Estimates for the Department of Industry, Economic Development and Mines. As had been previously agreed, questioning for this department will proceed in a global manner.

The floor is now open for questions.

An Honourable Member: Mr. Chair?

Mr. Chairperson: Honourable Minister.

Hon. Jim Rondeau (Minister of Industry, Economic Development and Mines): Mr. Chair, in order to demonstrate our quick response to the member opposite, I thought I would provide some information on the record that was asked for yesterday in Estimates.

The first one was the honourable member wanted to know the appointment of Eugene Kostyra to the position of Secretary of the Community and Economic Development Committee of Cabinet. That was done on March 11, 2000.

The other questions that he had on information was a budget versus expenditures on salaries in thousands of dollars for 2004-2005 in the Department of Industry, Economic Development and Mines. Going through the whole department, and

you do not want it item by item, basically, there was a budget of \$12,523,100. We spent \$12,375,000. So there was a lapse of \$148,100, which is 1.2 percent. So that is basically vacancies over time.

Other information that the member requested was the breakdown of Small Business Development, Committee of Supply, in thousands for the 2006-2007, and I will go through it. That was the Small Business, Other Expenditures, contracted services and stuff. *[interjection]* Yes, \$392,800. Basically, the Business Library Services was \$36,800; the Business Services Counselling was \$29,200; the Business Development Entrepreneurship Training was \$19,500; Business Information Publications was \$38,000; Business Start Program was \$22,000; Office Operations was \$140,900; Aboriginal Business Development was \$16,500; Film Loan Guarantee was \$10,500; Brandon Operations was \$42,300; and the Canada-Manitoba Regional Office Operations were \$37,100, for a total of \$392,800.

For the information of all members, this operation is shared with the federal government on a 70 percent for the federal government 30 percent provincial government basis, which is a good deal because we get good bang for our bucks. So that is that money broken down.

The last information that we promised to provide the member by tomorrow, but I have it early if that is all right, was the composition of the CEDC Cabinet members, as approved in Cabinet: the Honourable Rosann Wowchuk, the Honourable Eric Robinson, the Honourable Scott Smith, the Honourable Diane McGifford, the Honourable Ron Lemieux, the Honourable Dave Chomiak, the Honourable Jim Rondeau, the Honourable Theresa Oswald, and that was in an OIC.

So, as per your questions yesterday, I think I have responded to most of them. The only other one that might be outstanding is the MIOPs. The interesting part is we have a Freedom of Information from Ms. Brenda Wilkes, from Room 113-450 Broadway, that the member opposite might be aware of. It was a Freedom of Information that was provided on December 12, 2005. *[interjection]* I know, that is right outside your office door. It was provided and, to that, we have a list that was provided to the members on December 12, 2005, of the MIOP loans. Now, if you need another copy, if you cannot get it from the staff member outside your door, let me know. We will send you a copy of it.

Thank you, Mr. Chair.

Mr. Glen Cummings (Ste. Rose): Well, I want to thank the minister. He has not yet quite answered the questions I am about to ask him, but I am impressed, and thank you.

But, on the subject of the Community and Economic Development Committee Secretariat and the 13 staff lodged there, would I have any difficulty acquiring the list of staff that work in that section?

Mr. Rondeau: All right, I will go through the staff, person by person: P. McMiller, E. Kostyra, C. Burgess, D. Ceicko, A. Rothney, K. McCallum, C. Davies, S. Budnik Pilon, C. Shattuck, P. Pierlot, D. Flanagan, J. Lodon, and that is it. It should be 13.

Mr. Cummings: Thank you, I appreciate that. Obviously, I will peruse Hansard too—I cannot write as fast as the minister can talk, and that is quite all right.

The second part of that is, can he indicate if there are any contract employees in that list, excluding Mr. Kostyra, of course?

Mr. Rondeau: There are no contracts outstanding.

* (15:20)

Mr. Cummings: No contracts outstanding. I interpret that to mean there are no contract employees in there.

Is Mr. Kostyra on a contract or a staff position?

Mr. Rondeau: Following a long-standing practice, people who are in staff years, and he is in a staff year through an Order-in-Council, have a choice between doing an employment contract or becoming part of the Civil Service Superannuation Board. He has chosen to have an employment contract.

Mr. Cummings: I may have heard wrong, but did I hear—was that a D. Flanagan employed in one of the 13 that was listed?

Mr. Rondeau: Yes, it is.

Mr. Cummings: That is not a contract position? I just ask the minister to reconfirm.

Mr. Rondeau: We will make absolutely sure what it is, and we will get back to you shortly. By that, I mean, as in the past, where I just provided you a lot of the information, we will get back to you in due course.

Mr. Cummings: That is acceptable.

In the structure of this group, and absolutely as the minister indicated yesterday, governments will very often seek out the type of particular expertise to get action precipitated within the province. So I am going to go back to my favourite example again, and that is the example of the lack of slaughter capacity in this province, one of my frustrations that I expressed a number of times to the Minister of Agriculture (Ms. Wowchuk). But, because this expertise is sitting here, I do not understand why it would not have been possible for the secretariat through the senior personnel, actually, Mr. Kostyra, why it would not have been likely that this section would have sought out qualified investment opportunity to expand the slaughter opportunity in this province, qualified in the sense that there are a number of large entities out there, some of which have expanded.

We have seen Natural Valley expand in Saskatchewan but not here, although the opportunity probably was available here if we had been somewhat in advance pushing the issue. I ask whether or not, to the minister's knowledge, or I believe certainly the knowledge is here at the table, whether or not that sort of SWAT team approach was used to try to track the slaughter capacity to the province.

Mr. Rondeau: Generally, what happens is the departments have the people who have the expertise. So you would talk about agricultural issue or agriculture and food issue, and that is the department that would be the lead department. Again, they would have the expertise as far as agriculture and food production. That is the department that would be the lead department. Now, if there was a proposal or if there was an initiative, that is when the secretariat would take action. It is not a secretariat that does proactive marketing of the province. The marketing of the province, the promotions, the quick response would be out of the department, which would be Manitoba Agriculture and Rural Initiatives. When Simplot came through, they would come through. They would talk to Manitoba Agriculture, Food and Rural Initiatives, and the CEDC, their role would be to co-ordinate water, the different intergovernmental affairs, industry, environment, put them all together to make sure the package comes together.

It is not the job of 13 people to market the entire province and go chasing down every potential

opportunity. In the case of most industries, it is a small business. You would not have somebody who wants to do a film walk up to the CEDC and say, hey, I want to do a film. You would not have someone who was a small business owner walk into the CEDC. It is meant to co-ordinate the different departments in government on major initiatives and give policy advice.

Mr. Cummings: Obviously, the minister and I differ on what could be the usefulness of this type of a collection of expertise, and I maybe wrongly assumed that one of the roles here could be the actual promotion that the minister said was not necessarily their job to act in terms of promotion. For example, when potato processing was expanded in this province, when pork processing was expanded, there were known interests out there, but it was a mutual seeking out of opportunity and government initiative that brought the two together, as I recall. It was not a case of full-grown projects landing on the minister's table and then seeking out the support that would be necessary. There were, in fact, opportunities for the government, either through the ministers or through people who had knowledge, to go out and find companies that were interested in expansion and persuade them that Manitoba was the place in which to expand.

That really says about as well as I can why we have such a high level of frustration about the lack of kill capacity in Manitoba. We have the only growing cow herd in North America. Manitoba's cow herd is growing faster and continues to grow in the face of reduced cow herds in North America and particularly south of the line. That was the case for the last number of years if I understand the information correctly.

So it was an opportunity that has gone wanting, but nevertheless I am surprised that that type of initiative was not held at least in part by this secretariat in terms of dealing with what I thought would have been a high priority within government. If it was lodged solely within Agriculture, I fail to see how that would have been the main lead or the only lead in seeking out that type of industry even though Agriculture is part of the Cabinet committee that this secretariat works with. But I thought the secretariat might well have been taking some direction from that committee.

Let me ask another question about the function and the role of the leadership in this section of the department. Given the way we see the display in the

Estimates book, would it be a correct assumption that the personnel in this department report to Mr. Kostyra?

Mr. Rondeau: Two things, Mr. Chair. The first, I think it is important to note that Manitoba Agriculture, Food and Rural Initiatives was active to try to find and expand the slaughter capacity. They had people both within and outside the province; so they had people working on that file. The whole co-ordination of the Community and Economic Development Committee Secretariat would have been doing things like working with Ranchers Choice in co-ordinating the infrastructure, in discussing the environment and water issues, in discussing the finance issues through Industry, et cetera.

* (15:30)

So Manitoba Agriculture, Food and Rural Initiatives would lead up the initiative, and the department would provide co-ordination and policy advice. That is the first one. Then in the second one it is quite easy. Yes, the managerial position in the department is Mr. Eugene Kostyra.

Mr. Cummings: Well, it is interesting, and perhaps the minister has indicated that he has an ongoing communication in this area, but, when push comes to shove, this area, all of a sudden, is not as directly involved as I might have assumed. The Department of Agriculture certainly has the technical information, but, in terms of business development, would it be true to assume that this secretariat would have significant business development expertise, the financial and technical support that companies might be interested in seeking information from?

Mr. Rondeau: Mr. Chairperson, Manitoba Agriculture and Rural Initiatives has significant expertise in technical and financial expertise, but part of the role of the Community and Economic Development Committee Secretariat is to provide co-ordination. So, if they felt that the program needed other departments or other department expertise, that is where it would be derived from. So, if they were talking about a trade policy, they may talk to Mr. Alan Barber in Industry about trade, if that was part of the project.

The job of the CEDC is to co-ordinate and work with departments to get information—the expertise is in the departments, generally—to co-ordinate the information. There are 13 people present in this department. You would not want them to market,

figure out all the financing, figure out all the business plans and work with every business that is expanding in Manitoba. They could not possibly do that with 13 people. Hence, they work in the departments. The departments do the work. The departments are the ones who have the expertise and this is a co-ordinating and policy secretariat.

Mr. Gerald Hawranik (Lac du Bonnet): I have a question for the minister. Having not had the benefit of being here yesterday in terms of the Estimates, I would like to ask the minister whether or not Eugene Kostyra, if he could confirm that Eugene Kostyra is the Community and Economic Development Committee Secretariat manager. Would that be correct to say?

Mr. Rondeau: Yes.

Mr. Hawranik: In his capacity as manager of the Community and Economic Development Committee Secretariat, does Eugene Kostyra report directly to the minister?

Mr. Rondeau: Yes.

Mr. Hawranik: In his capacity as manager, I understand from my colleague, could the minister confirm that Eugene Kostyra has been the manager since March, 2000?

Mr. Rondeau: He was appointed March 11, 2000.

Mr. Hawranik: Is there an existing employment contract, a written employment contract with Eugene Kostyra?

Mr. Rondeau: He has an OIC, an Order-in-Council, and he has an employment contract.

Mr. Hawranik: Would the Minister of Industry undertake to provide a copy of that contract to us? It is public information: he is paid by public funds. I expect that employment contract certainly would be available to members of the public and to us in our capacity as MLAs and critics. Would he undertake to provide us with a copy of that employment contract?

Mr. Rondeau: I would believe that that would be personal information. You have the amount of money that he is paid. Under page 49 of the public information documents, we disclose financial remuneration as per legislation. It is a standard contract. I would feel that it would be inappropriate to provide that information to the member.

Mr. Hawranik: Since it is a standard contract, obviously, it has standard terms in every employment contract. Would he provide me with a

copy of an employment contract in standard terms without Mr. Eugene Kostyra's name on it?

Mr. Rondeau: As a lawyer, I assume that you understand that most contracts contain pay, benefits, holidays, and I would suggest that if you wish to have a Freedom of Information you can request that, because it is a contract between the government and a member. I would suggest that would be inappropriate for that, but if you wish to put a Freedom of Information under it I would be happy, because then the due process can take place.

Mr. Hawranik: As a lawyer, I appreciate that the contract may, in fact, disclose his pay and his benefits, and that is not what I am concerned about. His pay and his benefits are, in fact, in the Estimates books, and we have seen what that is.

My concern is: What are his duties and responsibilities? What is he expected to do for the money that he makes? Clearly, if there is a contract out there, and if he is willing to, I see nothing wrong, there is nothing legally stopping him from, in fact, giving us his contract and blacking out the pay and benefits, if that is his concern.

Will the minister provide us with a copy of that contract?

Mr. Rondeau: I refer the member to page 48: "The CEDC Secretariat provides co-ordination, community and economic development expertise and analytical support to Cabinet, the Committee, Departments and other Boards and Agencies.

"The Secretariat works in close co-operation with Treasury Board Secretariat, Departments and Crown Agencies, to provide assistance with respect to community and economic development projects and policies.

"Activities of the Secretariat encompass a broad range of policy areas, including rural and agricultural issues, northern development, urban revitalization, environmental and natural resource issues, public infrastructure projects, investment and industry attraction and expansion, aboriginal and ethno-cultural issues, energy development, cultural policy, research and innovation, education and training, and poverty and social justice issues."

This is where the policy goes in: "Secretariat staff assist departments in policy development, and facilitate co-ordination and integration of policy across government. Staff prepare analyses of departmental submissions to the Committee and also

develop proposals for Committee review, lead specific project teams as required, and participate in a variety of other project teams, task forces and working groups.

"The Secretariat works in close co-operation with business, community, aboriginal, labour and social organizations on policy development within the Premier's Economic Advisory Council."

They basically work to develop policy and co-ordinate between departments. So the role of Mr. Eugene Kostyra is to manage that Secretariat, which would mean he would co-ordinate the staff, and he would ensure the appropriate flow of information.

Mr. Hawranik: I am happy to note that what the objectives are of the CEDC, but I could have simply turned to that page and read it for myself. That is not my question. My question is not what the role of the CEDC is and what the objectives are of the CEDC. My question is: What is Mr. Kostyra's job? What is the scope of his employment? He is paid by the public. What is he paid for? The only way we are going to find that out is to get a copy of his employment contract, and I am not concerned about what he gets paid, as I mentioned before. I am concerned about what his duties are under that employment contract, and I believe I have a right to it, and the public had paid for it and we want to know whether we are getting value for our money.

I ask the minister again: I would like to have a copy of the employment contract; would he provide it to us?

* (15:40)

Mr. Rondeau: The role of Mr. Eugene Kostyra is to manage the Secretariat and provide the appropriate flow of information and data and policies, as far as policy advice to the Secretariat. When we have meetings, the departments provide a base of information. The Secretariat then gives policy advice, and what the Secretariat also does is it provides co-ordination on a project.

So, as an example, if we are talking about Ranchers Choice, what it would do is it would work with Agriculture, Food and Rural Initiatives. It would work with their staff, work with Water, work with Conservation, work with Intergovernmental Affairs. Now the job of Eugene Kostyra and the staff of CEDC is to co-ordinate, work with the different departments to make sure everyone is on the same page, make sure the proponent gets the information to the right departments, because what you do not

want to do is go through five different hoops. So the CEDC co-ordinates so that the project moves forward smoothly.

Now the job of Mr. Eugene Kostyra is to manage this Secretariat so that it runs efficiently. If you look on page 48, I invite the member to read it, if you read page 48 you see the job in Secretariat. A manager in the Secretariat is responsible for the staff and also for achieving the objectives. If you read the objectives and you read what the Secretariat does, then you should understand what his role is within government.

Mr. Hawranik: I take it from the minister's comments he has just refused to provide a copy of an employment contract with Eugene Kostyra in spite of the fact that the public pays for his salary in the department. They pay, but they really have no say in terms of what his duties are. Clearly, those objectives in the CEDC are very general in nature and are very all-encompassing.

My concern is what is Eugene Kostyra paid for specifically. I am not sure what the minister has got to hide, but obviously he must have something to hide. The request that I made is clearly within the department's ability to hand it over. If I ask for anyone else other than Eugene Kostyra, his employment contract, I am sure I would be reading it right now.

Clearly, that is public information. I would like to know what he gets paid for. We can talk about general duties and responsibilities of CEDC all you want, but it is a very general description of what the committee does, and specifically I want to know what he was hired to do. Certainly, he was hired to manage the CEDC, but there may be other information within that employment contract that I think the public has a right to know. Is the minister refusing to give me a copy of that employment contract?

Mr. Rondeau: I will check whether it is appropriate through Freedom of Information to provide individual employment contracts and whether it was standard practice under the former government to provide this information to the public on individual contracts from an Order-in-Council. I will endeavour to check on that and I will get back to the member.

However, this is quite simple, and I hope the member understands. I know it is simple, I think it is simple: The Secretariat does co-ordination. It works with proponents. It develops policy based on

proposals from the departments. What happens is, in the case of Ranchers Choice, Ranchers Choice has a proponent. Agriculture, Rural Initiatives will get the information. The proponent works with Agriculture, Food and Rural Initiatives, they will take that proposal in. Now, that proposal, Ranchers Choice cannot go forward unless it has an appropriate water and sewer. That would be through Intergovernmental Affairs, which would work with the community to develop appropriate water and sewer. That could be through Conservation, does the clean environmental hearings. Industry would provide maybe some financial advice. There might be three or four departments with specific expertise.

Now, rather than have the proponent go to each department by themselves, which would be time-consuming and frustrating, what happens is there is the initial Manitoba Agriculture, Food and Rural Initiatives that gets a proponent and then the CEDC, through Eugene and his staff, co-ordinate all departments to work on a SWAT team, to use the Member for Ste. Rose's (Mr. Cummings) words, to develop a SWAT team to address their initiatives and move the project forward. That is what Mr. Kostyra does. That is what his staff does. They also provide policy advice to the CEDC committee.

As far as a manager is concerned, generally, what a manager does is ensures that the staff is working on the projects, makes sure there is no difficulty with the projects, makes sure if there are any issues that come up that they are addressed.

Ms. Marilyn Brick, Acting Chairperson, in the Chair

So, when you are dealing with it, you look at the mandate, you look at the job that the person has been given, and a manager in a section would address any issues as far as the department. It would provide the paperwork, it would provide some hiring advice and, of course, the co-ordination through the government. That makes sense. If you look on page 48, if you look at the objectives of the CEDC, if you look at how it works, as I explained to you, then you will also see on page 49 you have all the different salaries. It is all there in black and white as far as what the proposal is, what they do and what the CEDC does.

Mr. Hawranik: To use the minister's own words, it is simple. I hope the minister understands. The objectives of the department, which he just quoted, and the responsibilities under the employment contract with Eugene Kostyra may not be congruent. They may be at odds, and I have some concerns as to

whether or not Eugene Kostyra, whether he is doing the public's work or whether he is doing political work. It is a simple matter of the minister providing me with a copy of that, he says, standard employment contract. I am not interested in his salary. I am not interested in his benefits. I am interested, though, in terms of what he is getting paid to do and the public is paying for it.

Can I have the minister's assurance then? He did say in the answer to the previous question that he would be prepared to look at it to see whether or not he could give me a copy of that contract or not, and at least provide me with reasons if he is not able to.

An Honourable Member: Or is it non-standard?

Mr. Hawranik: Or is it a non-standard contract?

Mr. Rondeau: I am prepared to look at what was the practice in the previous government and our government as to the provisions of similar contracts.

Mr. Hawranik: Is there a time line within which the minister will be able to give me that information?

Mr. Rondeau: In due course.

Mr. Hawranik: "In due course," meaning within the next five years, or within the next five months, or within the next five days?

Mr. Rondeau: I am not aware, as I did yesterday—I know the member was—I am not allowed to say if you are here or not, but, yesterday, when the Member for Ste. Rose (Mr. Cummings) asked for information, I endeavoured to get it today and in due course. Not only did I provide the stuff that I said I would get today, I provided, I think, four or five pieces of information early at the beginning of this session. What I did was I provided all the information fully and early. So I tell the member that I will get it in due course and provide the information, if possible, in due course.

Mr. Hawranik: Will he commit to giving it prior to us rising on June 13?

Mr. Rondeau: I do not know how long it will take me to find out whether it has been standard practice, but I will endeavour to do what I may in order to get it to you in an appropriate time.

Mr. Hawranik: Can the minister define "appropriate"?

Mr. Rondeau: No.

Mr. Hawranik: I will accept whatever undertaking the minister gave me for whatever it is worth. It

could be five years, it could be 50 years from now. In any event, I will take him at his word, and I will be asking him again at some point in time if I do not get it within a reasonable period of time.

Can the minister also provide me with a copy of Mr. Kostyra's job description?

* (15:50)

Mr. Rondeau: I do not believe he has a standard job description, other than the fact that he is a manager of the CEDC, and he is given the goals and objectives of the CEDC. I do not know whether he has a standard job description, or if there is a job description as such. I believe that a senior manager—I know that when I was in education, and I go back to my previous job—as a lawyer, I do not believe you had a job description. I do not know whether you have a job description as a lawyer. In the case of me as an education person, my job was to deliver adult education programs in the Frontier School Division. My job was to work in partnership with other communities to develop programs that were appropriate and do school-to-work transition. I did not have a job description for many years, but I was very, very capable of setting up award-winning programs that met those criteria.

I believe that, if you hire a senior manager, you give them goals and objectives; you give them a parameter to work with; you give them a coordinating function. That is usually quite adequate for job descriptions. It is like if you gave a job description for yourself. Do you have a job description as an MLA? It is interesting, because in many cases, when you are talking about senior management positions, you do not have specific categories or classifications. You give people goals and objectives, and you have faith that they meet them.

Now, when you look at our economic performance, and I want to just go through the economic performances in some of the projects that have gone through. If you look at Motor Coach Industries, this is an industry that was having major problems in the nineties. In 1999 we had September 11. We had an issue, and so there was a big problem. Now, after a MIOP loan, after some issues, we have had a whole bunch of new hires, 130 new hires at the Winnipeg plant. We have had a huge ramp-up of production to meet the demand, and all of MCI is located in Winnipeg. So we have a location. We have some new technology. We have centralized

functions. We have new coaches being developed, and new hires.

Another example, you have H&H Trailer that is coming to Portage la Prairie, and it is the first Canadian manufacturing plant with plans for a major distribution centre to come in MacGregor. This is a new initiative. If you look at others. We have a number of companies like New Flyer that has had a number of cases where New Flyer was in troubles under many years. It is now producing lots of buses, has lots of contracts, and these are the types of employment and economic things that are happening in our province.

If you look at life sciences, we have 4 percent of the population, 10 percent of the life sciences companies. This is high end, high money, high value added, that is the type of thing we want to do. Film industry. In 1999, we had about \$10-million worth of film production in Manitoba. Last year, it was over \$100 million.

So what you want to do is, when you are talking about economic development and the member wants to say whether Eugene Kostyra or this government is growing the pot, the pot has grown between \$12 billion and \$14 billion, that is billion, since 1999. It is because we work with drivers of the economy. We work with business, we work with labour, we work with education, and we grow all those things.

Now, if you look at the objectives of the CEDC department, you notice that it is talking about working with business, labour, education, different groups to grow the economy. When you are asking whether Eugene Kostyra or the CEDC or this government's policies are successful, well, \$12 billion to \$14 billion. I can let the member know that when the Conservative government was in power between 1989 and 1999, check the growth, it certainly was not \$12 billion to \$14 billion.

Mr. Hawranik: I know the minister has indicated that the economy has grown in Manitoba, and no one denies that it has not. Every economy in fact across the country has grown, many of them growing much, much faster than Manitoba. Dollar figures of \$12 billion do not mean anything in reality. It is how we are doing in relation to other provinces across the country.

I need only point to Stats Canada where we have grown, our real GDP growth has grown at less than the national average for each of the last six years. I

know the minister, he is probably looking at a briefing note now showing him that there is a wild guess out there, as he had done before, made lots of wild guesses as to how our economy is growing in Manitoba including last year, and they were wrong. Well, you know any one can make a guess.

The point is let us look at reality. In each of the last six years, we have grown at a rate, our real GDP growth has grown at a rate of less than the national average for each of the last six years. That has only happened in Manitoba. Even Newfoundland has had an economy at least one year that has grown higher than the national average. Even Prince Edward Island has had an economy that has grown at a rate higher than the national average, at least one year in the last six years. That comes from Stats Canada. That does not come from the Minister of Finance (Mr. Selinger) or the Minister of Industry, who can put whatever numbers they want out there. That is Stats Canada. So, when we want to talk about how our economy has grown, well, sure it has grown, but everyone else has grown as well and they have, in my view, outgrown us.

When the minister indicates, well, is there a job description? As a lawyer, yes, we do have a job description. Our job description is defined by our clients and defined by the Law Society of Manitoba. Even the Auditor General has a job description. I ask the Minister of Industry: First of all, has he seen the contract with Eugene Kostyra and the Province? Secondly, if he has seen it, is that job description within that contract?

Mr. Rondeau: Madam Acting Chairperson, just some neat, interesting points of growth versus net loss, et cetera. If you look at the labour force, just to let the member opposite realize the differences between now and then. In 1995, the labour force was 556,900 people. Again, this is Statistics Canada. That is 1,000 people. That is 391,000 private sector, 125,400 public sector. If you look at 2005, the labour force, thousands of people, was 609,400, private was 434,700 and public was 145,000. Now, I know you are not a mathematician, but a lawyer, but you have 556,900 and 609,400. Ten years later, there are more people working, by about 50,000, than before.

The other interesting thing is when you are starting to talk about business you are saying those are our numbers. Well, there was \$100 million of film industry done in Manitoba. I can try to get that to you. There is the MTS Centre. There is all sorts of building. Statistics Canada talked about the

investment materials. We have done well as far as our economy, as far as the labour force growth.

April 2006 was a strong month for labour force growth, of 7,700. If you take it from youth, I love the comments about youth because our record on youth over the last six years, 2000-2005, youth population has grown by about 7,800 or 1,300 a year. From 1989 to 1999 the youth population fell by a total of 18,000. So, get this, under the Conservatives it fell by 18,000 or 1,600 per year. Under the NDP government, this government, under the economic and education stewardship of this government in co-operation with labour and business and education it went up 1,300 per year. Under the stewardship of the Conservative government it went down 1,600 a year. That is a 79 percent improvement. That is from Statistics Canada, by the way.

So the youth labour force has gone up from 6,100 per year under our government, which is a 63 percent improvement over the previous government. The youth employment level has gone up by 6,000 or 1,000 per year and it fell from 1989 to 1999 by 13,300. That is a decrease of 1,200. Now, you should know that an increase is better than a decrease. I know we have our challenges of young people leaving, but we are working at it. We are working with education and labour. We have come up with a co-op tax credit. We have gone in some transition programs.

Again, while Manitoba has 4 percent of the population, it has 10 percent of the life sciences. We have a new R&D tax credit. We have lots of life sciences going on and so things are happening. Now that is not all government and I do not pretend to take credit for it. What we have done is we have a good business climate. But we are also working with business, with labour, with education to move it.

*(16:00)

When you are talking about the CEDC, their job is to take projects and work with all the different groups to grow the economy. That does not mean they do it together. They work with, and we believe that it is important for partnerships.

So, if you want to talk about further groups, when we are talking about marketing, and I know the member opposite criticized our marketing efforts that were recommended by the Premier's Economic Advisory Council, CJOB reported that the Winnipeg hotels are on an upswing. Director of marketing at the Fairmont, Jim McEachern, attributed much of the

success to a marked increase in conventions, plus a change in policy at Travel Manitoba that has driven more tourism. So marketing does work.

We talk about our economics conference board. Again, a third party has talked about good investments in mining, which we actually—if you take the Fraser Institute, it said that we are third best in the world as far as policy and development, so the Fraser Institute said that we are third best in the world. So that was part of the growth rate, and I love this quote because it is from the Conservative MLA from Emerson, and what he says is: From what I have seen so far, I am amazed; this is the future of agriculture.

That is talking about the new centre for functional foods and nutraceutical products. So that is what we do.

As far as a job description, I have faith that any organization, any Cabinet minister, any senior manager, any CEO, does not necessarily have a tight job description. They function within a set of parameters and, like a CEO of a company, would have certain parameters on which they work. They do not have a tight job description. They understand the roles and responsibilities of the position and they follow it. Mr. Kostyra, I have faith in him. I meet with him on a regular basis and talk about projects and co-ordination, and this is what he does.

Mr. Hawranik: I would certainly appreciate it if the minister gave me some straight answers. I would appreciate him not getting cute in answers without knowing my background. Yes, I have a degree in law, but I also have many courses at university in math. I used to teach math as well, so I do not need a lesson in subtraction from the minister.

The other comment I had with respect to economic growth, and I know that the minister alluded to it in terms of thinking that the economy is performing well and, in his view, is performing adequately in relation to other provinces in Canada, and he compares the 1990s to today. I do not know if the minister recalls—he should recall—that in the early 1990s we had the second-deepest recession in history, second only to the Great Depression in the 1930s.

That had nothing to do—that was not unique to Manitoba. Sometimes I like to allude to it, but it was not unique to Manitoba. This recession was all across Canada; indeed, all across the world, and it had nothing to do with whether policies in Manitoba

were affecting the world market. Obviously, the world markets affect Manitoba, and a lot of those same forces are in effect today in terms of our economic performances as well.

It is not that Manitoba is not doing well. The question is, are we remaining competitive and are we keeping in step, in tune with the rest of Canada? That is the issue. That is where I have directed all my questions in terms of whether this government has, through its policies, in fact outperformed the rest of Canada in terms of its economic policies, and it has not. So that is the concern that I have got. We are falling behind. We are not being competitive.

Getting back to Eugene Kostyra, I ask the minister: Has Eugene Kostyra met with him as minister to provide advice or direction concerning placement of any MIOP loans?

Mr. Rondeau: The department through its financial advice gives me advice on MIOP loans.

Mr. Hawranik: Has Eugene Kostyra met with you as minister to provide you advice or direction? Has he personally met with you or you met with him concerning placement of MIOP loans?

Mr. Rondeau: The department provides the recommendations on all MIOP loans. Mr. Kostyra's job is not to provide advice or recommendations specifically to me as minister on any MIOP loans.

Mr. Hawranik: The minister mentions that it is not Eugene Kostyra's job to provide advice and direction concerning placement of MIOP loans, but has he met with you and given you advice or direction concerning placement of MIOP loans, or have you met with him to discuss that?

Mr. Rondeau: I regularly meet with Mr. Eugene Kostyra to talk about economic development co-ordination. An example would be if he has a discussion on how we might move a project forward quickly, then what I do is I deal with the co-ordination. The recommendations on MIOPs come from the Department of Industry, the Financial Services part of the Department of Industry. They do not come from CEDC.

Mr. Hawranik: Has Eugene Kostyra provided you with any advice concerning placement of MIOP loans?

Mr. Chairperson in the Chair

Mr. Rondeau: I know that the member opposite may have questions about how this works and I will

reiterate again. What happens is the department provides the recommendation on the MIOP, so what happens is that Financial Services would negotiate it. The negotiation of the MIOP happens between my department, Financial Services, and the company. The department then comes up with a recommendation and provides it to the government. Then there is recommendation advice through CEDC, policy advice or recommendation from CEDC.

Mr. Hawranik: Thank you for that information concerning how the MIOP loans work, but my question is, has Eugene Kostyra provided you any advice or direction concerning any placement of any MIOP loan?

Mr. Rondeau: When you are asking that, that is an interesting question because when you are talking about what people understand, our role in the CEDC is to provide advice to the CEDC committee. As I mentioned earlier, I sit on the CEDC committee, so when there are people who sit on the committee and the Secretariat provides advice to the committee, this would mean that he provides advice—his department or Secretariat provides advice.

However, as I explained, what happens is the departments get the information from the companies. The companies work with the department to come up with proper security. Now I know the member opposite knows that there is a big difference between what happened under the Conservatives where the MIOP program cost or lost in excess of \$39 million. This is because they did not have proper security. This is because they gave away loans at or below the cost of borrowing, and this is because a lot of the organizations may have had undue influence.

What has happened under our government so far, and I know that we have not had a lot of losses. We have had good wins with New Flyer and Motor Coach, et cetera. They have been good and there have been some discussions about Maple Leaf. But what we have tried to do is a) ensure that there is appropriate security, that there is a business case for all the loans. No. 2, what we try to do is make sure—by the way, on security, and I want to make sure the member understands this. Security means that we have the building as security. We make sure that we have as much security as we can on the loans.

* (16:10)

Then what we want to do is we want to make sure that, when we are loaning money, we try to do it at or over our cost of our borrowing. In other words,

when we talk about our \$189,000 we have so far made on the MIOP program as far as interest costs, et cetera, and that is opposed to the Conservative record of \$39 million, that is because policies of appropriate security, charging at or above our cost of borrowing, and trying to have it so that we have good economic advice. That is provided from the department, and then recommendations from the CEDC.

Mr. Hawranik: I have asked the same question four or five times already, and either he did give advice or direction concerning placement of any MIOP loan or he did not. I think it is pretty simple.

My question to the minister again: Yes or no. At any time has Eugene Kostyra provided you in your capacity as a minister with any advice or direction concerning placement of MIOP loans?

Mr. Rondeau: The job of the CEDC is to provide recommendations to the CEDC. The department comes up with a recommendation and does the negotiations. The purpose of the CEDC is to provide that information to the ministers. That is the job of the CEDC. That is the job of the whole Secretariat. Part of their job is to provide advice to CEDC. So that is what they do. So would he. Of course their staff would recommend economic issues.

Mr. Hawranik: The minister indicates that staff recommend issues with respect to MIOP loans and the CEDC. Is one of those staff Eugene Kostyra?

Mr. Rondeau: Yes.

Mr. Hawranik: So I take it then the minister, and all it needed was a yes, I take it that the minister is confirming that he did receive advice and direction at some point in time from Eugene Kostyra regarding placement of MIOP loans. Would that be correct?

Mr. Rondeau: What he would do is he would make advice from the CEDC on the recommendation, the department makes recommendations and presents information to CEDC. CEDC staff, including Eugene Kostyra, put forward an analysis and provide that analysis to the CEDC ministers, which means that they get advice from the CEDC staff, including the management, et cetera. Then we make a decision.

Mr. Hawranik: In your capacity as minister, has Eugene Kostyra provided any information to you concerning whether any MIOP loan was in fact in arrears?

Mr. Rondeau: No.

Mr. Hawranik: In your capacity as minister, did Eugene Kostyra, in his capacity of course as Community and Economic Development Committee Secretariat, as the manager, did he ever give you any advice that any security taken under any MIOP loan was in jeopardy or in danger of losing its value at any point?

Mr. Rondeau: No. The department is very, very good at trying to look at the public interest, making sure that they try to keep the loans current, working with the government. They have done that under the previous government when the Member for Ste. Rose (Mr. Cummings) was a member of Cabinet.

The department would try to provide information and chase down if there were issues, and that is what our department does. We have a financial services department that administers the MIOP loans. They try to negotiate the MIOP loans, and they do the recommendations to the CEDC and myself.

Mr. Hawranik: Just for clarification, I take it that the minister's answer to my previous question was, no, he did not receive any advice or any information from Eugene Kostyra that the security taken by any MIOP loan was in arrears or in jeopardy. Would that be correct?

Mr. Rondeau: That is correct. As I mentioned to the member, what happens is that the administration of the MIOP program, if you look at the department and how it is operated, you will notice that the administration of the MIOP program is not in the CEDC Secretariat. The administration of the MIOP program is in the Industry Department, and so the administration, negotiations of MIOPs is in the financial department of Industry.

Mr. Hawranik: Would the minister confirm whether Eugene Kostyra has ever met with the minister or discussed any aspect of any investment by Crocus, whether it is a co-investment with MIOP or not?

Mr. Rondeau: Have I met with Eugene? I regularly meet with Eugene as a member of my staff. I am very pleased to meet with many members of my staff on a regular basis. Discussions we have on a wide range of topics that deal with economic development, a lot of different initiatives, et cetera.

But it is important to note that Mr. Kostyra never had administration of the Crocus act under his belt. He was never responsible for monitoring it, never responsible for valuations. So Mr. Kostyra was part

of the CEDC. That had nothing to do directly with Crocus.

What is interesting to note is that when there are co-investments, and I do not know if the member has difficulty with this, but each entity that makes the investments has to have its own due diligence. So if I am investing with the Royal Bank, I do my own investments, the Royal Bank does its own due diligence on its investments. If there are others, they all do their own due diligence. So, when we are talking about the MIOP program, the MIOP program is responsible for its own due diligence. So, under the Conservative government, when it lost or cost in excess of \$39 million, that is a record that the member has to understand. It was under the Conservative government, in excess of \$39 million cost or lost. That is under the Conservatives' due diligence and administration.

Under our due diligence and administration so far we have made \$180,000. Now, I know that you may question our due diligence in the department. I believe the staff has done an excellent job. I believe they have provided good security and good administration and they work very, very hard. I would look at a \$39-million loss under the Conservatives and a \$180,000, sort of, gain under the NDP as a positive change. So we have had good due diligence. Now that does not mean that in the future we might not have some downside, but so far, we have done extremely well and the department has done a very good job, I believe, in making sure that we have security on our loans.

Mr. Hawranik: We will certainly get to those profits and losses as the minister alleges in due course. I know the minister has indicated that Mr. Kostyra was not responsible for monitoring Crocus or involved with Crocus in any way. How would we know that when he has essentially refused to give us a copy of his contract, including his duties for what he is paid for in the public domain? We do not know what he is responsible for. We are only having to take the minister's word for it. Certainly, I would like to see a written contract before I would make that kind of judgment.

But my question to the minister is: Has Eugene Kostyra met with him to discuss, has he discussed any aspect of any investment by Crocus with the minister?

Mr. Rondeau: No.

Mr. Hawranik: Getting to the MIOP program, MIOP loans, can the minister indicate what the value of all loans is outstanding under the MIOP program, the loan program?

An Honourable Member: Oh, there is a question. There is a real question.

An Honourable Member: Maybe we will get a real answer.

An Honourable Member: Only if you ask a real question.

Mr. Rondeau: \$56,961,087.81 as of April 26.

Mr. Hawranik: I thank the minister for that information.

What was the value of the loans, the MIOP loans outstanding, as of 1999 for instance, for example?

Mr. Rondeau: We will endeavour to get that to you.

*(16:20)

Mr. Hawranik: With respect to the value of the loans outstanding under the MIOP program, can the minister indicate how many payments are in arrears in terms of a total dollar amount, or are late, or are not paid on time as of that same date?

Mr. Rondeau: Are you asking of 1999? We will endeavour to get that to you from 1999 when we assumed government, how many were late or delayed or whatever, and then we can try to do that earlier. The difference is that if you look at the record so far, the payments have been, and the record is quite simple on this, \$180,000 profit, companies paying, as far as Motor Coach Industries and Flyer, et cetera. If you look at the Conservative record, look at the Conservative record: \$39 million lost or cost. Now, the member opposite may criticize this, but there is a big difference: \$40 million, even for a lawyer, is a lot of money.

So when you look at it, we have done well so far. If you look at the MIOP programs, the companies that have done it, they have been very successful. You are talking CanWest Global, you are talking New Flyer, we are talking DeFehr, and they are good companies.

The purpose of the MIOP under the former government and this government is to work with business to provide funds to grow the economy. The difference is that we charge interest at or above, generally, the Crown borrowing rate, where we were not giving away free money. Under the former

government, they have lost or cost, lots of money was lost in Isobord, lots of money was lost in Winnport, Westsun, et cetera, whereas we so far have had a good record.

Now, the member may question how our loans are doing, but we have done well on the MIOP program. I think what we have tried to do is ensure that we have had appropriate security and we have ensured that we have had appropriate economic and business plans. We will continue to do that. I might remind the member what we do is we get the advice from our capable staff in the department who do the due diligence, who do the negotiations. They provide that recommendation to government and then that goes to CEDC.

Mr. Hawranik: Yes, the minister indicated that the value of the loans outstanding in the MIOP program, I believe he said April '06, would that be accurate, \$56,961,087?

An Honourable Member: April 2006.

Mr. Hawranik: April 2006, okay.

My question to the minister is whether he can get me the information in terms of how much of that amount that is outstanding represents the total amount of the arrears of payments that are made by companies. In other words, if one company misses one payment, effective that date, that would be added to the number. If there is another company that has not paid for the last six months, those six months of payments would be added to the number, and so on. I just wanted to know the total dollar value of the arrears effective April '06. Can that minister endeavour to provide me with that?

Mr. Rondeau: I will endeavour to get any arrears to you shortly.

Mr. Hawranik: I thank the minister for that. I will take him at his word on that.

Now, with respect to the loans that are in arrears and are late in payment, I would like to know the total value of the loans that are represented by those arrears. In other words, if there is a \$2-million loan and one payment was missed, that would be \$2 million. Add that to, say, a loan that has six months in arrears and is \$2 or \$3 million, add that to the \$2 million and so on and so on. So I want the total value of the loans that are in arrears, as well, effective April 2006. Would he endeavour to provide me with that?

Mr. Rondeau: We will endeavour to get you the value of the arrears versus the total value of the loans. But, again, I remind the member, so far when I started saying that what has happened is if you take the loan loss and loan-loss provision, the cost of borrowing and all that, \$39 million under the Conservatives and \$180,000 under our government, this is an interesting discussion. So far we have done well. The program has performed well and we have had good performance on our loan portfolio.

Mr. Hawranik: Can the minister provide me with the policy of the department when it reflects losses reflected in the books? What exactly is the accounting policy in terms of how they report losses in the MIOP program? At what point do you regard it as a loss?

Mr. Rondeau: There are biannual meetings with the Minister of Finance and T Board, and there is a public disclosure of written-off loans. So that is actually done in the financial documents of the Province.

Mr. Hawranik: Can the minister, again, same question: Can he provide me with the policy of the department as to whether or not it is a loss, when that loss is reflected and how? At what point does it become a loss?

Mr. Rondeau: Generally, we write off the loan when we deem it uncollectible. So what would happen is that if we had proper security, we would then ensure when we do the due diligence on the MIOP loan—what our goal would be is to ensure that we make sure we have appropriate security. Now, in the case of Winnport, Isobord, Westsun, et cetera, there might not have been appropriate security.

If there is security, we endeavour to use the security to ensure that we try to get back the loan. So if there is security against the business, if we have security against different other assets, we will try to realize the loan, the money that we loaned out.

Once the loan becomes uncollectible, in other words if there is not appropriate security, if there are no assets to sell, if there are no loan guarantees, if there are no personal assurances, et cetera, and there is no money there, it is uncollectible, then we will write it off. So what you would do is you would go through normal business process to make sure that you have appropriate security. If you do not realize appropriate security or you do not have security—i.e., losing \$39 million—then you may have to write it off.

Now, we, so far, have tried to ensure that the public interest is adhered to. So what we have tried to do is assure that we have appropriate security against assets, fixed assets, machinery, property, buildings, and then that way it is secured. When the member opposite asks in Question Period about due diligence, due diligence is to make sure that you have the business plan and appropriate security. As long as you have appropriate security, you should realize, in regular circumstances, your money. Now, that does not happen in all cases, but we hope that we have appropriate security and have taken appropriate action to ensure due diligence. Now, that had not been done in the past, so we are pleased that we have tried to make all reasonable precautions to make sure that we have appropriate security.

*(16:30)

Mr. Hawranik: I take it from the minister's comments that his policy on reflecting a loss in the MIOP program is when the department—and he used the words "deems it to be uncollectible," My concern is, what are the criteria used to deem a loan uncollectible?

He has given me some information. Clearly, there must be a written policy; there has to be a written policy within a department. I would ask that the minister provide me with a copy of the criteria that are used when a loan is deemed uncollectible, and which then reflects as a loss on the MIOP loan program.

Mr. Chairperson: Excuse me. I hear too many conversations going on. I cannot hear the speaker, so just keep your conversation down, please. I thank you for that.

The honourable minister, the floor is yours.

Mr. Rondeau: Thank you very much, Mr. Chair. I know that I have not had as much experience as the former Conservative government on write-offs and businesses that did not make any money, or had forfeiture of the MIOP programs. So I know that we did not have a lot of experience in this. In general, we have made money on the MIOPs and people have given us income from the MIOPs.

So, with that said, the write-offs are done with the Comptroller's office in the Department of Finance. So these are done with the Comptroller in the Department of Finance—

Mr. Chairperson: Excuse me. Too much talking. If you wish to talk, there is room back there. We want

to give the speakers a chance to speak. I want to give the floor to them.

Mr. Rondeau: And the office of the Auditor General signs off on the provincial books. So the process is done in conjunction with the Comptroller's office in the Department of Finance and it is signed off by the Auditor General; the books and the process.

Mr. Hawranik: It sounds to me as though perhaps the minister does not have any criteria to determine whether it is a loss or not. If you do not have the criteria, how do you deem it a loss or how do you deem it a profit or break even or not call it a loss? How do you do that?

I mean, it is not simply done, I do not believe, when the company goes bankrupt. My question is: What are the criteria? Clearly, any responsible financial institution has criteria to determine losses. They have criteria to determine whether or not the loan is deemed uncollectible, in the words of the minister. Surely, the department must have some written policy in terms of whether a loan is a loss and when the loss occurs and when it is deemed uncollectible. There has to be something.

Clearly, if there is not anything, I would call that irresponsible. So I ask the minister: There has to be something out there, and if there is, I would like to have a copy of it. Would he provide me with a copy?

Mr. Rondeau: Okay. With the profit and loss on the MIOP, what happens is if the company goes broke, it has no assets, there is no security, so you cannot sell the building to get security, there is no machinery that is marketable, then it is hard to collect the loan. So, if you look at Isobord as an example, the Isobord lost a lot of money on the MIOP. Now, the MIOP was established under the Conservative government. The interesting part is, is that when you tried to get rid of the assets, there was not the appropriate security on the building, the machinery, financial guarantees, bonds, security, other things, to provide for realization of the loan.

So Westsun, another example of a loan that went bad under the former government that was invested in their former government. What happened was there was not the realization of the assets. So, in other words, they did not have a building or machinery or personal guarantees or other things that would be security. Winnport, another \$7 million lost by the former government where they put money into an idea that did not have appropriate security

and appropriate loan security, so they did not have buildings or security against the loan.

Now you take that against our loans. What we have tried to do is we have tried to gain appropriate security, which means that we have tried to ensure that we have a building if we are going to loan them a million dollars and there are two people before us, we want to make sure that we have appropriate security on the building. So we will get an evaluation on the building. If we are going to loan money, we want to make sure that generally the building and the machinery, whatever we have pledged as an asset, is there so that we can realize it.

So then what happens is how can we tell whether we make a profit or a loss. If you loan \$2 million and you make \$2.2 million, you have made a profit, and that is generally what we have done. In the case of the payout of a loan that a bus company made, because they wanted to pay out the MIOP early because we had a provision in there that had good due diligence, we ended up making money on that deal, quite a bit of money on that deal.

So we created jobs, we brought the industry here, we allowed the industry to compete internationally by putting more advanced manufacturing initiatives, and then what we did was when they bought out the MIOP, then what they did was they paid us an interest penalty. If a person does not meet the criteria for the MIOP, there is an interest penalty, if they do not have the employment that they say they are going to have. Well, that gives us a profit.

When the member opposite says how can you tell whether you make a profit or a loss when there is no security and the business goes broke and there is no financial money there, assets to realize your investment, you lose money, hence \$39 million. When you have appropriate security, you try to get appropriate security, when you have interest over the cost of borrowing, when you have appropriate financial tools so that you can try to realize the loan that you have given, then you make money. It is not simple. It is not too hard to understand.

Where under the former government, when we say that it cost over \$39 million, that is the cost of the loans, the loan-loss provisions, the money that could not be realized because the companies went broke and there was not appropriate security, that is under the Conservatives. Under us so far, we have loaned out \$59 million. We try to get appropriate security, but we also have been able to make money

because we charge over the cost of borrowing. That is what I say is a profit or making \$180,000.

Now so far it has done well, and so far we are pleased with the MIOP program, and I have to commend the staff for negotiating good security agreements and working very, very hard for that.

Mr. Chairperson: Before I recognize our speaker, could—I will give the floor to the Member for Lac du Bonnet.

Mr. Hawranik: I know the minister likes to go back to the 1990s and I can go back even further. There have been millions and millions and millions of dollars of losses under previous NDP administrations and likely under this one too, only I would like to know what the policy is. We have suffered losses in Manitoba under MTX, under Saunders Aircraft, Manfor, millions and millions of dollars under this, not this NDP government but the previous NDP government. I think that there are probably millions of dollars of losses under this NDP government as well.

But, if I do not know the criteria that you use to determine whether there is a loss or not, and I can understand when the minister says, well, if they are broke, there are no assets, nothing marketable. Well, that is pretty clear. It is pretty clear there is a loss there at that point. But the point is, is there a written policy? There has to be a written policy to determine whether or not it is a loss or not. Any financial institution has written policies to determine, and written criteria, as to when it becomes a loss and when it is written down as a loss. There has to be a written policy. Without one, I think that is irresponsible. If he is telling me there is none, then say there is none. If there is one, I want him to provide me with a copy. Will he provide me with a copy if there is one?

*(16:40)

Mr. Rondeau: Mr. Chair, every MIOP loan has its own agreement. Every MIOP loan has its own security arrangement. Every MIOP loan has its own terms and conditions, and every MIOP loan, if it is not payable, has a provision for that. These are individual contracts with companies. In other words, there is an interest rate and expectations. This is what happens with the MIOP. You work with the companies to ensure that there is appropriate security.

An example is, if you are giving a MIOP loan to some companies, it might be the building that

becomes security. If it is an intellectual property company, it might not necessarily be the building; it might be machinery. It could be all sorts of things. So it is not one size fits all. Maybe under the former government where you lost \$39 million it was one size fits all, and it did not work.

What we do is we have decided to work with companies to set up a project where we work with a company to establish the employment targets. We work with a company to establish payments, et cetera. We work with the companies to establish appropriate security, and we work with the companies to establish an appropriate wind-up.

Mr. Hawranik: I did not ask the question about each loan agreement to the minister under the MIOP loan agreements with different companies. Clearly, you cannot have a one-size-fits-all agreement. You have to fit the company and you have to fit the circumstances and what they are doing and so on. I am not interested in that.

I am interested in what the written policy is, or maybe there is none. Maybe the minister just should tell us. If there is none, there is none. Is there a written policy by the department as to when a loan becomes a loss, when a particular loan becomes a loss?

Mr. Rondeau: Mr. Chair, when the remedies available within each loan agreement are exhausted, then the loan is written off.

Mr. Hawranik: Is that the only policy and the only criteria to determine whether there is a loss?

Mr. Rondeau: That is how this department goes. We then work with the Comptroller's office and the Auditor General. It is quite simple. What we do is we try to put appropriate security in the loans, when we try to put the building, the machinery, whatever securities there are, when we have worked through all those remedies.

As an instance, if we loan \$1 million and we have a \$1.5 million worth of buildings, well, then we will sell the buildings. If we have the machinery, if we do not get \$1 million on the buildings, we might have provisions for security against the machinery, or we might have personal guarantees. We might have all sorts, but each MIOP has its own remedies that are listed in the MIOP contract. We try to get appropriate security. When we try to get each appropriate security in each loan, there are remedies because of the security of each loan, when we have exhausted all those remedies. In instance, if we

loaned \$1 million and we have security on the building then that is easy, we can seize and sell the building. If it is machinery, we may have to sell the machinery. We might have personal guarantees. There are all sorts of things that we could have on the MIOP program that would be appropriate. That is what we do.

Now, when the remedies are done out of the MIOP contract and we cannot get any money, then we would have to write it off. I do not know what the former government would do, but, again, because we have tried to ensure appropriate due diligence and appropriate security, we have done well under the MIOP program as far as return. The former government must have had an interesting policy in order to lose \$39 million. That is a lot of money. I would have been embarrassed to lose \$39 million, as the former government did.

An Honourable Member: Oh, you should have been with Schreyer.

An Honourable Member: Peanuts, eh?

An Honourable Member: That was peanuts.

Mr. Hawranik: Yes, actually, that is peanuts compared to the Schreyer years, but, in any event, has that policy with respect to determining whether there is a loss or not changed since 1999 or prior?

Mr. Rondeau: No.

Mr. Hawranik: The minister will confirm that, that there is absolutely no change in policy with respect to declaring a loss before 1999, and then after 1999. Would that be correct?

Mr. Rondeau: There has been no change.

Mr. Hawranik: I think that was all the questions I had for now, anyway. I defer to the Member for Ste. Rose.

Mr. Cummings: The member for bacon ridge, thank you.

Mr. Chair, in an effort to understand the strategy that this government employs in order to accomplish business development, there are two people listed as support to the Premier's Economic Advisory Council. The minister yesterday said that Eugene Kostyra did not attend as part of that process. Who is the managerial person assigned to that advisory council?

Mr. Rondeau: Pat Britton is the executive coordinator, and Michelle Tabaka is the administrative secretary.

Mr. Cummings: Mr. Chair, I understand that the function of the Premier's advisory committee—yesterday, the minister was indicating that it met mostly as committees rather than as a full body, or did a lot of its work as committees. Who would have been staffed to the committees?

Mr. Rondeau: The Premier's Economic Advisory Council, or PEAC, solicits information from a wide body of people in the community. It could be education, business leaders, community leaders, et cetera. Pat Britton does the staffing generally, and that is how it works.

Mr. Cummings: So, then, that infamous Mr. Kostyra would not have been bringing information from the council to the minister, and I say that with respect. I know Mr. Kostyra better than to refer to him in that manner, except that we have been using his name quite a bit here today and yesterday. Could the minister indicate whether or not Mr. Kostyra ever reported to him about issues that were raised there?

Mr. Rondeau: The Premier's Economic Advisory Council provides advice to the Premier (Mr. Doer). I would not endeavour to get between the Premier's Economic Advisory Council and the Premier.

Mr. Cummings: It sounds like a career enhancing move, but the second part of that—I know whereof I speak.

The second part of that, however, is: In setting of direction, the Premier, then, would apprise the departments of the direction that he would expect them to move as a result of that advice?

* (16:50)

Mr. Rondeau: Mr. Chair, to not leave any questions in the honourable member opposite, I have met with Pat Britton and do meet with Pat Britton, also regularly, as well as Eugene, but not together. I have never met with them together in my office at once.

I might advise that what the Premier does is he gets advice from the Premier's Economic Advisory Council, and then he would deal with his ministers as he would see fit. I do not get the reports directly from the Premier's Economic Advisory Council. They provide that information, I believe, on a confidential basis, I understand, on a confidential basis to the Premier. Some of the advice, the Premier and the PEAC decided to make more public, i.e., the marketing, which has become rather public. Others, I cannot report to this committee or the honourable

member on how the Premier decides to receive and act upon the advice.

Mr. Cummings: Mr. Chairman, a few minutes ago we were discussing in detail the MIOP loans. The minister in his earlier answers indicated that he would and had provided information to the opposition about MIOP loans, but it was also my understanding that there was a very short list that came forward and that any further information around them was considered third-party information and would not be revealed. My colleague has asked for the information without attributing which loans are in arrears. I presume that was the way the minister understood that question.

But my question is related to the point of whether or not there is a list. Did the minister indicate earlier that a full list is publicly available of what MIOP loans are out there?

Mr. Rondeau: Yes. There is a small time delay between when it is published and when there is a MIOP that is signed or agreed to, but there is a list in Public Accounts which I will provide, or through the Freedom of Information, which you have, and others. There is a list of MIOPs. I believe that there have been no MIOPs in the near term, but that does not mean that, if there is a MIOP signed in, say, three months or four months or two months, that might not be provided instantly. What happens is that there is an Order-in-Council. It is public information and that is provided to the public, and then it is available to the public. So the list I am giving you is a list up to current, and then there may be additional OICs throughout the year. Then, if you want an updated list, I can provide that to you, or you can follow the OICs which are public documents, or they are published in Public Accounts, I think, Volume C.

An Honourable Member: Three.

Mr. Rondeau: Okay, Volume 3.

Mr. Cummings: The minister has accepted responsibility for this department at a fairly interesting time in history. Can he indicate to me whether or not his predecessor gave him a briefing, or the department gave him a briefing when he came to the department about the status of the Crocus Fund?

Mr. Rondeau: I got a briefing book about three inches thick which talked about all the different aspects of the department. I got a briefing on the Crocus act, along with a number of other parts of the government. The briefing book, I would assume

there might be still the same notes as to the previous minister, the previous few ministers on some of the topics.

Mr. Cummings: Well, that is actually why I asked the question. I did not ask about the briefing book. I was asking if he received a briefing, a verbal briefing.

Mr. Rondeau: I received some information from the deputy and other information from other issues about many topics when I became Minister of Industry, Economic Development and Mines.

Mr. Cummings: Can he recall how specific that information was about the status of Crocus?

Mr. Rondeau: It talked about the Crocus act. It talked about my responsibilities under the Crocus act and had a little bit to deal with as far as the ministerial appointments which—or, sorry, the act itself, the public policy objectives and things like that.

Mr. Cummings: That is fairly mundane information. Was he given any information about the financial stability of the operation?

Mr. Rondeau: No.

Mr. Cummings: Then when did he become aware of the financial stability of the operation, or was he aware before he came to the department?

Mr. Rondeau: I knew that there were some issues with the finances in Crocus when I read them in the *Winnipeg Free Press* in October when there was a write-down of the Crocus Fund. I also knew that there were some issues with Crocus. I read the paper on a regular basis. So people who read the paper knew that there were issues with write-downs, and that is when I knew.

Mr. Cummings: Was he conscious of the devaluation prior to the stop trading?

Mr. Rondeau: No. I would like to clarify that very strongly insofar as was I aware of the September 24 devaluation? Absolutely not. That would have been against Securities regulations. As far as the devaluation, issues like that, I became aware of them when I read them in the paper.

Mr. Cummings: Well, the minister can put this into the category of ploughing old ground, but, largely, people in the public believe that there was knowledge; in fact, the biggest concern is that trading continued right up until the last moment.

Again, was the minister in any way aware of the potential of significant actions taking place prior to the actual stop trading?

Mr. Rondeau: As far as devaluation, I think a lot of people were aware that there were issues involving the Crocus Fund between September and when the stop-trading order began. I did not receive any inappropriate information whatsoever before the stop-trading order.

Mr. Cummings: Well, as late as ten o'clock last night, I got a phone call from a person living in Alberta, a former Manitoba resident, who said: I need to have access to my money before I die. This is an elderly person who invested money. It is now past maturity. He said: I do not know if I am going to pass away this week or 10 years from now, but I have certainly reached the age in life where my pension is running out. Any other pensions that I have are running out and my RRSPs, and this is where a significant number of my dollars are lodged.

Does the minister have any advice for that person going forward? I must admit I did not.

Mr. Rondeau: One of the important things is that you have a receiver and the court who are now responsible. You have a receiver who is responsible for the administration of winding up of the fund. It is a court-appointed receiver, so you have a judge who is overseeing the receiver, and they are acting in the best interests of the shareholders and the fund.

So this is what is important that is happening, and I would advise any people who have questions to talk to either the receiver or make petition before the court.

Mr. Chairperson: I will interrupt. The time being 5 p.m., I am interrupting proceedings. The Committee of Supply will resume sitting tomorrow (Friday) at 10 a.m.

LABOUR AND IMMIGRATION

*(15:10)

Madam Chairperson (Bonnie Korzeniowski): Will the Committee of Supply please come to order. This section of the Committee of Supply meeting in Room 255 will now resume consideration of the Estimates for the Department of Labour and Immigration.

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

The floor is now open for questions.

Mr. Kevin Lamoureux (Inkster): Madam Chairperson, I know that there was some concern from the minister as I was posing a question yesterday. She has taken some offence to the question. What I had indicated at the time was that the minister, a year or so ago, had called me a rookie inside the Chamber.

Then, yesterday, from her seat, Madam Chair, it shows: "An Honourable Member: Show me that in Hansard." Another interruption: "You show me that in Hansard." Again, "An Honourable Member:—and this is, of course, the minister—"Show me that in Hansard."

I bring it up, Madam Chairperson, because I did look, and I did pull it from Hansard. I think that it is important because I think there needs to be a sense of give and take. If you dish it out, maybe you have to be prepared to accept some of it. If the minister wanted to look on April 15, 2004, she will find that she had indicated to me: "I know the member is a rookie member and is not aware of the legislation."

So I just wanted to make sure, because I know she was getting fairly animated yesterday, that it is indeed in Hansard. I know that this is an important issue for the minister. I realize that some members of the committee do not necessarily see the merit of raising it, but I do believe that it is an important point.

Madam Chairperson, what I was asking—or maybe, if the minister wants to comment on that, she can. Otherwise, I would ask the minister, once again, we are not talking about an individual—

Madam Chairperson: Order, please. We know that discussion is allowed, but not if it is interrupting proceedings. We are having trouble hearing the speaker. I caution all members of this committee.

Mr. Lamoureux: Thank you, Madam Chair. The question that I have is not necessarily related to an individual. It is an example, and what I was hoping to get was a straight answer from the minister. If someone was a nurse from the Philippines, is it fair to say that, unless they get their credentials acknowledged and recognized in advance, they would not be able to put in an application to the Provincial Nominee Program?

Hon. Nancy Allan (Minister of Labour and Immigration): The answer to your hypothetical question is this. Current procedures followed when a nurse applies to the Manitoba Provincial Nominee Program are this: the application is received by the

Manitoba Provincial Nominee Program and date-stamped; the application is then assigned directly to a Provincial Nominee Program officer for pre-assessment. All applications are pre-assessed by a Provincial Nominee Program officer to determine if they meet basic program eligibility criteria, are sufficiently complete for a full assessment, and to flag any other issues or concerns that may be relevant during the full assessment stage. An applicant applying under a licensed occupation, such as an RN or an LPN, would need to include a copy of a Manitoba licence in order to meet basic program eligibility criteria. An applicant applying under a licensed occupation, such as an RN or LPN applying with a Manitoba licence, would continue through pre-assessment to determine if there has been contact with an employer and/or sufficient transferable skills to indicate employability in the province.

Applications that are considered eligible and complete enough for a full assessment are referred by the pre-assessment program officer for a file number and acknowledgment of receipt of letter. Applications that are accepted for full assessment are placed in our queue and assigned to a program officer according to standard inventory processing procedures. *[interjection]* I will just wait to continue with my response. An applicant applying under a licensed occupation, such as an RN or LPN applying with a Manitoba licence and accepted for full assessment, would be assessed according to standard program criteria on the basis of his or her potential to establish successfully in Manitoba based on the documentation provided, demonstrating strong supports and employability within the province.

Mr. Lamoureux: If you are a chiropractor, a dentist, a denturist, an early childhood educator, an assistant, a general practitioner, family physicians and specialist physicians, a licensed practical nurse, a nurse supervisor and registered nurses, or an optometrist, is it not fair to say that you should not put in your application unless you have a professional licence, or can you put in the application? Is there still an opportunity for you to be accepted, even if you do not have a professional licence?

Ms. Allan: The process would be the same as the process that I just outlined to you when we were assessing the application forms.

Mr. Lamoureux: Because I think it is an important point, am I understanding the minister to say, then, that if you are an RN or any of that list that I just

listed off, and that is on page 24 of the PNP application kit, if you are in any of those occupations, you can submit an application and it will be given consideration? Now are there any exceptions where someone would have actually been allowed without having a professional licence?

*(15:20)

Ms. Allan: The answer to your first question is yes. There are situations where an individual may have received training in another jurisdiction. We assess each individual file on their own merits. We do not take a cookie cutter approach. We believe that we look at every one of these applications in regard to what is best for the individual. We look at them and try to make sure that, if we do get them here, we can provide support to them.

Mr. Lamoureux: So that is to say, then, there are people who would have applied to come, under the PNP certificate as a dentist, let us say for example. Even without professional accreditation, they have been accepted or issued a certificate?

Ms. Allan: The answer to your first question is no. We have seen, though, individuals who have training in dentistry come through the Provincial Nominee for business program and they are not coming here as dentists. They are coming here as entrepreneurs.

Mr. Lamoureux: The other thing that I would like to get some clarification on is the clause (b), if I can just put it that way, on page 24, the Occupational Requirements List. If I can just get a better definition as to what proof of eligibility for certification or provisional certificate—what is meant by that? Is there more of a definition that maybe I could get from the government?

Ms. Allan: There are some individuals that do apply. For instance, the perfect example would be an engineer, for instance, who may have received training in their home country. What we do is they could come and they could write exams and we could make a determination from that. It is not the only thing that is considered in regard to the determination, but it is one of them.

One is the full licence, and then the second would be the proof of eligibility.

Mr. Lamoureux: If you are an engineer from India, would you then put in the application first, or would you be expected to have some sort of proof of eligibility along with that application?

Ms. Allan: You would put the application in first, along with the proof.

Mr. Lamoureux: For professions like welder and auto mechanic, and I realize that the occupations list does change, but what category would that fall under, if someone is just a welder, does not work in a factory, just has a little welding shop established?

Ms. Allan: Skilled worker.

Mr. Lamoureux: I would recognize that they would be a skilled worker but I am just thinking in terms of the requirements list. Where on that requirements list would that appear? For example, I have had individuals who have walked up and said, Kevin, I am a welder; am I entitled to put in an application for a PNP—that is down here on a visiting visa type-of-thing. I was not 100 percent sure because what happened is I had turned to this particular page. So the individual was just visiting and posed the question.

One of the thoughts that I did have at the time was, on there it has labours and processing, manufacturing and utilities, all occupations, and I thought, maybe that might be the one that he would go to. But, again, when I asked him, well, what sort of welding? He just has his own little shop, and he just welds, I suspect, things like jeepneys, and so forth. That is why I ask, where would that fit in?

Ms. Allan: I think the best advice that I would have for the MLA for Inkster in a case like that is the best thing to do with someone where you are not sure exactly where it would fit in is to get the individual to get into contact with our branch. We have an incredible group of people that deal with the immigration file and know the rules extensively and can be very helpful with newcomers in regard to assisting them in how to fill out the forms and in regard to exactly what the criteria is and what the training is that is required. Every individual is treated in regard to their own merits. I would suggest if the member is having problems in regard to this area, the best thing to do is put those individuals in touch with our Immigration Branch.

Mr. Lamoureux: Madam Chairperson, I appreciate the comments. Having said that, I do think that it is important that there be something in writing. The reason why it is important to have it in writing is that I have worked in the whole area of immigration virtually since 1988, and there has always been concern in regard to the potential for preferential treatment and issues of that nature.

I have nothing but respect for the individuals that work at the PNP office, so this is not a reflection on them. But it is something that is very real in the mindsets of many people that reside in our fine province. I look at the document and I suspect there have not been any changes since we had this last one produced. It is a fabulous document. I think it is a great guide. But the biggest issue, and I just use that as an example, I can tell the minister that my office gets numerous issues that are related to that. That is why I think that it is important that that information be in some sort of a written format so that people can get that information and feel comfortable that that is in fact the case. Again, it is no reflection on the staffing of her office.

The other question that I have, if she likes she can comment on that, but there are six different streams, and I know that we have had 8,000 last year, just over 8,000. Can the minister indicate how many certificates were issued from which stream?

Ms. Allan: I will make a commitment to get that information to you.

Mr. Lamoureux: Wonderful. I would appreciate that.

The other question that I would have is that many people, once they get their certificate, go through the process, and once they arrive in Vancouver one of the questions that they ask at the port of entry is how much money do you have. Again, there is this mindset that they have to say, well, we have 10,000-plus, at least 2,000 for each other dependent. That is primarily because of federal immigration, but it is also referred to in our provincial documents.

Just so that there is some clarity on that issue, what is the immigrant's obligation that once they hit Vancouver and they are posed the question of how much money do you have, can they in fact be rejected or turned back if they do not have cash at hand or are unable to show that they have money?

Ms. Allan: It is actually a question that is asked because Stats Canada is gathering information, and it is a policy that was in place under the federal Liberal government.

* (15:30)

Mr. Lamoureux: So, if in fact they walk in, or they arrive because they are obviously not walking, they are flying. But, if they are flying into Vancouver, and they do not have cash or bank drafts or whatever at

hand, they have nothing to fear. They can just indicate that and they will be allowed to continue to come to Winnipeg.

Ms. Allan: They have already provided evidence that they can meet our settlement requirements, so that would not occur.

Mr. Lamoureux: Madam Chair, I am glad to hear that. I can tell the minister that I personally have written letters in regard to that very issue because of concerns from people who are coming from, in particular, a couple of countries where I have given them the assurance that you do not have to have that amount of cash on hand. I am glad that the minister was able to confirm that.

The minister would be very much aware of the once-in-a-lifetime legislation that Judy Wasylycia-Leis often talked about. It created an expectation that the government would, in fact, be able to see more people, or allow for more people to come. So, if I have a brother, a sister, a nephew or a niece, all I would have to do is just identify that individual, and under that proposed legislation, that person would be able to come. It was voted down as it has been pointed out to me.

The question that I have is: Is the minister in any way whatsoever prepared to give that concept some consideration in regard to the issuing of a Provincial Nominee certificate?

Ms. Allan: Well, I would like to thank the member for reminding me about that bill that was voted down by the federal Liberal government and one of the reasons that Pagtakhan is probably no longer a member of Parliament.

Any legislation that would be introduced in that regard would have to be introduced by the federal government.

The new Minister of Immigration, the federal minister, Monte Solberg, has made it very clear that he does not want to increase the levels. Right now, Canada receives about 240,000 immigrants per year across Canada. They have, right now, 800,000 applications in the queue. There is a realization that they need to do some work in regard to their system and fix their system before they start increasing the numbers that they bring in across Canada.

I have not had an opportunity to meet the new minister. I look forward to it. *[interjection]* The MLA for Springfield tells me he is a nice guy, and I

know that my assistant, who worked in Ottawa, she bought him a latté too.

I am looking forward to meeting with the new minister because I know that he is very interested in immigration. He comes from a riding that has quite a bit of immigration in his riding in Alberta. I understand that my official has been on the phone with his officials and there will be a FPT meeting sometime in June. I have never missed a meeting because I think they are very, very important. It is an opportunity for us to talk about shared jurisdictional challenges.

I can ensure the member that we will be talking about changes to immigration that will make a difference for this economic program here in Manitoba, but I can guarantee you that that kind of a change would not be something that could be done through our Provincial Nominee Program. It would have to be done through the federal legislation.

Mr. Lamoureux: Madam Chair, having known Dr. Rey Pagtakhan, I have an immense amount of respect for the individual's integrity and the boundary distribution, I am sure, maybe even played some role in terms of his ultimate defeat. I think that he has done a tremendous amount. I have also had the opportunity to have gone through a boundary redistribution, and I can indicate to the minister that it is a humbling experience when you suffer a defeat. I would like to think that it builds character.

I suspect, Madam Chairperson, that there are a lot of immigrants that are very sensitive to issues, elections and why it is some people lose and why some win. I think that Dr. Rey Pagtakhan did a lot for immigration in the province of Manitoba. He played a role in us getting the Provincial Nominee Program. So I do take some exception to the minister's comments in regard to Dr. Pagtakhan.

Having said that, my question is in regard to the minister, and this government has made a commitment to increase immigration up to 10,000. Now they will tell you that, well, it is supposed to be done over a series of numbers of years. But back in 1999 that was not what was implied. What was implied was that this government would increase immigration up to 10,000. They had a wonderful opportunity with the Provincial Nominee Program. Is the minister telling me now that Ottawa is not prepared to allow for us to issue the certificates that would allow us to get the 10,000 immigrants?

Ms. Allan: If you have an opportunity in the next couple of days to read the Hansard from the hour and a half that we were in committee prior to you attending yesterday, I talked about our Provincial Nominee Program, I talked about the success of our program, I talked about the fact that 70 percent of all of the PNP applicants that come to Canada come to Manitoba, and I talked about the fact that we are on target to meet our 10,000.

Mr. Lamoureux: You see, and that is why I, in fact, pose the question. You know, one of the nice things about sitting inside the Chamber is you can actually listen to what is happening inside the committee rooms. So I can assure the minister that, even though I might not have been at the committee table, I was in fact listening to what the minister was saying, and that is where I got some of the numbers from, that ultimately led to the questions that I am asking. That is why I become a little bit concerned.

In your last response you had indicated that Ottawa has some concerns in regard to immigrants and the number of immigrants. That was what you had implied in the answer which contradicts what it is that you had said yesterday in Hansard. So I think that if you look at the two statements that there is a bit of a contradiction, and that is why I posed the question. If the minister believes that she still has the full co-operation of Ottawa to achieve the 10,000, why would the minister not allow for immigrants much like, you know, the once in a lifetime, why would you not allow for more family reunification in the issuing of certificates in order to achieve that 10,000?

Ms. Allan: Well, what I said in my remarks about Ottawa and the new government is that the level of immigration will stay exactly the same as it has been for many years. The Liberals made a commitment to increase the immigration and fix the system but they never got the opportunity because they were defeated. So nothing has changed there. So there is no need for the MLA for Inkster to be concerned about our immigration levels. We have a bilateral agreement, and we have the authority in our bilateral agreement to choose our own levels. I said that yesterday and I am saying it again today. I said we had a phenomenal increase in 2004, 40 percent. I talked about the increase in our funding. I talked about our retention rates. So I think there should be absolutely—

An Honourable Member: But he was not here.

Ms. Allan: Yes, well, he claims he read it, though.

If you had attended the press conference that I invited you to when we did the restructuring of our Provincial Nominee Program last year in April, about a year and a half ago, you would know about the five priority streams, and in those priority streams we did give weight to individuals who were coming to Manitoba with family support. So we have done this. Sixty percent of the people that come to Manitoba through the Provincial Nominee Program have family support. So we have done that.

* (15:40)

Mr. Lamoureux: Yes, Madam Chair. Number one, I was at that press conference, so the minister is wrong to say that I was not at the press conference. Number two, the minister said that I read Hansard, and I just finished explaining—and I wish you would listen to the questions—I just finished saying to her that I was inside the Chamber listening. If you go into the Chamber right now you will be able to hear me speaking, Madam Minister, and if you would like to be able to go and test it out, by all means go and do so. So I do not need to be lectured by this minister. I think these are legitimate questions.

The question that I have for the minister is, now she has said that she is able to get the 10,000 and she is going to shoot for the 10,000. Why does she not allow for more certificates to be issued under the family sponsorship? She has the ability to sit down and say, well, look, if you are a nurse from the Philippines, you are not going to have to be required to have a licence in order to come to the province of Manitoba. She is able to say that.

Ms. Allan: I would just like to assure the member that we have the best Provincial Nominee Program in Canada. We are the envy of every jurisdiction in Canada. We have a bilateral agreement with the federal government and it is shared jurisdiction, and we will be reaching our target by the end of the year. I said yesterday we would be maybe a hundred less, maybe a hundred more. It is a timed response.

We are very, very happy with our Provincial Nominee Program, and we are very, very pleased with the increased funding that we have received to provide settlement services, so that we can maintain our retention rates. We will continue to work on our Provincial Nominee Program so that it can continue to benefit the province of Manitoba.

Mr. Lamoureux: Madam Chairperson, if someone has a brother who is a doctor—I will get off the nurse because I know the Member for Springfield (Mr.

Schuler) does not want me to talk about nurses anymore. If you have a brother who is a doctor in the Philippines, and that doctor happens to be married to a computer technician, that computer technician can become the principle applicant and ultimately be able to come if they are qualified, and chances are they will be qualified, moneywise and family, by having family here and so forth. They are going to be able to come.

Now, if by chance your brother is not married and your brother is a doctor, that person is not going to be able to come unless that doctor is able to get a licence in advance of coming. Is that not a fair comment?

Ms. Allan: We have court criteria in regard to our Provincial Nominee assessment. I have talked about the procedure. We do have the court criteria, and every application is evaluated in regard to its own merits.

There are many different permutations of people trained and people this and people that and people this and people that. You know what? You can give me many, many different scenarios and I can guarantee you that our criteria are in place. They are the broadest criteria in Canada. We are also the only jurisdiction in Canada that increased their Provincial Nominee Program last year. Every other jurisdiction saw a decrease.

So I just want to remind the member opposite that we have lots of confidence in our program, in meeting our targets, in treating people fairly and equitably.

Mr. Lamoureux: Madam Chairperson, if Judy Wasylcia-Leis was a member of the Legislature, I suspect that she would be suggesting that we even make those criteria broader so that we would be able to take into consideration other individuals that are not being able to come to the province. The minister does have the authority to make the criteria broader, which would no doubt make individuals like me and Judy Wasylcia-Leis that much happier.

I wonder if the minister does not acknowledge that broadening the criteria would be of great benefit to many families here in the province.

Ms. Allan: That is what we have already done. Our program is innovative and responsive. That is why we have the best Provincial Nominee Program of any provincial jurisdiction in Canada. We have year over year made sure that we look at our program and make sure it is responding to the needs of immigrants

and that is why year over year we have seen these incredible increases including an increase in 2003 of 40 percent. We will continue to have a program that is innovative and responsive.

Mr. Lamoureux: If the minister is not very precise on this answer, I am prepared to pass things through. But the question that I have is, to make it very clear, the minister is saying that she believes that there is no need to broaden the criteria, period. Yes or no?

Ms. Allan: I have been very, very clear in regard to our program. I have explained the program to you over and over again. You get to ask the questions. You do not get to tell me how to answer them. I have explained our program over and over and over again.

Mr. Ron Schuler (Springfield): I think the committee has concluded its questions, and we are prepared now for the question.

Mr. Lamoureux: The minister is right, I do get to ask the questions and the minister does get to answer the questions. She did not answer the question. The question was: Will she give any consideration to broadening the criteria that would take into consideration what individuals like Judy Wasylcia-Leis have tried to do in regard to "once in a lifetime?" Is she prepared to give any consideration to that?

Ms. Allan: Madam Chairperson, our program is innovative and responsive. It is not a cookie-cutter program. That is one of the reasons why we are one of the most successful programs in Canada. We are always looking at opportunities in regard to how we can grow our program, and we will continue to do that.

Mr. Lamoureux: Yes, Madam Chair, I would then suggest that the minister talk to some of her federal colleagues in hopes that—

An Honourable Member: Point of order.

Point of Order

Madam Chairperson: Member for Springfield, on a point of order.

Mr. Schuler: Yes, Madam Chairperson, I guess I was not up front enough. There is a call now for the question.

Madam Chairperson: Is the Member for Springfield moving that the question now be put?

Mr. Schuler: Yes.

Voice Vote

Madam Chairperson: It has been moved that the question now be put. All those in favour, say yea.

Some Honourable Members: Yea.

Madam Chairperson: All those opposed, say nay.

Some Honourable Members: Nay.

Madam Chairperson: In my opinion, the Yeas have it.

Formal Vote

* (15:50)

Mr. Lamoureux: Madam Chair, I would ask for Yeas and Nays, please.

Madam Chairperson: Does the member have support? The member does not have support.

* * *

Madam Chairperson: We will move on to the resolutions.

Resolution 11.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$17,616,400 for Labour and Immigration, Labour Programs, for the fiscal year ending the 31st day of March, 2007.

Mr. Lamoureux: Yes, Madam Chairperson, I am wondering if I could ask, in terms of—because I am not as familiar with the rules inside the Chamber.

Is there a particular citation which would indicate that we need to have two members in the committee in order to call for a vote, because I think that I do not want to have to go through a process in which we, every line, in which we end up calling for some sort of a vote inside the committee?

Madam Chairperson: Yes, 77.10 says: "Where, immediately following the taking of a voice-vote, two Members demand that a formal vote be taken, the Members shall be called in, all sections of the Committee of Supply shall meet together and a count-out vote shall be taken."

Mr. Lamoureux: Having said that, Madam Chair, I do realize that the intent was to try to address the issues on a globally, so that we would be able to pass them clause by clause. Given the fact that I have been told that I can no longer ask questions, I would very much appreciate being provided a copy of the Estimates book so that I can follow the line-by-line passage of the department.

Madam Chairperson: I am going to ask the question on Resolution 11.2, again.

Resolution 11.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$17,616,400 for Labour and Immigration, Labour Programs, for the fiscal year ending the 31st day of March, 2007.

Shall the resolution pass?

An Honourable Member: No. Question.

Mr. Lamoureux: Thank you. Madam Chair, I am wondering if the minister can indicate to us, at the Worker Advisor office, how many cases—

Madam Chairperson: Order, please, order. There is no further debate at this point. The question has been called and only the previous question and only questions—the previous question was moved; therefore, we have to proceed with the question on the resolution. There will be an opportunity for further questions on the Minister's Salary.

Resolution agreed to.

Resolution 11.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$16,147,600 for Labour and Immigration, Immigration and Multiculturalism, for the fiscal year ending the 31st day of March, 2007.

Resolution agreed to.

Resolution 11.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$776,100 for Labour and Immigration \$776,100 for Labour and Immigration, Costs Related to Capital Assets, for the fiscal year ending the 31st day of March, 2007.

Resolution agreed to.

The last item to be considered for the Estimates of this department is item 11.1.(a) Minister's Salary contained in Resolution 11.1.

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

The floor is now open for questions.

Mr. Schuler: I would just like to thank Sharon McLaughlin for sticking to her bargain, and I will release her from it for the time being. Thank you for the latté.

I would like to call for the question, please.

Point of Order

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

Mr. Lamoureux: On a point of order, Madam Chairperson, I think that we have to really give serious consideration as to why it is that we have rules inside this Legislature. I have gone through many years of the Estimates process, and I cannot recall when we have had members of an opposition trying to prevent other members from being able to ask questions of a minister.

Madam Chair, I would look to your position as the Chair of this committee to indicate whether or not this is a precedent because if it is a precedent, I think that we have to be very, very careful. I always thought that the Estimates process afforded MLAs the opportunity to ask questions of the minister, and to be denying the rights of MLAs to be able to ask questions of the minister I think does a disservice to this Legislature.

I think that before you make a ruling, Madam Chair, you might want to reflect on the fact that I was not even afforded the opportunity to get recognized to say in conclusion or if I wanted to see the Estimates of this department passed. I just think it is outside of the norm. Typically, you run by *Beauchesne's*. Followed by *Beauchesne's* you go to our standing rules. Followed by our standing rules, you would go to other agreements that have been signed off on, and then next to that you would go by traditions.

I would suggest to you, Madam Chair, that in all of those that you will find some interpretation that will clearly identify that members should be allowed to ask questions. It is not like there are only 15 minutes left in the 100 hours that are there.

Immigration is an important issue for me as an MLA, and I believe that I should be allowed to ask questions. I resent the fact that the question has now been put.

Madam Chairperson: Yes, in answer to the question from the Member for Springfield—

An Honourable Member: Inkster.

* (16:00)

Madam Chairperson: Inkster, sorry. In terms of previous questions in committees, rule 77(15): Where the motion for the "previous question" is

moved in Committee of Supply, or in a section of the Committee of Supply, the motion is not debatable."

In answer to your question, this is not a precedent. This has occurred previously in Supply.

Madam Chairperson: The question has been put by the Member for Springfield (Mr. Schuler).

We will now consider Resolution 11.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$727, 700 for Labour and Immigration, Executive, for the fiscal year ending the 31st day of March, 2007.

An Honourable Member: The motion that the question be put should be called first.

Madam Chairperson: Our apologies, it has been moved, but the question was not put to the committee.

It has been moved by the Member for Springfield, that the question be put.

Voice Vote

Madam Chairperson: All those in favour, say yea.

Some Honourable Members: Yea.

Madam Chairperson: All those opposed, say nay.

Some Honourable Members: Nay.

Madam Chairperson: In my opinion, the Yeas have it.

Madam Chairperson: We will now put the question.

Resolution 11.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$727,700 for Labour and Immigration, Executive, for the fiscal year ending the 31st day of March, 2007.

Resolution agreed to.

This completes the Estimates of the Department of Labour and Immigration.

The next set of Estimates to be considered by this section of the Committee of Supply is for the Department of Energy, Science and Technology.

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

Ten minutes? Five minutes? *[Agreed]*

The committee recessed at 4:02 p.m.

The committee resumed at 4:06

Ms. Kerri Irvin-Ross, Acting Chairperson, in the Chair

ENERGY, SCIENCE AND TECHNOLOGY

The Acting Chairperson (Ms. Kerri Irvin-Ross): 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 Energy, Science and Technology.

Does the honourable minister have an opening statement?

Hon. Dave Chomiak (Minister of Energy, Science and Technology): Yes. I have a brief opening statement, Madam Acting Chairperson. It is simply with respect to the committee, I know that there is a need for people to utilize their time because of the fact that Estimates are going on in various parts of the building, so I will keep my comments very short.

Suffice to say, the only comment I wanted to make was the incredible dedication from the staff in the Department of Energy, Science and Technology with respect to the initiatives they undertake, whether it be in the core areas, Madam Acting Chairperson, or with the service delivery or ICTM or a climate change or life sciences. It just amazes me that they are able to undertake as many tasks as they do and deliver as many tasks as they do with the number of individuals involved. I am constantly amazed at how proficient they are. With those few comments, that will address my comments, to open. Thank you.

The Acting Chairperson (Ms. Irvin-Ross): We thank the minister for those comments.

Does the official opposition critic, the honourable Member for Springfield, have opening remarks?

Mr. Ron Schuler (Springfield): The minister's comments were much appreciated. I find, and maybe I am biased because I am also the critic for this department, that it is probably one of the more important departments in government and one of the most important departments in the province because it really does deal with the future and, if you will, a vision for where this province has the potential of

going. I find that over the last several months I have had the opportunity for other reasons to travel this great province of ours. I happen to believe more in Manitoba than I ever have, in its greatness and its potential.

I do want to spend the next 40 minutes or so talking to the minister about various areas in his department, so I look forward to moving right into the Estimates process.

The Acting Chairperson (Ms. Irvin-Ross): I thank the critic from the official opposition for those remarks.

Under Manitoba practice, debate on the Minister's Salary is the last item considered for a department in the Committee of Supply. Accordingly, we shall now defer consideration of line item 18.1.(a), and proceed with consideration for the remaining items referenced in Resolution 18.1.

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

Mr. Chomiak: I am joined at the table by the deputy minister, Mr. John Clarkson, and Lynn Cowley, who is the senior financial officer for the department.

The Acting Chairperson (Ms. Irvin-Ross): Standard Manitoba practice is to consider the Estimates of each department in a chronological manner. Does the committee wish to proceed through the Estimates of this department chronologically or seek leave to have a global discussion?

Mr. Schuler: I ask for leave to deal with the Estimates in a global fashion.

Some Honourable Members: Leave.

The Acting Chairperson (Ms. Irvin-Ross): We have leave. It is agreed that questioning for this department will follow in a global manner, with all line items to be passed once the questioning has been completed.

The floor is now open for questions.

* (16:10)

Mr. Schuler: We might as well get into the topical issues of the day. If there is one thing that you would ever define this department as, it is incredibly current and really most topical. I would love if the minister would sort of explain his government's position of the Kyoto Accord.

Mr. Chomiak: The government was a supporter of Kyoto protocol prior to its implementation and signing by the government of Canada and continues to be a supporter of the Kyoto protocol as it exists. We also recognize that Canada is the chairperson of the international committee now reviewing the post-2012 provisions with respect to Kyoto in dealing with emissions in that regard.

We want to be helpful. We recognize that the federal government has committed to a made-in-Canada climate change policy that they have indicated is going to be presented to Canadians in the fall of this year. We are trying to be helpful in that process. Clearly, there are different targets and goals, and I use those words loosely, that have been defined by the new federal government.

We are in the position where we think we can, because we are a leader in so many areas of climate change, be of assistance in assisting the federal government. Hence, as recently as two days ago, we attended a conference on biofuels in which the federal government set a target of 5 percent biofuels to equate to about three billion tonnes of fuel by 2010, and we concurred with that. In fact, we asked for a higher target.

Having said that, we hope to be productive. My initial talks with the Minister of the Environment, Minister Ambrose, were positive, and I hope that we can continue to play a positive role because the issue transcends political considerations. They are literally world-affecting decisions and we want to be helpful in moving the agenda forward.

Mr. Schuler: Can the minister tell us how we are proceeding as a province on ethanol production? The minister was not the minister at the time when we passed the legislation dealing with an ethanol mandate. Are we looking at the mandate coming into place? I believe it was 10 percent of 85 percent. When will that come into effect?

The Minnedosa plant, how do we see that coming on stream? What are the dates there, and will that satisfy the 10 percent of 85 percent? If he could just sort of give us an indication of where things are there.

Madam Chairperson in the Chair

Mr. Chomiak: In general, the mandate equates to about 10 percent of Manitoba's 800 million litres of the diesel fuel that are utilized every year in the province. If the Husky plant is up and running in the fall as anticipated, that is the fall of next year, that

would effectively achieve the target of 10 percent ethanol given the current provincial utilization. That does not preclude other plants or other operations that might be involved, but at this point it looks as if Husky is the most likely to achieve and attain those targets, which would then trigger the mandate, which is based on a made-in-Manitoba policy.

Now I must point out at this time that the program that was outlined in very general terms, initial terms by the federal ministers at the conference we attended several days ago differs from the Manitoba mandate, and there are subsequent meetings that are going to be held to determine how the Manitoba mandate and other provincial mandates fit into the federal government's proposed 5 percent mandate, which is based on a pool proposal that all of the fuels in Canada be pooled at 2010, and 5 percent of that would qualify for some kind of assistance or some kind of incentive, and that was not clear, concerning biofuels.

Subject to changes which may occur at the federal government level, we are still proceeding with our mandate as I outlined earlier.

Mr. Schuler: The Minnedosa plant will satisfy the entire 10 percent of the 85 percent. Will there be any surplus, or will that basically only be for the Manitoba market?

Mr. Chomiak: Madam Chairperson, Minnedosa is projected to produce 130 million litres and that would cover the 10 percent of 85 percent. The member says, yes, it would be close to fulfilling that mandate, but there are other provisions within the legislation that dictate that it has to be a Manitoba-produced crop in order to satisfy the mandate.

The pregnant question on this one, which is very relevant to the discussion and which came up at the federal-provincial meeting is: Is there capacity in Manitoba to have other ethanol plants in order to satisfy either internal mandates, as mandated by Manitoba, or external mandates, which entails the export market, either the United States or Ontario. Certainly, the feeling we got from the biofuels conference is that Manitoba has the capacity and the feedstock and the possibility of producing additional ethanol that will fall within a mandate, be it a provincial or federal.

Mr. Schuler: How far is the province along in biodiesel, to the point where it would be an industry that would actually be producing enough to have it

sold at multiple gas stations? How close are we there?

Mr. Chomiak: Not as close as we would all like to hope, to the extent that I think in terms of both environmental reasons and in terms of farm value added, we would like more biodiesel as soon as possible.

Hydro is running 50,000 litres in its vehicles on a test case, and is being supplied, and is doing very, very well. We have, as I understand it, more than half a dozen proposals in for small-scale operations, small scale being, I think, in the neighbourhood of 10 million litres, or in that neighbourhood, from various plants. There are two operating in Manitoba now, of which we would provide some assistance.

We hope to have those up and running within a year. We also have to have a test facility that meets a very rigid standard in order to ensure the quality which would then translate into say, within a year from now, I would be quite satisfied if we were to have a significant amount of biofuels within either our transport fleet or on use in the agricultural community by this time next year.

Mr. Schuler: There was a proposal that was coming forward for the Dugald area and Springfield. Has the minister been made aware of or apprised of that particular operation?

Mr. Chomiak: Yes, Madam Chairperson, we went through essentially a RFP process that came as a result of the assistance we got from Natural Resources Canada with respect to opening up these plants. There are six or seven, I think, that have had preliminary proposals that our staff are evaluating at this time. Actually, 10. I am indicated that there are now 10 proposals the staff are evaluating. I cannot speak specifically to that one because of the RFP process. Our hope is to have at least four or five on the ground within a year.

Mr. Schuler: Am I to take it the product from there would be used basically for fleet and for agriculture purposes?

* (16:20)

Mr. Chomiak: Madam Chairperson, I think initially that would be the target but clearly, there is such a change that is taking place in terms of engine quality, et cetera.

We could produce enough B5 to, I think, power our entire diesel capacity in this province. So, subject to the testing facilities being up and the quality being

up, we would move as quickly as possible to get as much biodiesel into utilization, commercially or otherwise.

Now there are some commercial considerations, and a lot depends upon how the federal government targets its program on biofuels. The discussions the other day primarily concerned ethanol, and while we have an ethanol mandate, we are actually more excited about biodiesel because of the ability to have numerous facilities producing a product all around the province and to have the opportunity to diversify.

So, in answer to the question, a lot depends on how the commercial and retail operations respond to an incentive program that I think is going to come out of Ottawa by October with respect to biofuels.

Hon. Jon Gerrard (River Heights): Yes, one question for you, and it relates to the Manitoba Health Research Council. I know there have been some meetings, a summit. Can you give us an update on what your plans are with the Manitoba Health Research Council?

Mr. Chomiak: As the member indicates, we intend to have a discussion amongst various parties with respect to enhancing the capacity of the Health Research Council to fulfil its mandate and deal aggressively with matters relating to health care. We hope to take advice and to move forward based on the feedback that we are going to have from the summit.

Mr. Gerrard: Can you give us any sort of view as to the approach, the goals of the Manitoba Health Research Council?

Mr. Chomiak: I think the fact that Dean Sandham is now chair of the Manitoba Health Research Council gives an indication of the direction that the Health Research Council is going to be proceeding in.

Mr. Peter Dyck (Pembina): I just want to pursue some of the comments and the questions that the Member for Springfield (Mr. Schuler) had. I know that the minister and I have had numerous discussions on biodiesel and ethanol, but I am just wondering if the minister has done any calculations as to the amount of grains that are going to be needed within the province to commit to I believe it is a 10 percent ethanol requirement that will be looked at within, I guess it is 2010, I believe, is the date.

Mr. Chomiak: I do have those figures. The 2010 date is the date that has been suggested by the federal government with respect to ethanol, and we actually

think and hope that we are out front of that, Madam Chairperson.

The mandate, of course, consists of significant tax breaks with respect to fuel tax on ethanol. I am just quickly looking for the—actually I had it on Monday, but it slipped my mind since Monday. The 140 million litres of ethanol would require about 420,000 tonnes of wheat, and over the last 10 years, wheat production in Manitoba has ranged between 3.2 million tonnes and 5.9 million tonnes. Therefore wheat needed for ethanol would comprise 7 percent to 13 percent of historical production.

Mr. Dyck: I guess just further to that—and I welcome the opportunity. I will put on another hat that I wear and that is being involved in agriculture, the opportunity to be able to produce a product that is going to be needed. Again, I would indicate that there will be no problem getting the product if it is price competitive. I know that in the last number of years what has taken place provincially is that a lot of off-grade grains have been utilized at the plant.

So I would assume that in order to mandate this, in order to make sure the product is available, the plant would be price competitive, and also in the total equation, they would be having to subsidize the product, the raw materials that they need in order to produce the ethanol that will be required.

Mr. Chomiak: I think just two points that I want to make in this regard: Firstly, in my discussions with the federal minister, we both agreed that one of the primary purposes of proceeding on a mandate of this kind was to have value added to the farmer. The by-product still is grain, of course. It has a distinct advantage to farmers with respect to both the quality and to the decreased price vis-à-vis imports, et cetera. So we are looking to both of those equations.

The federal government at the discussions on Monday was talking about—and it was also the discussion I had with the federal Minister of Environment when we met, was to try to—and Minister Chuck Strahl also made the point—was at the end of the day, regardless of how we proceed, one of the major points of the exercise is value added to farmers. I think that has not been lost on either the federal government or the provincial government with respect to the ethanol production.

Mr. Schuler: I thank the minister for the answers to my colleague's questions. I would like to move the discussion now on to the St. Leon wind farm. Can

the minister give us an update on the current status of the St. Leon wind farm?

Mr. Chomiak: Yes, thank you, Madam Chairperson, and perhaps while I answer this question we will be joined by Mr. Garry Hastings, who is our ADM, Energy, in this regard.

I proceeded to visit the wind farm and do the formal opening and operation of all of the turbines with the Member for Carman (Mr. Rocan) several months ago. The economic benefits to the community are apparent and evident and have been reflected in the community. I can provide the member with a sheet that outlines the economic benefits that occur both to the region and to the province in general from the 99 megawatt operation in St. Leon.

Mr. Schuler: Again I thank the minister for that. As with anything else, there is a lot of planning that goes into it, and often things do not work out the way that they were supposed to or they were thought to. I know there were some difficulties with getting the blades up into the towers. I had an opportunity to tour the area, and they said intricately enough the beauty of the region was also one of the problems with the region. The reason why they are built there is because it is windy, and the problem with getting the turbines up is because it is windy. So I think the project was a little delayed.

Of course, Manitoba Hydro did sign a deal with the company. Is that now in effect? I take it Manitoba Hydro is now buying hydro off the wind farm?

Mr. Chomiak: Yes, Madam Chairperson.

Mr. Schuler: I know the minister cannot divulge specific information, and that we do understand, but is this turning out to be a win-win situation for the company and for Manitoba Hydro?

Mr. Chomiak: As far as I have been able to ascertain, the company is very satisfied. The local community is ecstatic because of the cost-sharing arrangements that were put into place, which were wisely put into place, and that preceded my involvement. So I am not taking credit for it. They look at it as another cash crop, and Hydro is in a situation where it is quite true how the water levels are at historic highs right now. So there is wind power coming in and there is hydro power coming in, but we learned how quickly that situation can turn around several years ago when Hydro experienced its worst drought in recent years. So the arrangement

has turned out positive, and we are in the process of evaluating proposals that have come in as a result of an EOI, expression of interest, for an additional 1,000 megawatts of wind over the next 10 years, and Hydro and the Energy Development Initiative are reviewing those proposals as we speak.

* (16:30)

Mr. Schuler: That was actually my next question in that the government had indicated they would like to see expansion taking place. Can the minister tell us, is it again going to be an incremental kind of expansion where, you know, 99 megawatts, 99 megawatts? If that is the case, is there any kind of a time line that has been set up for further development of hydro power through—I should not say hydro—through wind-driven electricity?

Mr. Chomiak: The process is a fairly broad-based approach of 1,000 megawatts over 10 years. It was deliberately structured to be an EOI process, that is, an expression of interest process, rather than an RFP process, because it is a relatively far-reaching and different approach to electrical generation than we are used to in this province and because it is a relatively newer form, albeit fastest-growing form, of energy and also because of the certainty or lack of the certainty with respect to future incentives or continuing incentives with respect to wind. There is presently an incentive on wind power offered by the federal government. It is being characterized as frozen. I do not know if that is entirely accurate.

We are awaiting some of the—obviously, we have to give the new government time to go through its portfolio with respect to incentives. The experience in the United States has been that when incentives are high, wind power expands. When incentives are low, wind power diminishes. Having said that, we deliberately set out a process that allowed us flexibility with respect to incorporating wind into the system, based on all of those factors.

Mr. Schuler: Thank you very much to the minister. Is there a plan in the next year or two to take another step and allow for further development? Where would sort of be the holdup? Is it the fact that the federal government incentive is not there? Or is it that Manitoba Hydro has to sign, again, some kind of a contract that they will buy the electricity? Are individuals willing to invest in these wind-generated electrical means of getting power? Where is the holdup in moving forward, if there even is one? What would slow it down? What would stop it from taking place?

Mr. Chomiak: All of the reasons that the member cited, plus being prudent with respect to development of wind, are making the process develop the way it is. There are a variety of options that we could proceed on. We watched the Québec experience with respect to their wind development, and we have watched the experiences in other jurisdictions. We are advised that we are blessed with one of the better wind regimes in North America. We are also in the process of doing significant hydro-electric development. There are issues with relation to transmission. There are issues in relationship to integration. There are issues with relationship to exports. So we have taken a deliberately cautious approach to development in going to the EOI, and the next steps are going to be reflected as a result of the feedback we got from the EOI process and some of the developments on the national scene with respect to wind in the future.

Mr. Schuler: So, are we going to see any development within the next 12 months of another wind farm or the addition on to a wind farm?

Mr. Chomiak: I think that we will see, certainly within the next two years, future development. I think that is highly likely.

Mr. Schuler: There are a lot of communities that are interested, from what I understand. It seems to be right across southern Manitoba that there is a great amount of interest. What is the full potential of wind development in southern Manitoba?

Mr. Chomiak: Thank you, Madam Chairperson. Well, I will flip it around and say that I think we have gotten something like 10,000 megawatts of capacity that have been provided to us as a result of the expression of interest. Now, some of that is better—some of that is firm, some of that is less firm. There is actually a turbine shortage, a blade shortage, as well in the world right now with respect to wind. In fact, I am advised that the turbines are sold out until 2008.

All of these factors contribute to our review of next steps. There will be additional wind development in Manitoba, which is why we made the 1,000 megawatt commitment. It will be over 10 years. The pacing and the exact phases of development are still to be determined. Clearly, our experience in St. Leon has been very positive and our tendency would be to proceed with projects similar to the economic benefits that occurred in St. Leon in other regions of the province.

Mr. Schuler: The minister mentions that there is a backlog of demand and that 2008 is where the first available turbines are. So, if we are looking within the 24 months, I suspect then the Province would have to get on the docket, if you will, that if we are looking at something at 24 months from now, you would have to almost get into the queue so that you would even get them delivered in two years' time. Is that a reasonable argument?

Mr. Chomiak: Thank you, Madam Chair. That is a reasonable argument, although I have been told that there are some turbines that are sitting unutilized in some locales, but that is a fair assumption.

Mr. Schuler: The last couple of days the Premier of Manitoba (Mr. Doer), indicating that he was the second province to support Kyoto Accord, said that not just would we meet our obligations, that we would surpass them. That means, I guess, greenhouse gas emissions, that Manitoba would be reducing them. How would the Premier see us meeting our commitments and even reducing them?

Mr. Chomiak: Thank you, Madam Chairperson. Well, on the plus side, we have, because most of our electricity, 97 percent is hydro-electrically derived we have, of course, far less emissions than other jurisdictions. Those blessed with fossil fuels are cursed, if one wants to call it that, with additional emissions, so we do not have as significant emissions, nearly as significant emissions as other provinces.

Having said that, we do have some challenges with emissions. I think it is something like 30 to 40 percent of our emissions are in the agricultural and transportation areas and not as significant, necessarily, in the manufacturing areas. The goal of Manitoba has always been to offset other jurisdictions, i.e., other provinces or states who have coal-fired power by virtue of using our clean hydro-generation to offset the CO2 emissions in other jurisdictions.

* (16:40)

Having said that, obviously, our ethanol mandate, our biodiesel mandate, the fact that we are the country's leader in geothermal installations, the fact that we are reviewing our building code with respect to buildings as well as taking initiatives with respect to all government buildings and government-related operations, all are geared towards meeting or exceeding any of the environmental or green targets that are in existence today.

Madam Chairperson: Just to clarify for Hansard—I am not sure I had the light on—that was the minister.

Mr. Schuler: So, when it comes to greenhouse gas emissions, where is our greatest source of greenhouse gas?

Mr. Chomiak: Madam Chairperson, transportation and agriculture would account for the majority of our emissions.

Mr. Schuler: Can the minister just split that out for us? Like transportation, would that be personal automobiles, trucking, and then what in agriculture would be producing greenhouse gas emissions?

Mr. Chomiak: Primarily use of diesel, inputs and production of fertilizers and other pesticides, et cetera and those applications. I was at an international forum in Montreal where the point was made that if the world went significantly even to 10 percent biodiesel most Kyoto targets would be met. I have not worked that out in my head, but just roughly I think that would be a significant factor in terms of CO2 emissions.

Mr. Schuler: So the way we are going to meet our targets is by building more hydro-electricity producing dams. Is that fair?

Mr. Chomiak: That is partially the answer. We are assuming that not all jurisdictions can meet their Kyoto targets and by providing clean energy we would offset greenhouse emissions in other jurisdictions. But having said that, we do have our biodiesel ethanol mandates, our Green Manitoba plan as well as the geothermal that I mentioned. So we are trying to both internally and externally do everything possible to achieve those targets.

Mr. Schuler: Again, what I am trying to understand is that biodiesel seems to be a way off. More wind power seems to be a way off. Methane recapture, I think we have not heard that much from. Ethanol, previous ministers have indicated to committee and to the House that ethanol is not really part of the grain. It is more rural economic development and now seems to be making a lot more sense just to get ourselves weaned off of very expensive fossil fuels.

So I do not know how the minister sees ethanol being part of it. So geothermal pumps are—I mean that is still a small component—that also is something that we will realize in years to come. But, for the Premier to say we will surpass our Kyoto commitment, from what I understood that was in a

very short time. I am just wondering how we will meet or surpass our commitments.

Mr. Chomiak: Madam Chairperson, just a couple things. The biggest goal to achieve actually is conservation which goes without saying and there is a fairly aggressive plan on in Manitoba and I agree with the member. In terms of the biodiesel, ethanol arguments, biodiesel does provide for a lot more greenhouse gas emission reductions.

Having said that, the enforcement period for Kyoto is 2008 to 2012 essentially for achieving targets, and we are doing virtually everything that can possibly be done on the conservation side or on the alternative energy side that has been suggested anywhere in the country with respect to reducing greenhouse gas emissions. So I only look to outside sources that have indicated that the Manitoba plan is one of the best, if not the best, in the world, period.

Mr. Schuler: I guess what I am trying to get at is, would not more production of wind power help us achieve our Kyoto mandate?

Mr. Chomiak: Madam Chairperson, both wind and hydro are very small contributors to greenhouse gas emissions. So on any level, the input, and that is the production of power, is not a significant problem in terms of reducing our greenhouse gas emissions. The fuel side is more of a difficulty and that is where we do not have direct control except to go to alternatives in order to reduce our emissions.

The plan that we always have relied on is trying to enhance the provision of hydro-electricity specifically on an east-west grid in order to help the entire country meet greenhouse gas emission targets. So the larger picture is an east-west power grid. A smaller picture is everything we can do on the provincial front to conserve and to use alternative sources of energy. Both wind and hydro are significantly small contributors to greenhouse gas, but what they do do is they provide alternatives to other forms of consumption that are higher in greenhouse gas emissions.

Mr. Daryl Reid, Acting Chairperson, in the Chair

Mr. Schuler: Well, the minister brought the topic up, so I will bite at it. The east-west power grid, fiction, reality? I can remember when Sterling Lyon ran for re-election in 1981 with the "don't stop us now" slogan and the east-west power grid. It was Manitoba, Saskatchewan and Alberta, if I remember correctly, I was very young at that time. I read it in history books. It was touted at that time as being

really no big gain financially. It was almost seen as a break-even. However, even at that time it was seen as fairly visionary.

Are we close or is it still one of those things that we will be talking about in a year or two when I am the new Minister of Energy, Science and Technology?

Mr. Chomiak: It was visionary in 1981 and it still remains visionary in the sense of for Manitoba per se, an east-west power grid does not provide us with anything substantive other than contributing, assisting in the Canadian experience. We can sell our power to United States. However, if we can sell our power to Ontario and Saskatchewan and Alberta, it can help the country achieve self-sufficiency in terms of power production. It will help dramatically decrease greenhouse gas emissions.

Thirdly, and this is what is now becoming more apparent, it provides for additional security in terms of transmission capacity in the country and around North America. We are integrated in the North American system, and the Ontario blackout was a huge wakeup call to a lot of people in the system. I know that a lot of people are looking at an east-west power grid solely for that reason alone.

Is it visionary? It is still visionary. Is it doable? It is very doable. Will it happen? I continue to believe it will happen.

* (16:50)

Mr. Schuler: I know everybody wants to leave their mark in this place. To the minister, what does he see as his major project that he would like to see completed in the next year or so? For instance, the east-west power grid, is that one of the issues that he is championing? What does the minister want to see as a benchmark for his term as minister?

Mr. Chomiak: I do not approach it quite in that way, but in terms of priorities of the department and the government, I think that the east-west grid is probably our highest priority. Now, of course, arising from the east-west grid would be the development of Conawapa and Kiask and Wuskwatim and would generate significant economic development in this province and would ensure significant economic developments into the future.

Madam Chairperson in the Chair

The development of the burgeoning geothermal industry in Manitoba would only add to our capacity to both export our clean power and to conserve our

own natural power, so that fits in with the development of wind in Manitoba because we have a wind regime, would again give us another source of clean energy that would augment our hydro-electricity and our natural fit together.

So the overall vision that was put in place prior to my assuming the portfolio and I am sure will be in place after I leave the portfolio, whether it is the member assuming the portfolio or someone else, would be the provision of secure, clean energy, both domestically and nationally and internationally while maintaining Manitoba's reputation as having the lowest electrical rates in the world.

Tangential to that is the issue that \$2.5 billion a year is exported out of this province with respect to fossil fuels. So, if you tie that in together with a move towards clean energy, you could see that having value-added in Manitoba and capacity in Manitoba only serves to grow the economy and the diversity of the economy around the province.

So economic benefit, employment opportunities, value-added for rural Manitoba, are all in the top list of priorities that the department has developed and will continue to develop, and that is only on the energy side.

Mr. Schuler: In conclusion, I just want to say September 18, 2003, we did our first Estimates, and at that time I felt it was a very historic time. I believe that, and I have been known to say this as I have travelled the province during the last several months, that I would take our hydro patch and stack it up against anybody's oil patch, and I believe that we would come out ahead. Energy is going to become, along with fresh water, I believe, one of the very contentious issues because we see where fossil fuel is going and we see continuing instability in the Middle East. No matter how much we try to put into the Middle East as far as stabilizing forces, it right now does not look that good, and I think North America is going to have to start looking within itself to see how we are going to proceed.

So I, at this point in time, would be prepared to see us go through the question and conclude the Estimates for Energy, Science and Technology.

Mr. Chomiak: I appreciate the member's comments, and I think he is correct. I think he is correct and reflects the general view of Manitobans and western Canadians.

Madam Chairperson: Resolution 18.2: RESOLVED that there be granted to Her Majesty a

sum not exceeding \$4,004,300 for Energy, Science and Technology, Energy, Climate Change and Green Strategy Initiatives, for the fiscal year ending the 31st day of March, 2007.

Resolution agreed to.

Resolution 18.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$18,518,600 for Energy, Science and Technology, Science, Innovation and Business Development, for the fiscal year ending the 31st day of March, 2007.

Resolution agreed to.

Resolution 18.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$26,921,300 for Energy, Science and Technology, Manitoba Information and Communication Technologies, for the fiscal year ending the 31st day of March, 2007.

Resolution agreed to.

Resolution 18.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$10,033,100 for Energy, Science and Technology, Costs Related to Capital Assets, for the fiscal year ending the 31st day of March, 2007.

Resolution agreed to.

The last item to be considered for the Estimates of this department is item 18.1.(a) Minister's Salary, contained in Resolution 18.1.

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

The floor is open for questions.

Mr. Schuler: Before we close this committee, I would like to just thank my staff: Gayle Dowler, my constituency assistant; Matthew Pruse, who was my legislative assistant and helped me through several years of Estimates, he decided to move on to other challenges; and welcome and thank Kelly McCrae, my new legislative assistant, and also all the departmental staff who work very hard in making sure that our province eventually will become one of the great energy producers of the nation and probably of North America and would like to thank all of them.

Mr. Chomiak: Madam Chairperson, I appreciate the comments of the member.

Madam Chairperson: Resolution 18.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$673,500 for Energy, Science and

Technology, Administration and Finance, for the fiscal year ending the 31st day of March, 2007.

Resolution agreed to.

This completes the Estimates of the Department of Energy, Science and Technology. The next set of Estimates to be considered by this section of the Committee of Supply is for the Department of Health.

The hour being 4:58, we will resume sitting tomorrow at 10 a.m.

Is there a will for the committee to recess?
[Agreed]

Now, the hour being 4:58, I am interrupting proceedings. The Committee of Supply will resume sitting tomorrow (Friday) at 10 a.m.

EXECUTIVE COUNCIL

Mr. Chairperson (Conrad Santos): This section of the Committee of Supply has been dealing with the Estimates of Executive Council.

Would the minister's staff please enter the Chamber.

We are continuing with a global discussion of these Estimates.

The floor is now open for questions.

Hon. Gary Doer (Premier): There are a couple of issues I took as notice, Mr. Chairperson. One was the issue of the Auditor General's report on September 29, 1998. The Auditor General states that the previous government did not follow proper accounting procedures, and he would not attest, that it does not fairly represent the government's true financial position. The headline, of course, it would not be on page 1, but was: PCs fudging the books, Auditor says. I suggest, a little more severe of a headline than missed the red flag on Aiyawin. All things are serious, of course, in relative terms.

Mr. Chairperson, the second issue, I mentioned that we missed the cut in the Family Services budget dealing with the audit staff, and I took responsibility as opposition leader for missing that. In 1990, 1991 and 1992, the provincial auditor recommended against cutting the audit role in the Department of Family Services. Contrary to that advice, the Department of Family Services, through a Treasury Board decision, when you look at the Estimates of '93 and compare them with '92, the Audit Branch was cut, the nine positions. I am sure the minister

was not in favour of it. I know Mr. Benson was a fairly [interjection] Yes, I know that that was not a fair decision made for the minister to have to carry later on.

I would point out that the provincial auditor said in his '04 report on Hydra House that the government's decision to remove audit staff from Family Services in the 1990s, part of a government plan to centralize this function, was made by the government previously against his recommendation.

Another question that was raised was the issue of the SPAs. In '98-99, there were 55 SPAs, and when we look at the Housing and the Family Services, we believe the coverage now is, I said over 90 percent, it is 97 percent right now and counting.

The issue of the floodway, I used the term 685 yesterday, and it was 665. I want to correct the record on that. But there is no authority to go to 665; there is only the authority to go to 240. We know that members of the existing caucus are opposed to the floodway expansion, notably the member for Selkirk. I went back and dug those Selkirk-Interlake—I went out back and dug those comments out, not the provincial member, but the federal member.

Mr. Hugh McFadyen (Leader of the Official Opposition): I just want to say in response to those points, these were not items that the Premier took as notice from Estimates of the last two days. These are amplifications of his spread-the-blame comments that he made Tuesday and Wednesday in Estimates. They were not items that he had taken as notice arising from questions I had asked. They were the nice political amplifications and expansions on his spread-the-blame comments from Tuesday and Wednesday, which, I guess, is what one typically does when one is trying to dodge responsibility for mismanagement within one's own government. But I do thank him for those comments, nonetheless.

* (15:20)

Mr. Chairman, I just want to move into some questions, and I want to, later this afternoon, come back to Child and Family Services and spend some time on Crocus. But, at the outset, I just want to ask the Premier one of the files that would have been managed by his Economic Development Committee secretary is OlyWest. We have said that we support this investment. We believe that that expansion in slaughter capacity in Manitoba is important, and the jobs and tax revenues and other spinoff benefits that come from this investment are positive things.

We have, though, heard from local residents, many of whom are reasonable people who appear to have legitimate concerns about the location. I just want to ask the Premier if he can be as explicit as he can be about the CEC process upcoming, in terms of timing sorts of issues that will be looked into, and the degree of assurance that residents can be given by all members who are asked about this issue, as to what opportunity they will have to make submissions, and what sorts of issues will be covered through that process.

Mr. Doer: Well, first of all, I just want to say that in government we have never overturned a recommendation from the CEC. We have always conformed to the recommendations that have been made to us. For example, the last major CEC decision on processing was one on the Simplot potato plant. There was another one on the expansion of the second shift of Maple Leaf, both requiring greater nutrient removal to protect the water. In fact, the Maple Leaf second shift to nutrient removal will be above the status quo in the first shift with the Clean Environment Commission.

There are some activists or advocates that believe that the Clean Environment Commission recommendation on the Assiniboine River watershed was an issue that should have been resolved because Maple Leaf was not proceeding. It has not proceeded with the second shift. There is a belief that was a condition of the second shift. It is not proceeding with the second shift, therefore the material has not been released, but it has been a criticism of some people against the OlyWest plant, so we have asked that some of the materials, research that has been already gathered, be prepared and released publicly, shortly. The work has already been done by the bureaucracy, the scientists in the departments, and I just want to make sure that we are committed to following the advice of the Clean Environment Commission.

We have, I have said to the people in the community, that they can look at—I think there is a discussion document that has been put on the Web site already. We believe the issues of odour and water are crucial for the Clean Environment Commission decision making. I do not believe that the issue of transportation is a difficult issue because the site is just behind Symington Yard, the proposed site, and there are highways, including expanding highways on the northeast Perimeter Highway, that properly could be the licensee route for trucks. But there is concern in the area that there will be a lot

more trucks going through that area, and that is compounded by the situation on Plessis Road of the transfer of the intermodal site from CN to Transcona from adjacent—actually, in the member's riding, adjacent to the Kenaston location.

The Clean Environment Commission does not determine the timing. People said, well, it is going to be this time or that time. Actually, the clock starts with the company and the member would know that there is no such thing as the granting of a licence or the evidence that will be used to grant the licence, or deny a licence, until a proposal is submitted.

I believe the chair of the Clean Environment Commission, today, said that scientists will be hired by the Clean Environment Commission that will be independent, obviously, of government. Scientists will be hired, obviously, by the proponent, the company, and scientists will be hired by the opponents. We will fund the opponents in intervener funding.

I think it is safe to say that the community has felt—I think I have dealt with two proposals; well, I have dealt with three proposals, in hog processing. Always challenging, I might say. I was involved in the first stage of the approval of Maple Leaf in Brandon. I know the concerns were greater in Brandon before the plant was built than after. I know that the second shift created some anxiety about the sustainability of the hog industry generally and the sustainability of the plant specifically. In that area, it was not granted without major environmental upgrades required for the water treatment.

I dealt with the Schneider proposal in early 2000, and I would say that Mr. Dodds and his people at Schneider were out really early communicating to the public where it is going, what it is going to mean for their quality of life, for their water and for their community. In this case, I think the company, it is safe to say, I think they have said it themselves, but I would say it, has not been out there, in my view, with the public that they are wanting to be adjacent to. They have a job to do and I believe they are going to have a meeting next week, but when you are not out early, you are often out too late.

Secondly, I want to guarantee to the people adjacent to that area that all of the issues they have raised on odour, on water and on the issue of truck transportation will be scoped as part of the Clean Environment Commission. I am not the one that dictates to the Department of Conservation what the scoping will exactly be and it is a quasi-judicial

body, but Cabinet does have the right to overturn a Clean Environment Commission decision. I just want to guarantee the people of Transcona and the people that have concerns about this that this government will not, and I repeat not, overturn a decision of the Clean Environment Commission if the recommendation is to not proceed, before quality of life and quantity of issues of standards in the environment.

Mr. McFadyen: We have faith in the Clean Environment Commission. It is a process that I think has historically worked well. I think, though, the Premier would acknowledge and implied in his comments that what seems to be driving much of the anxiety in the surrounding community is a lack of information, a lack of specifics around the timing of the process and a lack of information regarding what impact this plant is going to have on the community. I would acknowledge that the onus lies primarily with the company, but given that this is also an important issue for the Province as a lender and as a body providing incentives to the company, as it is for the City of Winnipeg, since it is such an important issue for the Province which is a major stakeholder in this project as the company is, can the Premier be more specific about timing, recognizing that the ball is in the company's court to make the appropriate filings in order to commence the CEC process?

Is there some effort on the part of the government to bring things forward so that hearings would begin this fall, which is what I think the rumour had initially been, and not next spring so that people can, as quickly as possible, get as much certainty as possible about the sorts of issues that they may have to be dealing with and what measures are going to be put in place to deal with the very high level of anxiety that exists in those neighbourhoods?

*(15:30)

Mr. Doer: Well, my personal view is the earlier the better. I am not one of these people who want it delayed because I always believe a good sounding of any proposal is important. I also want to say that I thought the company, and I think the company, the proponent, has a responsibility to deal with legitimate fears of people living adjacent to the site. I have witnessed companies that do a good job in this regard and proponents that do a good job and I have witnessed the opposite. I recall with the Simplot potato plant, if I am not mistaken, in Portage that there were public hearings simultaneous to the announcement of the proposal, long before the Clean

Environment Commission even got involved. I think that that was wise. Obviously, potatoes have an issue of conservation to it because of the water and utilization of land and the waste treatment, which, I think, in the Simplot potato plant was improved by the Clean Environment Commission.

So the timing of this issue—though, there is no proposal on the table. On the economics of it, obviously, I just want to say it, again, people in the area—the economics of proceeding with the second shift to Brandon is a slam dunk for the province. It is an absolute winner. X-number of people hired; Y-number of processing that takes place. But that did not trump—economics did not trump environment, did not trump water, and it will not trump water here.

In terms of our direct grant, we were investing less than Maple Leaf in this plant, \$7.5 million. We get that back in taxes in the construction sites. So it is a net gain for us, both in the payroll tax, which, of course, the member opposite promised to eliminate those. But the payroll tax and the other sales tax for materials we would get back. So that is not—the \$7.5 million, we are a net benefactor.

One of the things I am concerned about is creating an impression because we think this is a good economic agreement, that it sometimes gets portrayed as—well, if you think it is good economics, then you are not going to say no to the Clean Environment Commission. And this is one of the dual responsibilities of a government, that, as Premier, you want to be very careful about. I am not going to tell the proponent how to do their job. I am not going to be perceived as being in an economic conflict over the environment because, quite frankly, if the company does not satisfy, for example, water quality issues, we are not having some animated discussions and consultations with our own farmers, to have degradation made by another company on the same water source we are concerned about. So I want to make it very clear to everyone that, when I have said it is not a slam dunk, it is not a slam dunk.

Getting the timing of a \$200 million capital project—that is the people that are putting up the risk. They are putting up—our loan, by the way, is one percent over our interest rate, so we expect to be making money. We do not loan companies money at our interest rates anymore. We loan them at a premium, so we can try to make some money for the taxpayers because they are taking the risk. The member opposite will note that that is a change from the past.

But we are not going to—on a personal level, the sooner the public could have a chance to go before the Clean Environment Commission and question the company and question their officials and question the scientists and question the infrastructure, from my perspective, the better off we are. But, I cannot tell the company when to put their proposal in. It is a private proponent, and the private investment they are making is about \$190 million. That is their investment, and they will decide the timing.

I suggest, I just do not have any say. Would I prefer it to be earlier? People say, oh, you want it here and there; you want it after the civic election. I mean, my view on all of these things is the earlier the better, because I always feel the perceptions, usually, are much worse than part of the reality, and part of the reality might be worse than what people think, we think. If that is the case, I do not expect the Clean Environment Commission would give them a licence. They certainly did in the second shift of Maple Leaf, when the economics were absolutely positive for the province and the city of Brandon.

Mr. McFadyen: I am pleased to hear the Premier say that it is his personal preference to have a process move as quickly as possible. I would think, and this is not as a question, but as a comment, that there would be a strong desire on the part of the Economic Development branch within your government to see this move ahead quickly, given the anxiety that exists, and the level of opposition that seems to be building, that they would want to urge the company to move forward as quickly as possible to get their papers filed so the process could get moving.

I would just say as a comment, we would certainly encourage the government, not the Clean Environment Commission, but the government Economic Development staff to be urging the company in that regard if they are not already, and I am sure they probably are.

I just want to move on to another significant area in terms of the health of Manitobans and that relates to pandemic planning. We have seen recent reports of bird flu cases in different parts of the world, warnings from different parts of the world of different severe health outbreaks of a contagious nature. I wonder if the Premier could just indicate what his personal involvement is or the involvement of his office in terms of preparing Manitoba in that area?

Mr. Doer: Well, we, of course, have regular meetings with our Chief Medical Officer, or our ministers have meetings. I am certainly briefed on the advice we get from the Chief Medical Officer. It was the recommendation I believe 18 months ago to go to a Chief Veterinary Officer, the Department of Agriculture. I think we were the first province in Canada to do that. When we heard of the preliminary tests of the H5N1 with the migratory ducks, we were aware that there were other studies in Minnesota years before on that.

We are monitoring the procedures that are taking place. For example, some provinces have talked about but not followed through on the containment of birds against the migratory birds. That would have a tremendous—you know, I would not want to make that decision as a layperson. I would want professional advice in this area, including from our chief veterinary officer and our chief medical officer.

There is a lot of monitoring going on this spring and this fall. Whether we will have to take the action, will require turkeys to be under roof or a general action still remains to be seen, free-range chickens and other poultry. A lot of poultry is under roof now, and a lot of poultry is on people's plates before the, dare I say that, I do not want to get into trouble, on people's plates before some of the migratory birds proceed south in the fall.

But we rely on our Chief Medical Officer's advice. The Clerk of Cabinet is meeting on a regular basis on this issue. All the chief medical officers in Canada are meeting. We are happy that there is a chief medical officer in the country to provide greater advice and co-ordination. We want that co-ordination to be located here.

Mike Leavitt, the minister of Health in the United States, has stated that you should not be worried about bird flu unless you are a bird. You know, there is a case in Indonesia right now that people are worried about. So we have not made those comments.

The member will be invited to a security meeting, which will include public health security, shortly. The last meeting Stuart Murray attended—I do not believe the Member for River Heights (Mr. Gerrard) attended—on security generally and the specific pandemic issues of concern. We have a fairly extensive manual that was handed out at the AMM convention this year. There was a full briefing of municipal officials in Brandon, and we have protocols with all regional health authorities. A lot of

work has been done, but, obviously, hopefully, it will never be tested. But we have containment strategies in Canada. We have containment strategies in North America, and we have containment strategies in our province.

* (15:40)

Mr. McFadyen: I thank the Premier for that answer and for the indication of the involvement of himself and the Clerk of Cabinet. It is an issue of significant seriousness and certainly deserves that level of attention and involvement from the senior players within the government. So I thank him for that.

I want to move on to Child and Family Services and just come back to the issue of the reviews ongoing right now, arising from concerns coming out of the devolution process and, in particular, the Phoenix Sinclair case and just ask the Premier, why it is that his minister seems to be so reluctant to report to this Legislature with any degree of detail with respect to what she and her department are finding in the process of this review.

I have had an opportunity to review the letter that was tabled today in Question Period. It, in the second last paragraph, makes reference to cases of concern that are being looked into, but no more specific information than that.

I wonder if the Premier can indicate whether he will be speaking to his minister and asking for some satisfactory level of reporting to this House on what is going on in that very important area.

Mr. Doer: Well, I think the minister was involved in Estimates for the last number of days. I say again I thought that that was one of the most unfair motions of non-confidence in a minister, talking about tying it back to baby deaths, that I have ever seen. And certainly you did not see a comparable amendment with myself with the former Premier on babies at the Children's Hospital. I thought that would be very inappropriate.

You ask why a minister is being prudent in the Legislature. I suggest to anybody that has a motion to have their salary cut based on nine babies dying, I just think that that was an incredible situation, and I would be prudent, too, if I had an opposition moving motions in that vein. I just do not think it is appropriate, I do not think it is fair, and it is not a standard of debate that I think—if I was a minister I would not engage in that debate with people that have that kind of resolution. No minister in this House should ever have—you know, I have talked

before about deaths and I do have the numbers. But I do not think that any death is acceptable to any member in this House. I just believe that resolution, amending a person's salary with reference to deaths, is extremely unfair, and I actually believe Manitobans believe that, and I would be very prudent if I was a minister if I was dealing with that kind of circumstance because, obviously, the kind of—you know, every individual has brains, has heart and has dedication, but no one in this House desires any kind of outcome that is that tragic, a death of a child.

Mr. McFadyen: The Premier has indicated his unhappiness with the resolution that was brought forward, but we are talking about a serious matter, and we are talking about a situation where question after question has been put to a minister, and to date there has been no satisfactory response to those questions. So there certainly is a level of frustration on this side of the House and concern about the lack of timely reporting or the lack of reporting at all with respect to this very serious review into these very serious cases.

The best the minister has been able to do is refer to a news release when asked for terms of reference, and I would suggest that the level of reporting that has gone on in this House and in Estimates has been absolutely unsatisfactory, given the seriousness of the issues. They can try to blame the opposition all they like for not answering questions, but at the end of the day I think Manitobans expect answers to those questions, not just the opposition.

I want to ask the Premier if he is satisfied when the minister refers only to a news release when she has been asked for terms of reference and asked for other details of a review that is ongoing. Is he satisfied with a simple reference to a news release, which completely misses the point and fails to address the very serious questions that have been asked?

Mr. Doer: If I recall correctly, the terms of reference included any other matter that the independent officers felt was in the best interests of the children. I will double-check, but as I understand it, as they pursued the independent review—and, again, these are two independent officers of the Legislature. If I recall correctly, certainly, if it was not explicit, it is implicit. But I will check and see whether it is explicit in the terms of reference.

Secondly, under the law the Child Advocate and under the law the Ombudsman have full authority to go where they want to go, to do what they feel is

necessary, to follow every lead that is required. So it is not as if we had narrow guidelines provided to, say, a lawyer, who would only interpret those in a very narrow way, not to be difficult to lawyers, because one of the individuals is a lawyer and she is the Ombudsman, and I have found her to be a very credible individual.

I do not know the Child Advocate as well as I have known the other individual, but I know that they are people of credibility. I believe in the credibility and the independence of the people who have been asked to do the job.

If I can get the public release on the Child and Family Services, I believe that there was something in there on any matter that the person would want to pursue. So I would expect as people look, listen, dig, that matters will arise, and we want them to arise, and we want them to be pursued, and we want the public to have a full accounting of the situation.

Mr. McFadyen: We have asked repeatedly, as has the Member for River Heights (Mr. Gerrard), repeatedly asked for a copy of the terms of reference for the reviews ongoing right now. That is an important indicator of the type of review and the level of information that was going to be sought in the process of the review. All that we have been able to get is a news release. Is that because terms of reference do not exist?

Mr. Doer: Well, if an individual independent officer of the Legislature is asked to go anywhere—well, first of all, they have the right to go anywhere they want and feel that they should. It is a broad, wide-open set of references dealing with children's health and children's safety and the operation of the Child and Family Services agency.

Secondly, I believe, and I will find out, I will take as notice because I do not have the release in front of me, but I assume that there was language—well, it does not even require it because independent officers of the Legislature do not get instructed by Cabinet ministers. They do not get instructed by premiers. They get instructed by—*[interjection]* They are allowed to deal with these matters as they—*[interjection]*

Mr. Chairperson: Order, please. The honourable First Minister has the floor.

Mr. Doer: Thank you, Mr. Chair. You know, I, first of all, have confidence in the people who have been chosen. I do believe that they have the independence, the knowledge, the experience and the integrity to

answer the questions in the public interests and the children's interests, and that is what we want to do.

There are other issues dealing specifically with the tragic end of Phoenix Sinclair that has been investigated already by the police. Two murder charges have been laid against two individuals. Furthermore, the Chief Medical Examiner will be reviewing that, and I have also stated that we will be looking at the whole issue of a judicial inquiry—I have said this in the House—upon the completion of the Chief Medical Examiner's report.

* (15:50)

So we believe, at the initial stage on files and other issues, that there is going to be a complete review, and it will be provided by independent people with integrity.

Mr. McFadyen: Mr. Chairperson, it is an important point because I think if we look back through history at independent judicial inquiries, whether it is Gomery or Westray or Monnin or any other inquiry, that commissioners were guided by terms of reference provided by the government that established the commission. In cases as serious as this, to have somebody embark on a review without any sense at the outset of the process as to what it is to be looking into and any sense as to time lines and other important issues around the review, there is no ability for us as legislators to have any confidence in the process, and there is no ability on the part of those conducting the review to know what it is that is expected of them.

So to not have written terms of reference guiding this sort of review strikes me as utter incompetence. Would the Premier indicate whether he thinks the fact that his minister has not provided the reviewers with terms of reference is competent or incompetent?

Mr. Doer: Well, I will look at the release, but Mr. Chairperson, I believe that the individuals have been competently chosen by the Minister of Family Services (Ms. Melnick). It would not matter what had happened because members opposite, from the moment the tragic death of Phoenix Sinclair came to the public attention, they were calling for her head, they were calling her incompetent, they were calling her uncaring, they were making allegations against her that, in my view, were extremely political and we believe that—

An Honourable Member: This is all new to you, is it not? This is all new.

Mr. Doer: Well, the member opposite is heckling his own Opposition Leader as he is asking questions. You know, the former Minister of Family Services knows the tragedies that were—

An Honourable Member: I know exactly what questions you asked when you were in opposition.

Mr. Doer: Well, you can pull them out. I actually have looked at them. As I said, there is, first of all we have independent officers of the Legislature. Secondly, we have competent people chosen that are in the field of child and family services. Thirdly, the areas of review include other areas which may arise as identified by the co-chairs. That means the two co-chairs that are independent officers of the Legislature have no restrictions.

Actually, the member opposite talks about judicial inquiries. I can recall a number of times on a number of different occasions when judicial inquiries are asked for by political parties, usually in opposition, and granted. Then the next allegation is, well, the terms of reference are so constricted, there will not be any—the judge will not be able to go and find this out or that out or something else out. Then if the judge finds something out, then there will be—for example, I am not going to use the former Prime Minister, but then it will be, well, we do not believe it anyway. The member opposite knows that. Mr. Martin allegedly was exonerated but you would not know that in the election campaign. So even when a judge comes to a ruling, there still will be people alleging something else happened. I am not speaking to the veracity of the Gomery inquiry. I am awaiting the implementation of Judge Gomery's comments and recommendations. I note that some of them will be implemented, and some of them will not be implemented by the new government. But as I said before, and I wanted to double-check, this is not a restricted area of terms of reference. There are broad criteria, but very open-ended terms of reference for the co-chairs.

Mr. McFadyen: The Premier makes reference to Gomery, and as I recall, the terms of reference were issued and there were complaints that came from opposition and some debate about those terms of reference, which is all part of the process. I think they may even have been amended somewhat, but there were terms of reference so that the judge, on embarking on that inquiry, knew what it was that he was to look into and what his time lines were. I guess what we are hearing is that there are not going to be terms of reference for this very serious investigation

into these cases, and I will move on to another area of questioning.

Just with respect to the role of the Department of Industry with respect to the Crocus Investment Fund, the Auditor General's report indicates that in 1999, Treasury Board directed the department to monitor the performance of Crocus. There was a bill introduced in June of 2001, Bill 28, introduced by this NDP government, and the minister stated 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 light of the monitoring role that was given to the Department of Industry back as early as 1999, is the Premier satisfied that his department did their job with respect to Crocus?

Mr. Doer: First of all, I am pleased that the monitoring function and the approval of funds were moved from the former operation headed by Mr. Bessey and Mr. Swain and others that also were on the board of directors of Crocus. I am pleased that those roles were transferred to the Industry Department. I also believe that the findings of the Auditor General which indicated that the Department of Industry, trade, was both a supporter of the fund in terms of economic activity and a monitor of the fund, was not a particularly useful role for the Department of Industry.

So in Bill 51, we acknowledged the Auditor General's report in a number of areas. One, he commented that the ambiguity established in the legislation in 1992 dealing with the mushy rate of return criteria, social criteria, rate of return, had to be clarified. We did that. He indicated that the perceived problems of boards of directors appointed by the government, even though it was his finding that the board of directors properly proceeded with the fiduciary responsibilities to the shareholders, that that should be removed, and we removed that.

He also recommended that we not have any co-investments with the underwriters. He was quite critical of the conflict of interest of an underwriter to be a recipient company; in this case, Wellington West. We changed legislation dealing with Wellington West, and being both the recipient—and I might add, two waivers from Cabinet. The member would be aware of those. And, also being a company that had to then underwrite the prospectus.

Also, Mr. Speaker, the issue of monitoring with the department, we have moved that over to the

Department of Finance, and we have accepted responsibility for the finding of the Auditor General, that the monitoring function should be in the Department of Finance. So, by accepting the recommendation, we have said publicly, and I will state it again in the House, we have accepted his analysis that the monitoring function should have been in the Department of Finance. When the former government moved it to Industry from the political body, we did not think that was a problem, and, in hindsight, the Auditor General's report has reflected that it was and that is why we moved it to Finance.

*(16:00)

Mr. McFadyen: Mr. Chairman, the department, when it took on the monitoring function, would have, in the course of its monitoring responsibilities, had communication with board members and others who had information as to what was happening at Crocus. Can the Premier indicate whether that department ever brought forward a briefing to the Community and Economic Development Committee of Cabinet which it would have reported to on matters such as this with respect to Crocus in the 2001-2002 period?

Mr. Doer: Well, I certainly am not aware of it, but I know that the Auditor General had access to all the files and all the minutes. He would have been able to avail himself of those materials. He did avail himself of materials dealing with e-mails which were submitted between the Department of Finance and the Department of Industry, and he did clarify in the committee that the issue of the e-mails never went beyond—I believe he said he never went to Cabinet, never went to a Cabinet minister, and never went to a deputy minister. I think that was certainly our recollection of that.

The issue of monitoring the fund was a responsibility of the Department of Industry, and as you say, we changed that after the Auditor General's report when he felt that both the promotion of economic development and the issue of monitoring created a conflict in his view.

On the issue of board of directors members, I think that the Auditor General looked at that issue. We had a lot of media questions about that issue when the fund was collapsed in December of 2004. I would say that the people we appointed to the board of directors were all non-partisan senior civil servants. We did not appoint anybody, for example, that contributed to the NDP. We only appointed

senior civil servants. That is in stark contrast to the appointments made with the individuals before we came into office: Mr. Bessey, Mr. Swain and another chap were obviously the appointees of the government. This was, of course, an area of considerable debate between the media between the time in December 2004 and May of 2005 when the Auditor General's report came out. The Auditor General's report stated that the board members understood their role to the shareholders and represented the fiduciary responsibilities of the shareholders. When this issue had first come up to our attention, through media questions, do these people report to you? We said, no, they report to the shareholders. We were given legal advice by people that are in the know that board members, by law, have a responsibility to the shareholders, a fiduciary responsibility. So, the Auditor General found, and we accept responsibility for the Industry Department not being appropriate for monitoring. That is why we switched it to the Department of Finance in Bill 51. We also accept the Auditor General's findings on the board members were: (a) sufficiently informed, and (b) sufficiently able to represent the concept of fiduciary responsibility.

On the broader issue of conflict, we feel that the perception of a board member being appointed by the government was definitely a problem, and we certainly had no difficulty dealing with their need of the government to appoint the board member. I actually felt, even before then, that we had problems with people being appointed by government to investment committees apart from government. I think that we changed The Workers Compensation Act; I believe we changed it to remove the deputy minister of Finance. I am just going by memory. This happened before, I think, the audit was completed.

I think we changed to some others where people then could say, well, you knew about this investment from Workers Comp in Bre-X or something—obviously, they did not make that kind of; I will pick a better example. *[interjection]* Gold is a story unto itself. The only press release I ever saw that had gold in it was Rapunzel with the turning straw into gold with Isobord, but I digress.

On the issue of board members, we were very careful to (a) appoint civil servants, not political appointments, and every government has political appointments to the board of directors; and (b) respect their fiduciary responsibilities, and that is a finding of the Auditor General.

Mr. McFadyen: Mr. Chairman, we know what the Auditor General said about the conflicting roles of the department, but there is nothing, there is no indication that the department was not aware of issues at Crocus. This is simply an indication that it had conflicting roles and that it is apparent that the promotion role of the department overrode the monitoring role when those things came into conflict. That would be, I think, a fair way of characterizing what happened. So I just want to come back to the flow of information that, as the department was doing its monitoring during that time period, did it receive information which it brought forward to that committee of Cabinet?

Mr. Doer: Let me come back to this issue of conflict and promotion. There were co-investments made by the government with Crocus-related funds. We obviously had one that is still outstanding, the Maple Leaf Distillers. It is still, as I say, an outstanding issue. There were others that the Industry Department would have promoted that eventually ended up having very big losses in government and co-losses with Crocus. Isobord, Winnport, Westsun, I think, added up to \$39 million for the Province, for the taxpayers of the province of Manitoba. For Crocus, it varied. For the federal government, I believe Mr. Gerrard was involved with Premier Filmon on an announcement of some \$12 million for Isobord.

We had some concerns raised about some of our discussions with the Moose and the new potential arena. Those actually, I think, were referred from the Canadian Federation of Independent, the Taxpayers. I forget the organization. Maybe it was the Taxpayers, it was either the Taxpayers or the CFIB. They eventually referred the concerns of the arena construction to the issue of the Auditor General. I think he looked at it and did not feel there was anything untoward, and I do not think there were because the investments in the arena or the investments in the Moose were made in 1997, long before we were in government. So these investments were made under the watch of the former government, although in fairness to them the fund was always established to not have any direct investment decision making with the issue of Crocus. In fact, the prospectus says the government does not stand by or condemn any investments made in any projects that Crocus is involved in.

*(16:10)

On the issue of the perceived conflict—and I think it is contained within the lawsuit—obviously, the member does not acknowledge, everything starts in September of 1999—it is all material items mentioned in the lawsuit. I know the member does not believe that, but he said it anyways. All the lawsuit deals with is co-investments made by the Province with Crocus, and the major ones, I might point out, would be Maple Leaf—and we feel that we are protected—and Westsun, Winnport and Isobord. The major losses took place before us.

We do not feel we created a climate that had promotion conflicting with monitoring. We accept the Auditor General's findings in this regard, and that is why we moved it to the Department of Finance.

Mr. McFadyen: Mr. Chairman, I would just come back to the point about the allegations in the lawsuit. Certainly, the lawsuit refers to the initial establishment of a fund subsequent to the passage of legislation in the 1990s, but the issues or the allegations made with respect to when things started to go south really starts to get interesting when it refers to the Solidarité investment in 2002 and also makes reference to information, the red flags in 2002, and concerns arising actually in 2000-2001 around valuation decisions. So I would stand by my earlier comments that the interesting elements of the lawsuit, those elements that make allegations about the fund going south, really do start under the watch of the current government.

There are criticisms certainly about the legislation and the way in which conflicting roles were established. Those are fair criticisms, but they are hardly significant in comparison to the allegations made about information provided and mistakes made after, from 2000 forward, but I do not want to get too sidetracked by a debate about what the statement of claim says or does not say. It is available to anybody who wants to read it. I think it is fairly clear, backed up by Mr. Bellan's comments, incidentally, on CJOB, that the interesting time period from the standpoint of the investors connected to the lawsuit was the 2001-2002 period.

I just want to say to the Premier that, if the Premier does not have information presently about what was reported to the Community and Economic Development Committee of Cabinet with respect to Crocus in the 2001-2002 period, I wonder if he would take the question as notice and return with an answer to the question which he has not answered yet, which is whether Crocus was discussed at that

Cabinet committee in 2001-2002. If so, what was discussed?

Mr. Doer: Well I also assume that the Auditor General would have access to that. The issues dealing with Crocus generally—let me start by saying that, when we came into office in 1999, there was an Auditor General's report conducted in 1998.

The Auditor General said and reported to this Legislature that the Crocus Fund is to be operated at arm's length from the government and it is relatively transparent for investors and it is to be treated in a manner similar to a mutual fund. That was, you know, during my period in opposition. I remember that Auditor General's report, and I recall that in coming into office. So I have to say that that instructed my views of Crocus as a Premier. In my view, it was a fund outside of government.

I remember Clayton Manness, when he introduced Crocus in the House, saying this is not going to be administered by civil servants in government. It is going to be decisions made by people in the community. Then I remember former Premier Filmon chastising me for never bringing it in. I mean, any labour-sponsored fund the advantage is not to, quote, "labour." The advantage is investments that are made in the economy. When you couple that together with the capital retention report that Premier Filmon commissioned, I believe in '92-93, it was pointed out that the banks had about a billion dollars in savings in Manitoba, but the pension funds and venture capital funds potentially available were in the 10-million-dollar range.

So, as a Manitoban who wants their kids to stay here, I did not see this as a great labour entity; in fact, as I say, Premier Filmon chastises for never bringing a labour-sponsored fund in. It was around in the eighties; other provinces had gone into it. We never had because there was not, certainly, a clear consensus of us proceeding with it. But the former government did, and we certainly thought it was a useful way to go. We certainly trusted the former government. I have to say I trusted the former government in the officers that they hired. I am hearing lots of people now say, well, we warned the former government. Well, I am hearing it now, on Mr. Umlah, especially, but I do not want to say anything; it could be libellous here, lots of lawyers around.

But, in fact, people even were quite explicit about their warnings and who they made them to. I probably failed as opposition leader in recognizing

that, in 1987 and '88, this same individual had been cited by the Securities Commission and the Investment Dealers of Manitoba. So you sometimes miss something in opposition, and I accept responsibility for that. Ironically, he did not visit my office when Mr. Loewen was raising things.

Actually, I remember when Mr. Loewen raised things, I was on the phone from out of town and they said, are you going to ask Mr. Loewen to apologize? I said, no, because I did not know. I was kind of, if he has got something, I am listening. Then, all of a sudden, it kind of fell like a house of cards, and we were obviously surprised at the two-day events that took place.

On the issue of the CEDC, I will check the Industry Department, but I am going to say that we always followed the prospectus. The government did not promote, support, or not support any recommendation. Secondly, on the Solidarité Fund issue, the Auditor General spent a lot of time going over that. He said: Well, it was in the financial statement in a certain way, and no government or any official in government would have any reason to second-guess a financial statement, an audited financial statement.

We did take (a) the audited financial statements at their value, and we actually took the prospectus and the underwriter's verification of the prospectus as the valid valuation. We trusted Wellington West to be properly valuing the company, and, only when the Auditor General pointed out that it was an investing company, and an underwriting company should not be co-invested, did we then change the legislation.

But we had no reason to second-guess professional underwriters. We had no reason to second-guess the officers that were hired under the former government. We had no reason to believe that the audited financial statements on the Solidarité Fund did not reflect the true nature of that transaction, and the Auditor General confirms all of those points.

The Auditor General also confirms that valuation was not the responsibility of the provincial government, and that we did not participate in the valuation of the fund. You will note that the valuation is the responsibility—if you listen to the forensic auditor that was in the media, that was hired by the former legal team, not this latest one, he said the responsibility is with the staff, the officers, the underwriters and the accountants.

* (16:20)

Now Pricewaterhouse was one of the accounting firms, and, of course, the members opposite are aware of the principles of that firm. They, too, are part of the signing-off. I have no reason to believe they were not legitimate in their financial statements. But, as Premier, I do not start second-guessing Price Waterhouse. I do not second-guess the Wellington West Corporation. I did not second-guess Mr. Umlah and Mr. Kreiner that were hired by the former government. And I did not second-guess the Auditor who said that this would be managed as a mutual fund external to government. On the Solidarité Fund, as I say, the Auditor General stated in committee in December, one would have no reason to second-guess an audited financial statement. And we did not.

Mr. McFadyen: Mr. Chair, we have never suggested—and no reasonable person would think that it was the job of the member to administer the fund, or to invest, or to report to shareholders, or to act as an underwriter. But, explicitly, and clearly, the government had a job to do which was to monitor, which is different from any of those things. It was a responsibility that was undertaken by his government in 1999 and beyond, to monitor what was going on.

One of his closest advisers, Mr. Kostyra, the secretary to the committee was a former board member of the fund, and then moved into a different job, which was to monitor the fund, and that is a point of contention for the plaintiffs in the lawsuit, certainly. The wisdom of putting somebody in that position, of moving from a board member to a monitor of the fund, that is another point that needs to be explored.

But, I just want to ask one more time, why it is that the Premier will not bring forward information as to what his departments knew, and when they knew it with respect to problems of this fund?

Mr. Doer: Well, let us deal with, again, some points of allegation made by the member opposite in his question. He mentions that the CEDC was responsible for monitoring the fund—

An Honourable Member: The Department of Industry was responsible—

Mr. Doer: Well, he mentioned Mr. Kostyra was responsible for monitoring the fund. He made that statement in the House. The statement has been contradicted by the Auditor General, and retracted by a newspaper. So people get slammed around. The reputations get drop-kicked around. *[interjection]* I

do not think you will. Say you are sorry. *[interjection]* You never have before, and I do not believe you would again.

Mr. Kostyra was not responsible for monitoring. Mr. Kostyra was on the board of directors of Crocus, appointed under a memorandum agreement signed between Eric Stefanson, your adviser, passed and voted on by Don Orchard, your adviser, and now the investigator—you know, the guy is investigating himself and Mr. Downey.

This is the future Progressive Conservative Party of Manitoba, three guys. Mr. Downey, I might say, was the minister responsible for the write-off of \$3 million of taxpayers' money in Treasury Board. So is Mr. Orchard going to go back and ask Mr. Downey why we lost \$3 million.

And foghorn: You know, are you the one that signed that, no, no, it is only '99 on. It is not: You cannot go before '99. You cannot look at the Treasury Board minute of 1993.

An Honourable Member: Those are the only ones you have looked at.

Mr. Doer: I have looked at it all. I have looked at all of it. There is a 250-page Auditor General's report from 1999. No, actually 2000, I think, on.

So the issue of monitoring the fund was not with CEDC. So the issue of a former director that was appointed by a labour-sponsored group, under a memorandum of agreement, was signed by the member's adviser, and passed by the member's investigator, and I was not even in office. I mean, he was appointed in '97-98. I was not even in office.

An Honourable Member: Unbelievable.

Mr. Doer: But, I will take responsibility for that. The member opposite, with his Mr. Kernaghan note, wants me to take responsibility back to creation. But I do not know whether he has Stockwell Day's theory of creation or a more modern approach, but judging by the people he has hired, I do not want to make any comments.

But Mr. Kostyra did not—and this is the problem with people throwing around things—

An Honourable Member: Was that your non-partisan appointment, Mr. Kostyra?

Mr. Doer: No, he is partisan.

An Honourable Member: New-new NDP?

Mr. Doer: He is the new NDP, no, today's NDP. Downey and Orchard are yesterday's Conservatives, but that is okay.

An Honourable Member: What is Schroeder?

Mr. Doer: He is Mennonite, actually. He is from Winkler. He is a lawyer. He is Mennonite, intelligent, a former Minister of Finance, a fine man.

So, back to the point, Mr. Kostyra did not monitor the fund. So the allegation that he went from the board and then he went to monitor the fund is not supported by the facts. It is not supported by the facts in the Auditor General's report. I come back to I think I might have to have a test for the honourable member, a standard test. He brought in standard tests for grades 3, 6 and 9. Maybe we need a standard test for the member opposite about the Auditor General's report, because I would not have to spend time correcting the record on stuff that is already in the Auditor General's report.

An Honourable Member: Who is the higher authority in the Auditor's report?

An Honourable Member: Eugene.

Mr. Doer: The highest authority in government is this Legislature. The highest authority, in this Legislature. We actually went through this, because he would know, having worked in the Premier's Office, how many times people who are invoked to be working in the Premier's Office have this omnipresent power. I have actually gone through this before, so I just want to do this for the information of my neighbour and my MLA.

I find people all the time who have gone to my staff and say: Well, the Premier supports me in this, or the Premier is aware of this, or the Premier wants you to put this much money in, or the Premier wants you to hire this person. You know what? Ninety-five percent of this omnipotent stuff is not—you find out quickly how little power you have, and, secondly, you find out how much your name is invoked. I could say that Kevin Lamoureux is in touch with this power close to God because he had Paul Martin at his nomination meeting. The honourable Member for Inkster, I apologize.

So, back to your point. Mr. Kostyra never was responsible for monitoring the fund as secretary of CEDC. I will give you the page in the Auditor General's report, but we could save a lot of time if you would read it and pay attention to it. We can

debate these issues, then, not on the basis of misinformation, but rather on "I disagree."

Mr. McFadyen: We have seen some impressive diversions in the course of this process, and that was one of his best. I have to give the Premier credit for that. There were some good moments of humour there. It would almost be funny if it was not for the fact that we have 33,000 Manitobans out over \$60 million who cannot seem to get any answers.

So let me come back to the Premier again. Given that the CEDC committee is the committee that the Department of Industry reports to, and brings forward papers to, and has discussions at, and the Department of Industry, which is the employer of the secretary to CEDC, was responsible for monitoring the fund, and it just so happens that same secretary is a former board member of Crocus, I wonder if the Premier could indicate whether he had any discussions with the secretary to CEDC about Crocus and the problems at that fund in 2001.

* (16:30)

Mr. Doer: Well, I did have discussions with the chair of CEDC around a project that was being supported by Crocus called the new arena. Because Crocus had invested in the Moose in 1997, again, before my time, the issue of—I am disappointed they are not in the playoffs, but we did have discussions around Mr. Chipman's proposal of two thirds private money and one third public money. Crocus, because they were an investor in the Moose—I think it was a \$5-million approval of a fund in 1997. There were discussions about Mr. Chipman's proposal, supported by Crocus, for a new arena with two-thirds private money and one-third public money. We then took those discussions to the Liberal government, the former Minister Duhamel. We had those discussions with Mayor Murray. So, when the member says, have you had discussions, the answer is, we discussed the issue of the arena. I was aware that Crocus had invested money in the Moose, and the Moose were going to be one of the equity investors in the new arena under the proposal of Mr. Chipman. I was also aware at that point that, through informal discussions, that the Crocus Fund had investments in other Chipman related companies, including National Leasing, which I understand, you know, is a family-owned business. It maintains its headquarters here in Manitoba. I am not sure of the date under which the National Leasing Company got its investments, and where Mr. Logan then became the CEO, and how that worked with the Chipman

family. I just know that Crocus had money in National Leasing.

But, yes, I was aware that Crocus was part of the ownership of the Moose. I was not aware about all the ownerships in the Goldeyes. I think they were also involved in that. I will have to find out. I did not read all their stuff, because I was not a shareholder. So, you know, I did treat it as the Auditor General said, we should treat it as a mutual fund separate from government.

I come back to the fundamental point, though, the secretary of the Economic Development Committee of Cabinet did not monitor the fund. It is not an issue of evasion; it is an issue of fact. I will find the Auditor General's page for the member opposite, but this was something that had to be retracted by a newspaper. It was not that prevalent, but it was retracted by a newspaper because it represented the facts. So I was very, very clear about the role of Crocus and the Moose.

But we have made our decisions in government. Our due diligence and CEDC's due diligence was separate from Crocus. We thought that it should be part of the infrastructure proposal. We thought that two thirds private money—and I think the person we were dealing with, initially, was Mr. Graves, then it expanded to a much larger group, I think, Mr. Silver, Mr. Richardson, Mr. Asper. I will get the list of investors that backfilled Mr. Graves. A number of others supported that backfill of Mr. Graves when he withdrew. He left some of his money in, but we think that that has ended up to be a good investment for the people of Manitoba. Whether the Moose investment in '97 was a good investment for Crocus I could not tell you. I would point out that the Auditor General made it very clear the government was not responsible for decisions that were made on individual investments nor were we involved on the valuation of funds.

Mr. McFadyen: I have asked the Premier whether he discussed with Mr. Kostyra problems at Crocus in 2000 and 2001. He has been asked the question several times. To date, he has refused to answer the question as to whether Crocus problems were discussed. There were lots of other things that were discussed; the arena and the Moose and others things. But, to date, has refused to answer whether or not Crocus problems were discussed with Mr. Kostyra or anybody else in his government, for that matter, in 2000-2001. Given that he has refused to

answer the question, is it fair for us to assume that they did have those discussions?

Mr. Doer: Well, I would recommend the member opposite never put words in my mouth. I would also recommend that the member opposite read page 4 of the Auditor General's report: As well, we note as well that the monitoring activities of the Manitoba Industry, Economic Development and Mines department and the Manitoba Securities Commission were not designed to prevent or detect issues regarding portfolio investment valuations.

Mr. Chairperson, that is contained within the Auditor General's report. I think most of the questions, and most of the misinformation the member opposite puts on the record can be answered in the Auditor General's report. The member wants to comment. I did say that the monitoring function from Industry—and I would point out the monitoring function dealt with the tax credits and the condition of the tax credits. It was recommended by the Auditor General that the decision that was made to move it to Industry be changed to Finance. That is a decision we both own. Both governments had that role in Industry. The Filmon government—when you were chief of staff, it was with the Industry Department. When we were in office, we did not change it. I take responsibility for that. We moved it to the Department of Finance. But I want to point out again, when you say I can assume this or that. You can assume the Auditor General's report has got it right on page 4: We note as well that the monitoring activities of the Manitoba Industry, Economic Development and Mines and the Securities Commission were not designed to prevent or detect issues regarding portfolio investment valuations.

Mr. Chairperson, here we have a situation where professional underwriters have to swear—and the member opposite, the member beside the Leader of the Opposition is a professional, worked for Wellington West and would know that they would have conducted a considerable amount of due diligence before they swore that the valuations in the prospectus that was going out to shareholders would be accurate. Now you are saying to me that I should have greater knowledge, or our department should have had greater knowledge than the individual professional brokers that were underwriting the fund and dealing, signing off, with their professional reputation, on the valuations that were contained in the share offering.

I respectfully say that some things the Member for Tuxedo (Mrs. Stefanson) may have more expertise than I do on. I will have to find out what her experience was in Wellington West. I have not really done any research, but I would assume that the combination of the comment from the Auditor General, and the fiduciary responsibility of the underwriter, and the signature that was contained, more than a signature for the Minister of Industry on valuations. There was not a signature from the Minister of Finance. In fact, there is a disclaimer on the prospectus. There is a signature from Pricewaterhouse. Was it Mr. Bessey's signature? PriceWaterhouse, and then there is a signature from Wellington West. There is no signature from the government—two shareholders. There is a disclaimer: We do not support any investments.

The government of Manitoba, with a disclaimer from the former government, and the disclaimer that existed when we were in office.

Mr. McFadyen: Mr. Chairperson, this will be my last question. Then I am going to turn it over to the Member for River Heights (Mr. Gerrard) who is going to put some questions to the Premier with the remaining minutes that we have.

It is clear that we have never suggested that the government is responsible for signing off on a prospectus or for providing detailed analysis of what is going on in the fund. We would simply expect that, when a government became aware of problems, that it might take some reasonable steps to deal with them. They, obviously, dropped the ball when it came to that. Presumably, they thought they could manage their way out of the problem, and it just did not work out. So here we are today.

The Premier has said, in the course of the Estimates process, that he made two mistakes as an opposition leader. I think one was not asking questions about auditors in Family Services, and the other one was not figuring out something in relation to Crocus.

I want to ask him whether he has made any mistakes at all since he became Premier, and if so, what were they?

* (16:40)

Mr. Doer: I probably make a hundred decisions a day, and probably make a number of mistakes every day. I have to admit the higher power does not refer to the ability to make decisions in an impeccable way. There is no condition of—we have no encyclical

protection here. No encyclical protection of infallibility. It only resides with one individual that I am aware of in the world, and that is the Pope, according to the encyclical, and I do not have that power.

I mean, the other day we were asking about university funding, and I think the Member for Tuxedo (Mrs. Stefanson) took a shot, or maybe the Member for Steinbach (Mr. Goertzen), about MPI funding for universities. There is just a great example of a mistake, and we accept responsibility, but, you know, every day—the member opposite just made about nine errors of facts in his questions. I do not believe for a moment that any one of those were intended to be factually correct.

So, yes, I am a fallible person. I do not always agree with the individual. One of the things I like about Premier Klein, whom I am going to see this next week—[interjection]—yes, always fun—is that he does admit when he makes mistakes. I think that is one of his—I think people know people make mistakes. I try to admit them when I can, sometimes reluctantly, but I am sure I made mistakes. I made a mistake yesterday. I said there was 685 when it was 665. I already apologized.

An Honourable Member: I thank the Premier for that display of humility.

Mr. Chairperson: The honourable Leader of the Official Opposition is to be recognized so that the answer directed would be correct.

The honourable Leader of the Official Opposition.

Mr. McFadyen: Thank you, Mr. Chairman. I do not have anything else to put on the record.

The Member for River Heights (Mr. Gerrard) would like to ask some questions, and I will turn things over to him at this stage.

Hon. Jon Gerrard (River Heights): As the Premier knows, there is a fair bit of issues around the OlyWest location. I begin by asking the Premier: His government has been talking for a while with OlyWest, has the Premier's government approached any other municipalities besides the City of Winnipeg in terms of siting this plant?

Mr. Doer: This is a private company. Private companies decide where to spend \$190 million of equity themselves. I believe their analysis was that the two potential sites for infrastructure and other factors were Saskatoon and Winnipeg, and those

were the only two sites we are aware of that they were looking at.

Brandon itself has said we are willing to host the company, but I believe that people investing \$190 million—I just want to say to the member opposite, it is not the government that tells a company where to locate. The government can provide a comparable tax situation, a comparable infrastructure proposal, and a comparable training proposal. In the case of some companies, we are now using loans plus interest to have a comparable profit margin for the government. But companies themselves, whether it is Simplot that was looking at Portage la Prairie or was looking at Brandon—Simplot potato plant was looking at Boise, Idaho, was looking at Saskatchewan, was looking at, I think, Red Deer, Alberta—they decide where to go. They ask what you are going to offer, and when the second shift of Maple Leaf, for example, when Maple Leaf was looking at spending capital, the incentives were much greater in Saskatoon for the Mitchell plant reconstruction, and so Maple Leaf went there for the capital investment in Mitchell.

Saskatoon was certainly interested in this plant, made offers in this investment, so the answer to your question is that it is not the government that decides where a place goes. It is a private investor that determines the location, and it is the host community that offers the site, and that is why the vote took place at City Hall, yesterday.

Mr. Gerrard: Yes, but, when the government is discussing with an investor who is looking at putting almost \$200 million of investment on the table, normally one would expect that there would be a discussion around options. Certainly, if the company approaches about locating at Winnipeg, many companies could interpret that just inside or outside the boundaries of Winnipeg, and that it would be logical to interpret that as looking in the rural municipalities just outside of Winnipeg as an option. So I ask, and interpret the Premier's reply as indicating that there was no discussion with OlyWest, to the people, representatives from OlyWest, of any other location, but inside the city of Winnipeg. Is that correct?

Mr. Doer: Well, no. I said that they were looking at Saskatoon. I do not know whether they were looking at Brandon or not. I do not think they were, but they are also not looking at putting a lot of extra money into infrastructure to, you know, outside of the city of Winnipeg, or outside of Saskatoon, for example.

They are not going to invest another \$60 million because of somebody saying, well, you should locate it somewhere else. It sounds like a nice thing to do, but there is much greater cost the farther away you go from the existing infrastructure. There is not that infrastructure, you know, in—and I do not know which community the member opposite is suggesting it go.

I understand the concerns people have about it being located where it is proposed to go. I understand why we have to deal with the issue of water and odour and traffic and a lot of other issues that have been slow in response from the company, but the company is not going to—I have not got the numbers, but, maybe the Minister—I do not know whether the Minister of Finance (Mr. Selinger) knows, but it would be tens of millions of dollars, the cost of infrastructure, to go outside of the regular infrastructure. It is not like parking a camper trailer. It costs money for proper treatment, and the costs are, obviously, dictated by the infrastructure that is already there. There has been, with the change in the southeast portion of the city, I believe—I am not speaking for the City—but there is capacity there and that was looked at prior to the company making an initial decision to locate there. It is not a revenue-neutral issue to go to another location. It is a very expensive decision, and I am sure the company is smart enough to deal with that. But we are not dealing with just, kind of, a whimsical choice.

Mr. Gerrard: I thank the Premier. Ordinarily, one would have a look at the costs and options in terms of various sites which could fit in or close to Winnipeg, and make a reasoned decision based on what those costs are. But I interpret, as the Premier has said, that, in this case, the government dealt only with the City of Winnipeg, and not with any rural municipality outside of that City of Winnipeg, in Manitoba. Obviously, the Premier has no interest in dealing with the Saskatoon situation, but clearly the options that were considered were just within the City of Winnipeg.

When did the Premier and his government first start dealing with OlyWest and the members of the OlyWest consortium, like Hytek, on this plant proposal?

* (16:50)

Mr. Doer: Well, I will have to find out the exact date. I know there was contact with, I think, the agricultural sector here in Manitoba and the industry sector in the province. But I want to go back to

something. The government does not decide where a private company is going to put \$190 million. To suggest that is very naïve. We provide the same incentive package, the same \$7.5 million. The loan package is not location-determined, and we have set it up with one percent higher than our interest rate. On the \$7.5 million training and infrastructure grant, that amount of money is available. Now let us just deal with the Simplot potato plant. The amount of money we were willing to invest in that potato plant would have been the same if it went to Brandon, Portage, Neepawa, Winnipeg, or we were competing with North Dakota, Saskatchewan, Alberta on that plan.

These people actually make up their own mind. They make their decisions on their own economics. They actually calculate, if we put it in Landmark, it will cost us \$50 million than putting it where they are proposing to do it.

So, they make those decisions. The companies know that the provincial government—I can tell you, we do not tell companies where to go in Manitoba because then we would be in a situation of choosing a company to go in, say, Portage la Prairie over Neepawa. And that would be a very big mistake. So we do not say, go to Tuxedo for political reasons, for example, and, you know, we are not peaking too early in Tuxedo. So, the companies make these decisions.

I just want to clarify, it is not the government that makes the decision on location. We are competing with other provinces. That is my concern as Premier. If the company decided to go with the same amount of money, \$7.5 million, somewhere else, that is their decision. We do not own this company. This is not Cuba. *[interjection]*

Mr. Deputy Speaker: Order, please.

Mr. Gerrard: Mr. Deputy Speaker, I think that the Premier takes the wrong inference. I am not trying to suggest that it is the government, or the government would decide, but that the government, normally, would have some due diligence in having a discussion with the company about options that they may be looking at. In this case it could be just inside or just outside of Winnipeg, or broader options.

But, let me move on to the issue of the Clean Environment Commission review. The Premier has insinuated that it is totally the company's decision, but, in fact, the government provides sort of a

scoping document, I believe, that provides to the company an outline—or maybe it comes from the CEC—an outline of what is expected of the company in terms of its submission to the Clean Environment Commission. So, if there are delays, or if that scoping document is not ready, or not available, then, of course, it would delay things. The company would have to wait until it has got that before really getting its presentation to the Clean Environment Commission ready.

Can the Premier tell us the status of the scoping document, and, if it is ready, would he be prepared to table it?

Mr. Doer: Well, we had a discussion document for the citizens and the company. We believe the company has the information it needs to proceed. The decision on timing is their decision. There are people that say, and I answered this question with the Leader of the Opposition (Mr. McFadyen), that we would prefer to have it into the future. I am always one of these people that believe that sometimes perceptions and statements are worse than reality, and I, actually, personally, prefer quicker. But I cannot, also, as the person responsible for having an independent quasi-judicial body, you know, get in the way of that. I just would like to say the commitment we have made, and I made it to the Leader of the Opposition, is that the Clean Environment Commission will not be overruled by our government. The Clean Environment decision has been overruled on a couple of occasions. I believe people yesterday at City Hall were using Oak Hammock Marsh as an example. I know the Manigotagan River set-aside was used as another example, but we will not override the Clean Environment Commission. We have not done it for the second shift at Maple Leaf, and we will not do it for this project. So I just want to give you that guarantee.

The scoping materials and discussion documents are ready for the company, but the issue of timing will be determined by the company putting in its own licence request.

Mr. Gerrard: Thank you to the Premier. I would hope that the Premier would make that scoping document available to members of the Legislature, if that is possible.

The second question that I have would relate to my request on a number of occasions of the Minister

of Family Services and Housing (Ms. Melnick) for the terms of reference for the external review. I would ask the Premier—you know, it is now two months after this has been called—whether he would undertake to make sure that members of the Legislature have access to the terms of reference for the external review.

Mr. Doer: Well, the terms that are used are very broad because of the other concerns which may arise as identified by the co-chairs. So we believe that nothing that the co-chairs determine that should be reviewed would be restricted or capped with this term of reference. We think the terms of reference are as broad as the co-chairs would like.

Mr. Gerrard: The terms of reference for the external review in Child and Family Services, will you make it available?

Mr. Doer: Well, I just will put on the record. Other concerns which may arise as identified by the co-chairs flow from the other terms of reference, which means the terms of reference are wide open in terms of the best interests of children in care in Manitoba.

Mr. McFadyen: Just whether we are going to call the question on the resolutions for Executive Council?

Mr. Chairperson: Resolution 2.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$14,600 for Executive Council, Costs Related to Capital Assets, for the fiscal year ending the 31st day of March, 2007.

Resolution agreed to.

The last item to be considered for the Estimates of the Executive Council is item No. 1.(a) minister's salary, contained in Resolution 2.1.

The floor is now open for questions.

There being no questions, Resolution 2.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,618,700 for Executive Council, General Administration, for the fiscal year ending the 31st day of March, 2007.

Resolution agreed to.

This concludes the Estimates for Executive Council. The next set of Estimates that will be considered by this section of the Committee of Supply is the Estimates of Transportation and Government Services.

The hour being 5 p.m., I am interrupting the proceeding of this committee. This section of the Committee of Supply will now recess and will reconvene tomorrow at 10 a.m.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 25, 2006

CONTENTS

ROUTINE PROCEEDINGS		Oral Questions	
Introduction of Bills		Crocus Investment Fund	
Bill 214—The Environment Amendment Act (Methamphetamine)		McFadyen; Doer	2576
Gerrard	2571	Lamoureux; Doer	2582
Petitions		Floodway Expansion	
Civil Service Employees—Neepawa		McFadyen; Doer	2577
Rocan	2571	Cullen; Doer	2579
Removal of Agriculture Positions from Minnedosa		Health Care System	
Rowat	2571	Driedger; Sale	2580
Dyck	2572	Child and Family Services Agencies	
OlyWest Hog Processing Plant		Cummings; Melnick	2581
Gerrard	2572	Prostitution	
Crocus Investment Fund		Goertzen; Mackintosh	2582
Lamoureux	2572	Physician Resources	
Committee Reports		Jha; Sale	2584
Standing Committee on Legislative Affairs Second Report		Members' Statements	
Reid	2572	Missing Children's Day	
Tabling of Reports		Swan	2584
Annual Report of the Seizure and Impoundment Registry for the fiscal year ending March 31, 2005		Driedger	2585
Mackintosh	2574	Free the Children Dinner	
Annual Report of the Seizure and Impoundment Registry for the fiscal year ending March 31, 2006		Schellenberg	2585
Mackintosh	2574	Gateway Resources	
Annual Report of the Teachers' Retirement Allowances Fund for the year ending December 31, 2005		Dyck	2586
Bjornson	2574	17 Wing Military Support Squadron	
Ministerial Statements		Korzeniowski	2586
Provincial Mining Week		ORDERS OF THE DAY	
Rondeau	2574	(Continued)	
Hawranik	2575	GOVERNMENT BUSINESS	
Ministerial Statements		Debate on Second Readings	
Provincial Mining Week		Bill 14—The Water Rights Amendment Act	
Rondeau	2574	Gerrard	2587
Hawranik	2575		

Committee of Supply
(Concurrent Sections)

Industry, Economic Development and Mines	2591
Labour and Immigration	2608
Energy, Science and Technology	2616
Executive Council	2624

The Legislative Assembly of Manitoba Debates and Proceedings
are also available on the Internet at the following address:

<http://www.gov.mb.ca/legislature/hansard/index.html>