



First Session - Thirty-Seventh Legislature

of the

**Legislative Assembly of Manitoba**

**DEBATES  
and  
PROCEEDINGS**

**Official Report  
(Hansard)**

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The Honourable George Hickes  
Speaker*



**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Seventh Legislature**

<b>Member</b>	<b>Constituency</b>	<b>Political Affiliation</b>
AGLUGUB, Cris	The Maples	N.D.P.
ALLAN, Nancy	St. Vital	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
ASPER, Linda	Riel	N.D.P.
BARRETT, Becky, Hon.	Inkster	N.D.P.
CALDWELL, Drew, Hon.	Brandon East	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CUMMINGS, Glen	Ste. Rose	P.C.
DACQUAY, Louise	Seine River	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.
ENNS, Harry	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
FILMON, Gary	Tuxedo	P.C.
FRIESEN, Jean, Hon.	Wolseley	N.D.P.
GERRARD, Jon, Hon.	River Heights	Lib.
GILLESHAMMER, Harold	Minnedosa	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
LOEWEN, John	Fort Whyte	P.C.
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MALOWAY, Jim	Elmwood	N.D.P.
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MIHYCHUK, MaryAnn, Hon.	Minto	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
PENNER, Jack	Emerson	P.C.
PENNER, Jim	Steinbach	P.C.
PITURA, Frank	Morris	P.C.
PRAZNIK, Darren	Lac du Bonnet	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack	Southdale	P.C.
ROBINSON, Eric, Hon.	Rupertsland	N.D.P.
ROCAN, Denis	Carman	P.C.
RONDEAU, Jim	Assiniboia	N.D.P.
SALE, Tim, Hon.	Fort Rouge	N.D.P.
SANTOS, Conrad	Wellington	N.D.P.
SHELLENBERG, Harry	Rossmere	N.D.P.
SCHULER, Ron	Springfield	P.C.
SELINGER, Greg, Hon.	St. Boniface	N.D.P.
SMITH, Joy	Fort Garry	P.C.
SMITH, Scott	Brandon West	N.D.P.
STEFANSON, Eric	Kirkfield Park	P.C.
STRUTHERS, Stan	Dauphin-Roblin	N.D.P.
TWEED, Mervin	Turtle Mountain	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

## LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, May 30, 2000

The House met at 1:30 p.m.

### PRAYERS

#### Speaker's Statement

**Mr. Speaker:** I have an announcement for the House. I would like to advise the House that I have received a letter from the PC caucus chairperson, the Member for Pembina (Mr. Dyck), advising me that the Member for River East (Mrs. Mitchelson) has been elected as interim leader of the PC caucus until further notice.

On this basis, I will be recognizing the Member for River East as the interim Leader of the Official Opposition.

### ROUTINE PROCEEDINGS

#### PRESENTING PETITIONS

##### Winnipeg Police Athletic Clubs

**Mrs. Myrna Driedger (Charleswood):** I beg to present the petition of Jim Moore, Diann Magnus, M. Gage and others praying that the Legislative Assembly of Manitoba request that the Minister of Justice (Mr. Mackintosh) encourage the Government of Manitoba to continue partnering with schools and law enforcement to ensure Winnipeg Police Athletic Clubs provide recreational and athletic activities for young people in a safe, supervised environment in 13 schools throughout Winnipeg for years to come.

#### TABLING OF REPORTS

**Hon. Tim Sale (Minister of Family Services and Housing):** Mr. Speaker, I wonder if you would allow me to table one copy, since the others are still on their way into the House, of the Communicable Disease Control Information Sheet issued today on the prevention of the hantavirus infection. We will have copies for everyone here and ask them to assist us in getting this information out to all appropriate quarters. I thank you.

**Mr. Speaker:** Order, please. Is there leave from the House to table one copy until they get further copies in?

**Some Honourable Members:** Leave.

#### Point of Order

**Mr. Marcel Laurendeau (Opposition House Leader):** How long would that be before we have copies distributed, Mr. Speaker?

**Mr. Speaker:** The Honourable Minister of Family Services, on the same point of order?

**Mr. Sale:** I would say in the next 30 minutes, Mr. Speaker.

**Mr. Speaker:** Is there leave? Is there leave to table one copy until the other copies are ready for distribution? Leave? *[Agreed]*

#### Introduction of Guests

**Mr. Speaker:** Prior to Oral Questions, I would like to draw the attention of all honourable members to the Speaker's Gallery where we have with us today His Excellency Urs Ziswiler, Ambassador of Switzerland to Canada.

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

Also I would like to draw the attention of all honourable members to the public gallery where we have, from Pineview Mennonite School from Emo, Ontario, 18 Grades 7 and 8 students under the direction of Mr. Robert Heatwole.

Also, from Holland Elementary School, 12 Grade 5 students under the direction of Mrs. Shelley Wallis and Mrs. Janice Drummond. This school is located in the constituency of the Honourable Member for Carman (Mr. Rocan).

Also we have seated in the public gallery, from Children of the Earth High School, 14 Grades 9 to 12 students under the direction of

Mrs. Celia Baker and Jon Hoole. This school is located in the constituency of the Honourable Member for Point Douglas (Mr. Hickes).

Also we have seated in the gallery, from Shady Oak Christian School, 13 Grades 7 to 9 students under the direction of Ms. Barb Penner. This school is located in the constituency of the Honourable Member for Ste. Rose (Mr. Cummings).

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

\* (13:35)

## ORAL QUESTION PERIOD

### E. Coli Bacteria Government Initiatives

**Mrs. Bonnie Mitchelson (Interim Leader of the Official Opposition):** Mr. Speaker, my question is for the First Minister.

We have heard about two young children from Elkhorn who are fighting the effects of E. coli bacterial infections. Our hearts and prayers certainly go out to the family and the children and hope and pray they have a speedy recovery.

In light of the very serious tragedy that took place in Walkerton, Ontario, can the First Minister please tell the House what steps his government has taken to isolate the source of this terrible bacteria?

**Hon. Gary Doer (Premier):** Mr. Speaker, when we were informed originally on Saturday of the case, as reported in the Brandon media, we were quite alarmed, and our prayers go out to the family. We are very concerned about the situation. We have not yet received a specific diagnosis of the cause of the E. coli in the location where the children are from. We know that there are private wells on that location.

As the Member opposite knows, the policies on private wells are very much based on the individual family. I believe it is up to a family of two dwellings on a private well that are not covered by municipal testing, but certainly we want to not presume the cause of the E. coli

infections and certainly wait. We believe within 24 hours we should know more specifically the causes.

**Mrs. Mitchelson:** Mr. Speaker, I want to thank the First Minister for that answer. I understand the results of the water testing will be available today.

Can the First Minister please tell the House if those test results will be made available to the people of Elkhorn, and if the Government intends to issue a boil-water order as a precaution or distribute any other information to area residents about this potential deadly bacteria?

**Mr. Doer:** Mr. Speaker, our Health officials and our Conservation officials are working together since the Saturday diagnosis, the early diagnosis of this situation. We are awaiting the results of the tests. But certainly all precautions and public protections will be taken to protect not only the families adjacent to the wells but to alert other people in Manitoba that may have wells that are not subject to municipal tests, not subject to tests that go to our environmental labs.

It is really quite crucial that all families do whatever is possible to prevent—I am not assuming that the well itself was the reason for this disease, but to ensure that all people are aware of proper preventative measures to protect the wells; all people are aware that they have a responsibility to test the water in the wells if it is under the standards of municipal testing; and three, we will do whatever possible with municipalities to ensure that municipal water is tested, and information that is in the public good to be released and in the public health required to be released will be released to the public.

**Mrs. Mitchelson:** Mr. Speaker, I would just like to ask the First Minister today whether he would commit to updating this House with information as it becomes available. I think it is very important, a very serious matter. I think all of us want to ensure that we have all of the information so that we can share with Manitobans anything that they might be able to do in order to prevent this from occurring again.

**Mr. Doer:** Yes, I thank the Member for the question. I want to reiterate that this was a

private well, not the well water for the community itself of Elkhorn, a private well that was subject to the conditions of private individual testing, and therefore not part of the municipal water supply.

The specific question: Will you advise the House? The Acting Minister of Health and myself and all members on the benches dealing with this issue will keep the House informed and will keep the public informed. I thank the Member for the question.

\* (13:40)

### **Child Pornography Decision Appeal**

**Mrs. Myrna Driedger (Charleswood):** Yesterday the Attorney General admonished us for the ranking of one of the questions we asked. I certainly hope that this position today meets his standards. In response, I hope he will actually answer the question, unlike yesterday when he did not provide an answer to this very important matter.

Mr. Speaker, can the Minister of Justice tell this House whether he intends to call for an appeal of Judge Linda Giesbrecht's decision to sentence convicted pedophile Gary Geisel to three months of house arrest for possessing child pornography instead of sentencing him to time in jail?

**Hon. Gord Mackintosh (Minister of Justice and Attorney General):** And, strangely, there were no supplementary questions, too, so keep it going and you will have my—

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

**Mr. Speaker:** Order.

**Mr. Mackintosh:** Yes, there was indeed one question from the Member yesterday. It was a very important question, and I am glad she raised it again today.

The outcome of the case was not, as I said yesterday, what the Department had requested of the judge at sentencing. Accordingly, the Department is now reviewing the sentencing deci-

sion by the Judge, with a view to determining if there is a basis for appeal.

**Mrs. Driedger:** How can this minister say that he is going to lead a campaign regarding Criminal Code amendments to combat Internet pedophiles, and here in Manitoba, in this particular case, he himself is not directing his department to take a stand on the issue?

**Mr. Mackintosh:** This government is certainly committed, unlike the former government, to dealing with child victims in a very serious, intensive, specialized and fast-tracked way.

The usual course—it is well known to members opposite—when there is a decision which the Department is dissatisfied with, there is a review of the decision to determine if there is a ground for appeal, and that is taking place. That is the usual course, and I certainly support the Department in its work.

The Member knows that that is the process, and we are following it. If an appeal is to be pursued, the Department will pursue it vigorously, as it did the prosecution of this offence.

**Mrs. Driedger:** I guess I would like to ask this Minister of Justice why he will not act when we have a pedophile that is showing no remorse for his actions, who does not believe that he has done anything wrong. Why will this Minister not commit today, he, himself, to taking some action to direct some initiative here to protect our children?

**Mr. Mackintosh:** I do not think the Member understands the role of the Prosecutions branch in Manitoba. It is well known to the Member opposite that Attorneys General across this country and indeed in this province, whether under that government that was in office or this government, do not tell prosecutors when to appeal. That decision is made on the basis of the evidence, the law and the policies. The Member knows that full well. But our government is moving ahead with the—

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

**Mr. Speaker:** Order.

**Mr. Mackintosh:** Mr. Speaker, it is interesting to hear when the other side now moves over to that side of the House, it is like going through a cybershield. All of a sudden, they become concerned about child victim cases. We have introduced the child victim support initiative, so that there is a different, more effective dealing with child victim cases.

\* (13:45)

**Mr. Speaker:** Order. The Honourable Official Opposition House Leader, on a point of order.

#### Point of Order

**Mr. Marcel Laurendeau (Opposition House Leader):** On a point of order, Mr. Speaker. *Beauchesne's* 417: "Answers to questions should be as brief as possible, deal with the matter raised and should not provoke debate."

The question was very simple. Will he appeal?

**Mr. Speaker:** The Honourable Government House Leader, on the same point of order.

**Mr. Mackintosh:** I am prepared to conclude my remarks.

**Mr. Speaker:** I will have to deal with the point of order first.

I would like to take this opportunity to remind all ministers that *Beauchesne's* Citation 417: "Answers to questions should be as brief as possible, deal with the matter raised and to not provoke debate."

\* \* \*

**Mr. Speaker:** Next question.

#### Street Gang Prevention Program Renewal

**Mr. Darren Praznik (Lac du Bonnet):** Mr. Speaker, my question is to the Minister of Justice and Attorney General.

We know in answers to questions yesterday the Minister took the view that the Winnipeg co-

ordinator of the antigang program, that particular issue was a City of Winnipeg issue. We are asking him today, on behalf of the tens of thousands of Manitobans and Winnipeggers who are concerned about antigang activity, whether or not he will show a leadership role as Attorney General and work with the City of Winnipeg and his counterpart, the Minister of Intergovernmental Affairs (Ms. Friesen), to look at renewing that program for another few years while we deal with this whole area of gang violence.

**Hon. Gord Mackintosh (Minister of Justice and Attorney General):** Mr. Speaker, in answer to the question yesterday, I explained to the Opposition that this was a position within the municipality of the City of Winnipeg. It was a position that is funded by the City of Winnipeg and reports, I believe, to the Chief of Police for the City of Winnipeg.

I just remind members opposite that the question appears to be premature in any event, given the report today in one of the local papers that Councillor Dan Vandal says that the program may not be dead. He said his committee will review evaluations of the program expected later this month before deciding whether to push for its survival.

**Mr. Praznik:** Mr. Speaker, I have to ask the Attorney General. Given that the issue of gang violence is province-wide—in fact, the Minister of Mines (Ms. Mihychuk) and I were witness to the injuries on the weekend of two individuals in the mine rescue competition who were severely beaten in Lac du Bonnet—when he, as minister, will take the initiative to meet with the City of Winnipeg, to meet with the councillors charged with this program, and to work with them to see this very important position continue.

We are asking him to show some leadership, not just to push off problems onto municipalities.

**Mr. Mackintosh:** The Member opposite does not appear to understand the concept that this is a position within the municipal government of the City of Winnipeg.

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

**Mr. Speaker:** Order.

**Mr. Mackintosh:** Thank you, Mr. Speaker. As a city program, my understanding is that this position reports to the Chief of Winnipeg Police Service, and we have not been privy to any evaluations of that program as to what the effectiveness may be. We are not aware of the funding issues. That is an issue that is within the ambit of the City of Winnipeg.

\* (13:50)

**Mr. Praznik:** Mr. Speaker, I want to ask the Attorney General if he is the Attorney General for the province of Manitoba. He has a role to co-ordinate, to work, to become involved, and I want to ask him again: Will he accept that responsibility as the Attorney General for all Manitobans, meet with his counterparts in the City of Winnipeg, or is he going to be building one antigang program at the provincial level while municipalities do their own thing at the city level, or is he going to have one effort for the whole province of Manitoba?

**Mr. Mackintosh:** Hearing from members opposite, lessons on street gangs is just ridiculous. Here is the group that oversaw the rise of criminal street gangs in the province of Manitoba to the point where today there are 1700 known gang members in the city of Winnipeg alone. And what did that other government do? They sat on their duff waiting for an election campaign, and they started talking.

#### Point of Order

**Mr. Praznik:** I would just like the Attorney General to answer to the people of Manitoba whether he is going to work with the City of Winnipeg, pick up the phone and talk to them about saving the antigang co-ordinator position.

**Mr. Speaker:** The Honourable Attorney General, on the same point of order.

**Mr. Mackintosh:** It was not a point of order; it was just an argument.

**Mr. Speaker:** Order, please. The Honourable Member does not have a point of order.

\* \* \*

**Mr. Speaker:** The Honourable Attorney General, please conclude your remarks.

**Mr. Mackintosh:** Unlike the record of the former government, this government is committed to doing business entirely differently when it comes to gangs, because despite our urgings, for years, for the former government to get serious about the rise of street gangs in this province, we are putting in—

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

**Mr. Speaker:** Order. I am sure everyone wants to hear the answer.

**Mr. Mackintosh:** I am very pleased that a couple of weeks ago we—*[interjection]* Mr. Speaker, if they were serious about the question, perhaps they would be serious about the answer.

#### Round Table on Sustainable Development Meeting Request

**Mr. Harold Gilleshammer (Minnedosa):** Yesterday we all heard how the Minister of Conservation broke the law and continues to be in violation of The Sustainable Development Act. He refuses to respond to letters; he refuses to meet with groups; he refuses to take their phone calls. In fact, he said yesterday he has not had a chance to meet with the round table over eight months in office.

My question is to the Minister of Conservation. When will this minister start taking his job seriously, start meeting with those who request meetings, start responding to their phone calls? When will he meet with members of the round table?

**Hon. Oscar Lathlin (Minister of Conservation):** I thank the Member for the question. I would just like to say to the Member that, when they were in government, between March and September under their leadership, the round table as a whole was virtually inactive and did not meet. When we took office, we undertook a review of the role of the round table to make it more effective and, more importantly, to make it more representative of the province. As I said earlier repeatedly, we will have an announce-

ment to make in the next little while regarding the new round table.

**Mr. Gilleshammer:** Mr. Speaker, this is unacceptable. The Minister refuses to meet with members of the round table; he refuses to take their phone calls. Will he apologize to Manitobans and members of the round table for his failure to meet with them?

**Mr. Lathlin:** Let me advise the members opposite again that preliminary discussions on the indicators with the round table subcommittee that was assigned to work on those indicators did take place in the spring and summer. They were not, however, consulted in the final product because the review of the round table was ongoing. I, as the Minister who chairs the round table, felt that we should review the role and mandate of the round table, and we have done that.

The new round table will be charged with the responsibility of assessing the outcome of those public hearings once they are finished.

\* (13:55)

### Funding

**Mr. Harold Gilleshammer (Minnedosa):** The Minister is in violation of the Act. Can he confirm that there is funding allocated for the round table? Is it in the Budget?

**Hon. Oscar Lathlin (Minister of Conservation):** Mr. Speaker, the new round table, as I said, will carry out all of the functions specified for it in The Sustainable Development Act, hence that act will be respected. The information—

**Mr. Speaker:** Order.

### Point of Order

**Mr. Marcel Laurendeau (Opposition House Leader):** On a point of order, Mr. Speaker, *Beauchesne's* 417: "Answers to questions should be as brief as possible, deal with the matter raised and should not provoke debate". The Member is repeating the same answer as before.

The question was very simple: Is there any funding for the act today, for the round table?

**Mr. Speaker:** On the point of order, the Honourable Member does not have a point of order. The Honourable Member was just into his answering of the question. I would ask all honourable members to give some time to the Honourable Minister to answer the question.

\* \* \*

**Mr. Lathlin:** Thank you, Mr. Speaker. As I was saying earlier, the new round table, once it has been approved by Treasury Board and Cabinet, will carry out the rest of the work that is being done by the workshop. The information gathered from this workshop will be turned over to the new round table and, in that respect, the Act is being respected.

**Mr. Speaker:** The Honourable Member for Minnedosa, with a new question.

### Members' Status

**Mr. Harold Gilleshammer (Minnedosa):** My question to the Premier (Mr. Doer): Can he confirm that the members of the round table have been fired?

**Hon. Oscar Lathlin (Minister of Conservation):** As I have said earlier—I repeat the answers because questions are being repeated. In the next little while we will be making an announcement as to the new round table. I, as chairman of the round table, felt it necessary to review the round table and make an evaluation and reconstitute the round table, which, by the way, was inactive for almost a year when it was under the care of the members opposite.

**Mr. Gilleshammer:** Members of the round table who he will not meet with, whose phone calls he will not take, has he now confirmed that the new round table is in place and he has actually fired the members of the round table?

**Mr. Lathlin:** Mr. Speaker, I will repeat: In the next little while, we will be making an announcement as to the new round table. It has been under review since we have taken office. I

felt it necessary that the review take place—  
[interjection]

**Mr. Speaker:** Order.

**Mr. Lathlin:** Once the new round table has been appointed, Mr. Speaker, we will be advising the members opposite.

### Funding

**Mr. Harold Gilleshammer (Minnedosa):** My final supplementary to the Premier: Is there money in the Budget for the round table.

**Hon. Gary Doer (Premier):** Mr. Speaker, both the Environmental Sustainability fund and the round table are matters, and the action of the former government in practice are matters that we are reviewing. We are trying to, and working towards, enhancing the rights of the citizens of Manitoba to have hearings on matters of public importance. For example, we disagreed with the former government in not providing for a public environmental hearing on the extraction of water from the Assiniboine and the treatment of water at the new sewage plant at the Maple Leaf plant. We thought that was a mistake. We have corrected that ourselves in government with a requirement to have a licence from—[interjection] We have corrected that with the Schneider's proposal. It is a conditioned precedent of the plant proceeding. Unlike members opposite who talked a good game, we are going to act on behalf of balance here in this province.

\* (14:00)

### Round Table on Sustainable Development Premier's Membership

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, my question is for the Premier. The Sustainable Development Act provides for the Premier to be a member of the Manitoba Round Table on Sustainable Development. As a mark of the importance given to this round table and to environmental issues, as indeed the Premier has campaigned, as the importance given to environmental issues on the Manitoba agenda, Manitobans see it as critical that the Premier is indeed a member of the Manitoba Round Table on Sustainable Development.

I ask the Premier: Will he be a member of the Manitoba Round Table on Sustainable Development, to give it the prestige and the attention it deserves?

**Hon. Gary Doer (Premier):** Mr. Speaker, as the Minister has indicated, we will be making an announcement in due course.

**Mr. Gerrard:** My supplemental for the Premier: Will the Premier not admit that if he fails to become a member of the round table he will be insulting Manitobans who are concerned for the environment?

**Mr. Doer:** Mr. Speaker, I can assure the Member opposite one of the matters that we have been dealing with is the decision that he made when he was in federal cabinet to withdraw from the AECL investment in Pinawa and reduce the payroll by \$70 million. We are further dealing with the decision that he made to leave the nuclear waste in the Pinawa AECL and Whiteshell area. The plan was to leave it there for the next 60 years, so I want to assure the Member opposite I am working as hard as I can with the Minister of Conservation (Mr. Lathlin) and the Minister of Mines (Ms. Mihychuk) to clean up his mess.

### Chairperson

**Hon. Jon Gerrard (River Heights):** My supplemental to the Premier: Since it is many months since he was elected to be Premier, being as tardy as he has to decide whether he is going to be a member of the round table, I ask, at least, have you decided who will chair the round table?

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

**Mr. Speaker:** Order.

**Hon. Gary Doer (Premier):** Thank you, Mr. Speaker. From the day we were sworn into office and were alerted to the fact that, months before, there was a unilateral decision of North Dakota to divert water out of Devils Lake, from the moment we heard that the U.S. Senate committee was going to approve a watershed diversion of water across the Missouri River watershed to the Hudson Bay watershed, from the moment we drafted legislation to deal with the bulk water

sales to the United States, this team of people, of men and women, is working hard on the environment of Manitoba, and I am proud of the efforts to date, and there is a lot more action in the future.

### **First Nations Casinos Selection Committee Recommendations**

**Mr. Jack Reimer (Southdale):** Mr. Speaker, the final recommendations of the site selection committee for the five casinos are due tomorrow, May 31. The Minister will no longer be able to shirk his responsibilities to the people of Manitoba by continually hiding behind a two-person selection committee.

I ask the Minister responsible: Will he commit to releasing the five casino site recommendations to the public tomorrow?

**Hon. Ron Lemieux (Minister charged with the administration of The Gaming Control Act):** I thank the Member for the question. I just want to reiterate certainly that the selection committee has been in process now for awhile, an independent selection committee that we put in place that we are very proud of with Mr. Nadeau and Mr. Freedman. We are very positive that they have done an excellent job, and certainly we await their recommendations.

**Mr. Reimer:** There are too many things to say in a preamble, Mr. Speaker, but I will ask the question: Will those five site selections be released tomorrow, and if they are released will public consultations take place?

**Mr. Lemieux:** Mr. Speaker, for months now we have been stating, certainly to the members opposite, that the recommendations would be forwarded to our government on the 31st of May. Tomorrow is the 31st of May, so we await those recommendations on the 31st of May.

**Mr. Reimer:** Mr. Speaker, the commitment from that minister was they would be released tomorrow. I know he already has the recommendations. My question, and I will repeat it one more time, for the third time: Will he release those—

**Mr. Speaker:** Order. The Speaker is standing. Would the Honourable Member for Southdale please put his question.

**Mr. Reimer:** Thank you, Mr. Speaker. I will ask the Minister one more time: Will he be releasing the five site selections that are recommended by the selection committee tomorrow, May 31? Will he be releasing those site selection locations?

**Mr. Lemieux:** I just want to make a quick comment prior to my answer. I just want to remind members opposite that the former minister, Minister Newman, and certainly others in their Cabinet, stated in the *Free Press* and other media outlets that the First Nations casinos, there is a great opportunity here to generate jobs, revenue and so on for First Nations people, which we are very proud of, and all First Nations people certainly anticipate the thoughtful process and the recommendations that Mr. Nadeau and Mr. Freedman have gone through to come up with the recommendations. Tomorrow we anticipate the recommendations. We are not sure whether these recommendations will—

**Mr. Speaker:** Order.

### **Point of Order**

**Mr. Marcel Laurendeau (Opposition House Leader):** Mr. Speaker, *Beauchesne's* 417: "Answers to questions should be as brief as possible, deal with the matter raised and should not provoke debate." The question was very clear: Will he release the report tomorrow?

**Mr. Speaker:** The Honourable Government House Leader, on the same point of order.

**Hon. Gord Mackintosh (Government House Leader):** Yes, Mr. Speaker. The question was about the process of the site selection committee. The Minister was simply answering the question about the process, trying to explain to the Opposition that there is a process in place, something they do not seem to grasp.

**Mr. Speaker:** On the point of order, I would have to rule that the point of order is a dispute over the facts.

\* \* \*

**Mr. Speaker:** Would the Honourable Minister of Consumer and Corporate Affairs please conclude his comments.

**Mr. Lemieux:** Thank you, Mr. Speaker. I am sorry for my long-winded answer previously, but we have not even received the report yet. We are anticipating receiving it. Of course, this report will be made public.

### **Brian O'Leary Disciplinary Action**

**Mrs. Joy Smith (Fort Garry):** Mr. Speaker, two years ago, Maples Collegiate principal Brian O'Leary, the former president of the New Democratic Party, breached provincial standards exam security. A teacher reported the breach—[*interjection*]

**Mrs. Smith:** Mr. Speaker, I see that we have pushed a couple of buttons, but we do need to know. Two years ago Maples Collegiate principal, Brian O'Leary, former president of the New Democratic Party, breached provincial standards exam security. A teacher reported the breach, and as a result the teacher was demoted and O'Leary was promoted to assistant superintendent. My question to the Minister of Education: Now that an arbitrator has sharply criticized the actions of Brian O'Leary, has the Minister taken any steps to ensure disciplinary action is taken against Mr. O'Leary?

**Hon. Drew Caldwell (Minister of Education and Training):** Well, Mr. Speaker, I will climb out of the gutter and the mud to respond to this particular question, and the answer is no.

\* (14:10)

**Mrs. Smith:** Mr. Speaker, I know this is a sore spot for the Minister because Mr. O'Leary is a key adviser to the Premier (Mr. Doer), but we do need some clear answers. My question to the Minister, to that same minister, now that the arbitrator has stated very clearly "O'Leary exhibited a disrespect for the guidelines that bordered on contemptuous and O'Leary's mistake had a consequence that he has failed to recognize," will this minister tell this House what steps he has taken to ensure this type of serious incident does not happen again?

**Mr. Caldwell:** I really do find it rather repugnant that this sort of debate takes place. It is shameful, Mr. Speaker, but very clearly this is a school division issue. It is a matter that involves personalities. It certainly does not belong in the House of this Legislature as report after report after report has indicated this matter was investigated, and the action properly rests with school divisions.

**Mrs. Smith:** Since the Minister does not seem willing to take action simply because the individual involved in breaching exam security is one of his own, could the Minister advise the House what consequences are in place for any individual who should commit a similar breach of exam security in the future, whether they are NDP or not?

**Mr. Caldwell:** My response would be in defence of any Manitoban, any Manitoban whose personal character was impugned in this House. It would be the same for any Manitoban. I find the questions shameful, Mr. Speaker. This is a matter that rests with school divisions, and that is where it will stay.

### **Budget Income Tax**

**Mr. John Loewen (Fort Whyte):** Mr. Speaker, during Finance Estimates last week the Minister, the Finance Minister was asked repeatedly if he would confirm that a family of four with an income of \$60,000 pays more income tax today than they paid before his budget came down. The Minister said he did not believe this was the case. He said he "wanted to ensure that nobody was worse off." We know today that there are a great many Manitobans who are worse off as a result of his budget.

I would ask the Minister of Finance: Did his department staff recommend delinking a year early, knowing that Manitobans would pay more income tax in the year 2000 as a result?

**Hon. Greg Selinger (Minister of Finance):** I can only reiterate the information that has been

conveyed to the House many times comparing the 1999 budget to the 2000 budget, where a family of four at \$60,000 pays less tax this year than they did last year and will surely pay less tax next year and the year following than they do today.

**Mr. Loewen:** I can certainly understand why the Finance Minister would wish the federal budget away, but my question to him is: Will he admit to this House and to the people of Manitoba today that a family of four earning \$60,000 is paying more income tax as a result of his budget than it was before his budget on May 9?

**Mr. Selinger:** The Member opposite is clearly wrong. A Manitoba family pays less tax this year than last, will pay less tax next year than this year and will pay less tax two years out than they do now.

**Mr. Loewen:** Mr. Speaker, the Minister of Finance is either unaware of the facts or trying to mislead this House. My final supplementary to the Minister—

**Mr. Speaker:** Order. The Honourable Government House Leader, on a point of order.

#### Point of Order

**Hon. Gord Mackintosh (Government House Leader):** Mr. Speaker, on a point of order. Aside from the fact that the Member was using a preamble in a supplementary question which is not available to him, I refer to *Beauchesne's* Citation 489: It is clearly unparliamentary to make any allegation that someone has deliberately or purposely or otherwise set out to mislead members of this House.

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

**Mr. Speaker:** Order, please. I would like to remind all honourable members that a point of order is a very serious matter and to please give it the due consideration that it warrants.

The Honourable Government House Leader, on a point of order.

**Mr. Mackintosh:** Thank you, Mr. Speaker. The Member, as I recall, stated that the Finance Minister was trying to mislead. That is clearly

unparliamentary. I ask that you ask the Member to withdraw and apologize to the House.

**Mr. Speaker:** The Honourable Official Opposition House Leader, on the same point of order.

**Mr. Marcel Laurendeau (Opposition House Leader):** On the same point of order, the Honourable Government House Leader was quoting from *Beauchesne's* 489 which does clearly say "deliberately misleading," but if you go to *Beauchesne's* 490 under "misleading," it has been ruled parliamentary to use the following expressions. So, Mr. Speaker, I do not believe the Member meant "misleading". I do not believe the Member has a point of order.

**Mr. Speaker:** I thank both members for their advice, and I will take the matter under advisement to peruse Hansard and consult the procedural authorities. I will report back to the House. I was not clear on what I heard, so I will check Hansard, and I will report back to the House.

\* \* \*

**Mr. Loewen:** Mr. Speaker, my final supplemental question to the Minister is: Now that it has been shown that not only are Manitobans living in the highest tax regime in all of Canada, but in fact Manitobans are paying—

#### Point of Order

**Hon. Gord Mackintosh (Government House Leader):** Mr. Speaker, on a point of order and the point that was already made, the Member is in a supplementary question and no preamble is required. The Estimates for Finance are currently underway. If he has a speech to make, he can make it there, ask questions in any way he sees fit. But, in this House, would you please ask him to put the supplementary question with no preamble.

**Mr. Speaker:** The Honourable Official Opposition House Leader, on the same point of order.

**Mr. Marcel Laurendeau (Opposition House Leader):** On the same point of order, I am sure I heard a question there. I do not know where the Honourable Government House Leader is coming from, but it was clearly stated in the form of a question for the Honourable Minister.

**Mr. Speaker:** Order. I would like to take this opportunity to remind all members that a supplementary question should not require a preamble.

\* \* \*

**Mr. Speaker:** I would ask the Honourable Member for Fort Whyte to please put his question.

**Mr. Loewen:** Thank you, Mr. Speaker. My question to the Minister of Finance is quite simple. Now that it has been shown that Manitobans are paying more taxes today as a result of this government's decision to delink a year early, what action will the Minister take—

**Mr. Speaker:** Order.

#### Point of Order

**Hon. Gord Mackintosh (Government House Leader):** Mr. Speaker, this is the third point of order now on this matter of a preamble and a supplementary question. The Member continues to get up and depart from the rules of the House. He should be reminded that willful disobedience to the rules and orders of the House can constitute a matter of privilege. Would you please draw to the Member's attention that there is no preamble on a supplementary question.

**Mr. Speaker:** The Honourable Opposition House Leader, on the same point of order.

**Mr. Marcel Laurendeau (Opposition House Leader):** On the same point of order. The only one that might have a matter of privilege raised against him would be the Honourable Government House Leader, who is imputing motives against the Member on this side of the House.

**Some Honourable Members:** Shame.

**Mr. Speaker:** Order. I would like to remind the Honourable Member that a supplementary question should not require a preamble.

\* \* \*

**Mr. Speaker:** I would ask the Honourable Member to please put his question.

\* (14:20)

**Mr. Loewen:** Mr. Speaker, my question to the Finance Minister is: What action will he take for those people who are indeed worse off as a result of his budget and who are paying more taxes today than they would have paid had he not delivered that budget?

**Mr. Selinger:** Mr. Speaker, the Honourable Member, in his long preamble to his supplementary question, may have inadvertently misled the House by suggesting that Manitobans pay the highest taxes. In fact, they are the middle of the pack, and the tax package that we have put forward will see their condition improve year over year for the next three years.

#### Fiscal Stabilization Fund Agricultural Disaster Assistance

**Mr. Harry Enns (Lakeside):** Mr. Speaker, I direct the question to the Minister of Finance. All of us in this Chamber have acknowledged that the flood suffered by particularly the southwestern farmers in '99 was a disaster of epic, indeed, once in a century proportions. The Minister of Finance has publicly stated on several occasions that the Fiscal Stabilization Fund can and should be used for such occasions.

My question to the Minister is: Will he allow access to the Fiscal Stabilization Fund to provide some immediate support for the farmers of southwestern Manitoba?

**Hon. Greg Selinger (Minister of Finance):** I thank the Member for the question. As the Member knows, there have been vigorous attempts to negotiate proper funding with the federal government for disaster relief funding, which the federal government has consistently denied to the people of Manitoba and particularly those people in southwestern Manitoba. I can assure the Member that we were ready to do our part to make that happen.

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

#### MEMBERS' STATEMENTS

##### Quarter Horse Association World Cup

**Mr. Leonard Derkach (Russell):** Mr. Speaker, I rise today to congratulate Christine Little

[*phonetic*] of Decker, Manitoba. Ms. Little is one of 10 youths who is selected to represent Canada at the American Quarter Horse Association Youth World Cup in Italy this July. She will be joined by Kerry Watson [*phonetic*] from the Winnipeg area to become the first Manitoba youths in American Quarter Horse Association history to represent Canada at the World Youth Cup.

Approximately 11 countries are participating in this prestigious event, so it is quite an honour for Christine Little to have been selected. Ms. Little began riding horses at the age of three, and for the past four years she has been involved with the Manitoba Quarter Horse Association. During this time, she has won numerous awards, including Youth Rookie of the Year, Champion Novice Youth Showmanship, and Most Sportsmanlike Youth Member. A busy young woman, Ms. Little has served as president of the Manitoba Quarter Horse Youth Association, has played on the Hamiota Huskies high school basketball team and is currently student council president of Hamiota Collegiate.

Given her impressive list of accomplishments and her considerable work ethic, I have no doubt that Christine Little will do Manitoba proud when she travels to Italy for the American Quarter Horse Association Youth World Cup. Please join me in wishing her all the best. Thank you very much, Mr. Speaker.

#### **ManitobaWomenBizNet.com**

**Ms. Nancy Allan (St. Vital):** Mr. Speaker, it is my privilege today to take a few moments to recognize a new resource for Manitoba women business owners. Manitoba Industry, Trade and Mines, in partnership with the Manitoba Women's Advisory Council, the Manitoba Women's Directorate, the Winnipeg Chamber of Commerce, Women Business Owners organizations and the Women's Enterprise Centre has recently launched an on-line business events calendar for Manitoba women.

Self-employment and small business ownership is a fast-growing field of opportunities for Manitoba women. Often women who are starting a business report difficulties in gaining access to loans and other capital, as well as information.

ManitobaWomenBizNet.com will assist women with a one-stop information resource on coming events such as workshops on business growth, customer relations, and mentoring programs for new women business owners. The website also offers links to several organizations offering information and services for Manitoba women.

I would like to congratulate the partnering organizations and departments on this initiative and invite all interested Manitobans to check out this new website at [www.ManitobaWomenBizNet.com](http://www.ManitobaWomenBizNet.com). Thank you, Mr. Speaker.

#### **Manitoba Mine Rescue Competition**

**Mr. Darren Praznik (Lac du Bonnet):** Mr. Speaker, I rise today to recognize and pay tribute to the 40th Annual Manitoba Provincial Mine Rescue Competition which was held this past weekend in Lac du Bonnet and hosted by the Tantalum Mining Corporation which is based out of that community.

The Manitoba Mine Rescue Competition is one in which teams from each of the mines operating in Manitoba, all of whom are volunteers, come together to test their skills in a mock accident situation. They are judged by a host of mines inspectors and safety officers for their ability to deal with one of the most difficult of situations, that of a rescue in an active mine.

I was very pleased that three of the seven teams competing in this year's competition were from my constituency, those from Harmony Gold in Bissett, Tanco mine in Lac du Bonnet and the underground research lab also in the R.M. of Lac du Bonnet. Four other teams joined them from across northern Manitoba to make for one of the stiffest, toughest competitions in many years.

I am particularly pleased that the winner of this year's competition was the team from Tanco mine in Lac du Bonnet, and I want to offer them my congratulations. The team from Leaf Rapids was second, and I would also like to recognize Mr. Kevin Clark [*phonetic*] of Atomic Energy of Canada Limited who was this year's winner of the Technicians Award. A big thank you to all who come forward in this important responsibility, those who train to put their own lives at risk should they ever be called upon to save their

friends and co-workers in a mine disaster. Thank you, Mr. Speaker.

### Safety and Health Officers

**Mr. Gregory Dewar (Selkirk):** Mr. Speaker, I am pleased to rise today to speak about a recent initiative included in our budget and that is \$500,000 for the addition of eight new safety and health officers. These officers will work with industry and labour as part of the Government strategy to protect workers and prevent workplace injuries. We have identified high-risk workplaces and are moving to reduce the potential dangers to employees by promoting prevention. This initiative includes a new safety and health position to provide service in northern Manitoba. Recruitment for this position will also focus on bilingual candidates and an outreach program within the aboriginal community. Over 800 000 work injuries occur each year in Canada and more than 1000 more workers are killed. Adding health and safety officers is good for business, but it is also good for workers. This will bring down the employers' compensation costs and foster a more productive working environment. We are committed to working with all stakeholders to make our workplaces safer, healthier and more productive. Thank you.

\* (14:30)

### Westfield Industries

**Mr. Frank Pitura (Morris):** It is my pleasure today to speak for a few moments about an important business development in my constituency. Westfield Industries, a grain auger manufacturer in Rosenort, has been sold to Ag Growth Industries of Swift Current. Westfield has 50 years of history in Rosenort. From its humble beginnings as Plett Industries in the 1950s, it has grown into one of the most successful industries in the region. The company has helped redefine both products and manufacturing processes, and many of its innovations have become industry standards.

At the time of the sale, Westfield employed about 150 workers in its 140 000 square foot Rosenort facility as well as its distribution centres in Saskatoon and Fargo. It sells to dealers all over North America and Europe, along with

Australia, the South Pacific and South America. With its sale to Ag Growth Industries, Westfield will have its growth even further enhanced. The new ownership plans to build on the Rosenort operation and begin the production of several new products immediately. I am very pleased to see the continued success and growth of Westfield. The new ownership promises to continue the Westfield legacy of innovation and reliability which has benefited Rosenort and the area for many years.

Congratulations to the Plett family who built Westfield into the success that it is today, and all the best to the new owners. Thank you.

### ORDERS OF THE DAY

**Hon. Gord Mackintosh (Government House Leader):** Mr. Speaker, there are two issues that require leave of the House. First, with regard to the order of Estimates and the document that was tabled in that regard, under Chamber, Executive Council will move after Industry, Trade and Mines to the bottom of that list.

**Mr. Speaker:** Order, please. It is very difficult to hear the Honourable Member's changes.

**Mr. Mackintosh:** Mr. Speaker, would you please canvass the House to determine if there is leave for Executive Council to fall to the bottom of the list for the Estimates for the Chamber.

**Mr. Speaker:** Is there leave of the House to bring Executive Council to follow at the bottom of the Chamber. Is there leave? *[Agreed]*

**Mr. Mackintosh:** Mr. Speaker, would you canvass the House to determine if there is leave for Labour to begin Estimates today in the Chamber and that it continues until its completion?

**Mr. Speaker:** Is there leave of the House for Labour to begin Estimates today in the Chamber and to continue until its conclusion in the Chamber? Is there leave? *[Agreed]*

**Mr. Mackintosh:** Just to clarify, Mr. Speaker, that means that the Estimates for Labour will be in the Chamber, Finance in Room 254 and

Highways and Government Services in Room 255.

I move, seconded by the Minister of Education (Mr. Caldwell), that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

*Motion agreed to.*

**COMMITTEE OF SUPPLY  
(Concurrent Sections)**

**FINANCE**

\* (14:40)

**Mr. Chairperson (Harry Schellenberg):** Order, please. Will the Committee of Supply please come to order this afternoon. This section of the Committee of Supply meeting in Room 254 will resume consideration of the Estimates of the Department of Finance. When the Committee last sat it had been considered item 7.5. Federal-Provincial Relations and Research (a) Economic and Federal-Provincial Research (1) Salaries and Employee Benefits on page 83 of the Estimates book. Shall the item pass?

**Mr. Eric Stefanson (Kirkfield Park):** Mr. Chairman, maybe just a housekeeping matter first, I am wondering if the Minister of Finance has had an opportunity to compile any of the information in response to the questions we asked last week, whether he has anything to table here today or anything that we can be expecting shortly.

**Hon. Greg Selinger (Minister of Finance):** We just have to consult the compilers. They are compiling the information. I believe I provided you with the framework agreement on the Canadian revenue collection agency and apparently some other stuff is close to completion. As soon as we just take a quick look at it, we will get it over to you.

**Mr. Stefanson:** Just one other matter that we discussed briefly last week, Mr. Chairman, it says potential amendment to The Balanced Budget Debt Repayment and Taxpayer Protection Act. I was concerned with the Minister's

answer last week in terms of the uncertainty as to whether or not any amendments are required. I believe the indication was that the one area of potential amendment was in the area of reflecting the pension liability. I am wondering whether the Minister can provide any further clarity on that issue today as to whether or not he believes there are any issues that are requiring amendments to that legislation or whether or not that legislation will remain intact and not be touched during this legislative session.

**Mr. Selinger:** In terms of potential amendments to the balanced budget legislation, the pension liability was the one issue identified. The other possibility is the Auditor's concerns with transfers from the Fiscal Stabilization Fund and how they are described, whether or not they are described as revenue and a more appropriate fashion to describe those.

**Mr. Stefanson:** Mr. Chairman, can the Minister give us any indication when he expects to be in a position to be able to provide clarity around those two issues and any potential amendments to the balanced budget legislation?

\* (14:50)

**Mr. Selinger:** Once again the intent, as expressed in the Budget Address, was to increase transparency and to address the pension liability issue and to strengthen the balanced budget legislation on both of those accounts. The final determination as to how and when to proceed will be made by Cabinet. In the meantime, the officials are following up on that, both points. Of course, the Provincial Auditor continues to press for certain clarifications about how resources out of the Fiscal Stabilization Fund are described. He has also pressed for quite a bit of time for the pension liability to be addressed. We are examining the best way to do that and the implications for the balanced budget legislation and how that legislation could reflect and deal with those specific concerns.

**Mr. Stefanson:** Is the Minister then saying that none of the actions as a result of the year 2000 budget require him to introduce amendments to the balanced budget legislation?

**Mr. Selinger:** No, I am not saying that. I guess the Budget came down May 10. A week and a

half later it was passed, and we are now into the Estimates process and are taking a look at what all the legislation is required that flows out of the Budget. I am informed that there are three or four pieces of legislation that have to be brought forward to effect the spirit and the intent of the Budget. I have been asking to get greater clarity in what my responsibilities are in that regard.

**Mr. Stefanson:** Mr. Chairman, normally the Minister and the Government would have a sense in advance or at the time of introduction of the Budget what legislative requirements were going to be required as a result of the Budget, and that is what I am trying to get clarity on. I am still having difficulty with that as opposed to what is discretionary. All governments have discretion in terms of what legislative amendments to introduce, when they introduce them, which session and so on. I am just trying to determine: Did the Budget itself create the need to amend certain parts of the legislation?

**Mr. Selinger:** As indicated in the Budget Address, the transparency issue and the pension liability issue are two areas we wanted to address. It is the view of my officials that the pension liability issue certainly requires changes in balanced budget legislation to recognize that in the amount appropriated under that piece of legislation for debt liabilities or debt repayment. In addition, I am informed that there are at least three other pieces of legislation that also have to be brought forward as part of the Budget: The Statute Law Amendment Act, The Appropriation Act, and The Loan Act.

**Mr. Stefanson:** Is the Minister telling us today that we will definitely be seeing some proposed amendments for The Balanced Budget, Debt Repayment and Taxpayer Protection Act in this legislative session that we are in right now?

**Mr. Selinger:** Once again, I cannot pre-empt a Cabinet decision in that regard, but certainly my officials are actively reviewing this situation and discussing it with drafters in the Attorney General's department. But I do not want to jump ahead of a decision here that would have to be taken by Cabinet on all legislation.

**Mr. Stefanson:** Mr. Chairman, I do not consider it pre-empting a Cabinet decision if the Act has to be changed to meet the Budget that was just introduced and passed by this government. That appears to be what he is telling us here today, that the Budget itself means that certain aspects of this legislation have to be changed and that, therefore, they will be proceeding with those amendments in this session that we are in right now.

\* (15:00)

**Mr. Selinger:** As I understand it, there are still discussions going on between Finance officials and the drafting people in the Attorney General's department, but there are no fixed dates yet on that.

**Mr. Stefanson:** I just want to be clear, Mr. Chairman. The decision has not been made that legislative amendments are required? The issue is still being reviewed?

**Mr. Selinger:** Yes, as indicated in the Budget Address, strengthening the legislation is being reviewed. It is at the discussion stage with the drafters. Once that is concluded as to the specific nature of how the legislation could be strengthened, that will be brought forward through the House Leader and be discussed with the Official Opposition.

**Mr. Stefanson:** So, Mr. Chairman, is the Minister saying then that we will definitely be seeing amendments to the balanced budget legislation in the session we are in right now?

**Mr. Selinger:** That final decision has not been taken by the Executive Council at this stage of the game. It is at the stage where it is being dialogued between the Finance officials and officials in the Attorney General Department, who look at what changes and how they could be drafted for legislation.

**Mr. Stefanson:** Mr. Chairman, I am just a little bit confused. I want to clarify then that if any of the actions in the Budget led to required changes in the legislation, that is one thing. If the Minister is looking at issues that he believes warrant review and so on that might require an amend-

ment, that is another. That is what I am trying to clarify.

Is this discretionary on the part of the Minister and government or is it not in terms of whether or not he will be introducing amendments to the legislation in the session we are in right now?

**Mr. Selinger:** I think I have to reiterate what I said earlier, that the Budget committed to increased transparency in dealing with the pension liability. Those discussions are proceeding at the level of the administration in consultation with the Attorney General's department, but cabinet has not made any final determination as to which way they wish to go at this stage of the game.

**Mr. Stefanson:** So, Mr. Chairman, to the Minister of Finance then, is he saying that he is not under any requirement to introduce amendments as a result of the Budget he brought down on May 10, that he is just looking at issues that he might want to bring forward in terms of the legislation?

There is a big difference here. That is all I am trying to get clear. Did the Budget create a need to amend the legislation, or is the Minister looking at issues relative to the legislation that he might want to bring forward for some reason?

**Mr. Selinger:** My officials inform me that the pension liability would require a change and to address that would require a change in the balanced budget legislation.

With respect to the session, it is not clear when the session will end. It might be adjourned till the fall.

Of course, the Cabinet has not made a final determination on how they wish to proceed and when. But it was clear in the Budget Address that we wanted to increase the transparency component of how we report Fiscal Stabilization Fund transfers and also put in place a long-term strategy to recognize and address the pension liability as part our total debt obligations of the Province of Manitoba.

**Mr. Stefanson:** Mr. Chairman, then I just want to be clear on this, that the Minister is saying that

there is no time line requirement to introduce and pass legislative amendments to deal with the pension liability issue?

**Mr. Selinger:** I mean, once again, that is where we are in active consultation with Justice officials about what legislative implications there are to the commitment we made in the Budget Address. I must say I am loath to pre-empt which way cabinet will make its final decision. Many recommendations come to cabinet, come in one way and come out another at the end of the day. The intent is often the same, but the means to achieve that intent can often vary. I am just a little reluctant to speak in advance of that process having occurred.

**Mr. Stefanson:** Mr. Chairman, I guess I just repeat myself. I am just looking for clarity as to whether or not the section spelled out in this budget under Financial Review and Statistics, page B7, that goes into some detail talking about the pension liabilities and the debt repayment and the starting in this budget year the fact that the Government is going to continue with the debt reduction schedule as per the legislation, \$96 million, but the Budget does outline that \$75 million will be targeted for general purpose debt, \$21 million to address pension obligations. So we are talking about the fiscal year 2000-2001, and it goes on to talk about matching the current pension contributions for all civil servants and teachers hired on or after April 1 of 2000.

So I just want clarity from the Minister. He is saying that these issues require legislative amendments. He has indicated that already, and now I am trying to get some sense of the time lines of those legislative amendments, Mr. Chairman. When does that have to be in place for the Minister to be able to fulfil the issues addressed in his budget?

**Mr. Selinger:** I thank the Member for the question. Once again, it is our intention to move on these issues, the pension obligation, the transparency issue. My officials believe that it requires changes in the legislation. They are actively discussing that with people, the lawyers in the Attorney General's Department. The timing on that issue depends on Cabinet's will. They have not been canvassed on this issue yet because it is still at the policy analysis and

drafting stage at the officials' level. Once they bring forward their recommendations, it will then move up through the system and be considered.

I know that does not give a specific date, and we are not clear entirely when the session will end. That is something to be negotiated between the two House Leaders. I believe the legislation, as I understand it, has certain notice requirements built into it for any changes, and certainly those would be respected.

**Mr. Stefanson:** All I am looking for, Mr. Chairman, are the time lines required to meet the commitments and obligations as presented in the Budget. When do those legislative changes have to be passed by to be able to abide by the commitments that the Budget itself has made?

**Mr. Selinger:** The specific timing on any legislation has not yet been pinned down because of the points I raised earlier, but when legislation was brought forward, it would have to affect this fiscal year. But there is no specific time line pinned down on that because it is still at an early stage of discussion on both the content and the required process. Of course, there has been no final determination by Cabinet. I do not think I can say any more right now without getting ahead of the process.

**Mr. Stefanson:** Well, all I would suggest, Mr. Chairman, is that the Minister should attempt to provide more details and clarity on this entire matter sooner rather than later. *[interjection]* And I see they are really being abided by over here as well, to the Member for Elmwood (Mr. Maloway).

Mr. Chairman, I want to move on to personal income taxes, and we will pick up I guess ~~where we left off on Thursday~~ and in part in response to the Minister's answers today in the House during Question Period. I just want to understand and I will ask the Minister: Had Department of Finance officials prepared any calculations as to what personal income tax Manitobans would be paying in the year 2000 if the Province of Manitoba had remained combined with the federal income tax system?

**Mr. Selinger:** The delinking decision was taken with a notice requirement to the federal government, prior to Christmas. We had to make that decision. Then the focus was to identify the best way to design the new tax on taxable income system. That is where the modelling occurred on the part of the officials in government. As a result of that delinking decision, the hypothetical impact of the federal budget was not the main concern. The main concern was to get a new system in place that would minimize impacts on Manitobans, and provide tax relief in an even-handed way.

**Mr. Stefanson:** Mr. Chairman, all I want to know and understand is whether or not the Department of Finance has prepared any calculations showing the impact on Manitobans' personal income taxes, if we had remained combined with the federal tax system in the year 2000. Have Department of Finance officials run sample calculations of what the levels of taxation would be for Manitobans under different income and different family scenarios?

**Mr. Selinger:** Once again the focus on looking at the tax on taxable income system is to look at how that system would impact on Manitobans, and perhaps what the modelling focussed on. That is the information that I received. There was a gross numbers analysis in that we passed on the \$10 million in base changes, and then combined that with our property tax credit. The analysis that generated out of that was that it was worth \$67 million more to Manitobans than staying on the old system. But the old system was not actually in effect once notice was given to delink. So it was not the de facto system before the Budget. Before the Budget, the delinking system had already been approved in principle by the new government, and communicated as required to the federal government, and announced, of course. So the reality is that, when the Budget was announced, it provided additional relief over and above what had already been promised during the election campaign, and prior to the Budget.

**Mr. Stefanson:** So is the Minister then telling us that his Department of Finance officials have not prepared any calculation showing the impact of personal income taxes on Manitobans under a combined federal-provincial tax system in the

year 2000, as existed prior to the decision to delink?

**Mr. Selinger:** Well, I think the first point there is that the year 2000 was a delinked year. There was not a combined system. The notice had been given prior to Christmas to delink. So the assumption or the premise that the old system was in place is incorrect. It was not in place. The delink system had been proceeded with, in principle, through the notice provisions as required by the federal government. The energy and the focus of the department was bringing forward a new tax on taxable income system that would do the job that we have announced in the Budget, and tried to communicate to people.

**Mr. Stefanson:** Mr. Chairman, I will try to come at this one more way. The tax tables that show the personal income tax deductions for individuals: On what basis were those tables prepared for the year 2000, starting at the beginning of the year?

**Mr. Selinger:** Just a clarification. When you say "tax tables," what specifically are you referring to there?

**Mr. Stefanson:** I am referring to the personal income tax deduction tables that are prepared by Revenue Canada, for individuals, which normally show both provincial and federal personal income tax. On what basis were those tables prepared, starting on January 1, 2000?

**Mr. Selinger:** My officials inform me that the tax tables were prepared based on the system that was in effect December 31, 1999, and that the new changes take effect July 1, 2000.

**Mr. Stefanson:** So the tax tables from January 1, 2000, to July 31, 2000, were prepared on the basis of a combined federal-provincial income tax system with Manitoba's personal income tax rate being 47 percent?

**Mr. Selinger:** I am informed that January 1, 2000, is the relevant date and the tables were prepared based on the rates and the brackets that were in effect as of that date.

**Mr. Stefanson:** So, Mr. Chairman, just to be clear here then in terms of the tables for Mani-

toba, they would have been done on the basis of a basic provincial rate of 47 percent of the federal tax for that period of time?

**Mr. Selinger:** I am informed that on the January 1 date, it was the 47 percent of federal tax, the 2 percent flat tax on income over \$30,000, and the surtax was also in effect.

**Mr. Stefanson:** Mr. Chairman, I want to come back to a question I have not had answered yet and that is whether or not Department of Finance officials have prepared sample calculations of personal income taxes for Manitobans in the year 2000 under a combined federal-provincial tax system. Has that kind of information been prepared by the Department of Finance?

\* (15:20)

**Mr. Selinger:** Once again, the information I was provided was related to how to design a new tax on taxable income system. We tried to design it in such a way that it would offer reduced taxes to Manitobans in every year, the Budget year and then the two years going forward. That was the focus of the analysis. The Budget book tries to illustrate that compared to last year's budget. Documents that I have seen internally also confirm that that is, in fact, what is going on, that there is a reduction of taxes for Manitobans.

**Mr. Stefanson:** Mr. Chairman, we are certainly prepared to get into that in a lot more detail as these Estimates unfold, but I just want to come back to what is a very simple question. It is just information that the Minister would be provided with and that his department officials, I am assuming, did prepare.

We can go the route of making a Freedom of Information request and all of those kinds of things. That should not be something we would have to do when our question is pretty simple. We are not asking for the revealing of any confidences or any such thing. We are just asking a basic question about the kind of information the Minister has at his disposal when he makes decisions, when he is looking at these issues.

The question is: Has the Department of Finance prepared sample calculations for the year

2000 for Manitobans for their personal income taxes if we stayed combined with the federal system? Have those kinds of calculations been prepared by the Department of Finance?

**Mr. Selinger:** Once again, I have indicated earlier that the notice requirements for delinking were necessary to effect before Christmastime and were followed through on. Then the focus was designing a tax on taxable income system that would benefit Manitobans. That is where the energy went and the analysis.

Now, I have indicated earlier that there were some 185 options looked at. I obviously did not review each and every one of those options or even the subvariations of that. I reviewed different general versions of that and would give my views on what I thought about them. You know, the general focus that I took was how can we make sure that families are better off under this new system, and how can we design the system accordingly to offer relief to families, and persons with disabilities? Charitable donations are now better off. The non-refundable tax credits were 39 percent enhanced.

So that was the focus of the analyses, and that was the basis upon which we made our decisions.

**Mr. Stefanson:** Mr. Chairman, when was the federal government notified of the rates that Manitoba intends to use for the year 2000 for the tax on taxable income?

\* (15:30)

**Mr. Selinger:** Just in terms of times, the correspondence indicates here to the Deputy Minister that November 26 was the first letter from our officials indicating our desire or an interest in linking to the tax on taxable income system that was confirmed on January 6 of 2000. In that shift—and this is a letter from the Deputy Minister dated February 18—the tax year of 2000 was considered a transition year. Manitoba's base personal income tax rate for 2000, 47 percent of the basic federal rate will be recast into three current federal brackets as percentages of taxable income. Manitoba will mirror the federal non-refundable tax credits, the Manitoba 2 percent net income tax. Surtax and tax reduction will

continue for the year 2000. Then in January 1, year 2001, which is the last quarter of this budget year, the new rates and new thresholds for non-refundable tax credits and the family tax reduction will take effect.

**Mr. Stefanson:** Two things, Mr. Chairman. First of all, will the Minister of Finance table copies of those letters that he referred to, I believe, November 26, January 6, February 18? I want to just clarify then when has it been confirmed with the federal government precisely what the rates are going to be for the year 2000 here in Manitoba for rates on taxable income?

**Mr. Selinger:** We will take this as notice or advisement the tabling of the letters and my officials will try to compile those. I think that paragraph I just read to you from the correspondence between the Commissioner of the Canada Customs and Revenue agency and the Deputy Minister, presumably that will be one of the letters they look at making available to you.

**Mr. Stefanson:** So, Mr. Chairman, again I want to be clear. When did the Government of Manitoba confirm these rates with the federal government that these would be the rates in effect for the year 2000, the rates that are shown in taxation adjustments C6 comparable rates in 2000, 8 percent, 12.22, 13.63, and so on. When was that confirmed with the federal government?

**Mr. Selinger:** Once again for the year 2000, the rates were a straight conversion, and the correspondence I have privy to here was dated February 18 from Mr. Rob Wright [*phonetic*] the Commissioner of the Canada Customs and Revenue Agency. That paragraph read: Under the transitional provisions, Manitoba's base personal income tax rate for 2000—47 percent of the basic federal rate—will be recast into the three current federal brackets as percentages of taxable income. Manitoba will mirror federal non-refundable tax credits. The Manitoba 2 percent net income tax surtax and tax reduction will pin it to the year 2000. Then the new rates that we designed and the new non-refundable tax credits and bracket thresholds and family tax reduction, et cetera, take effect in the last quarter of the Budget year. That would be January 1 in the year 2001.

**Mr. Stefanson:** Is the Minister of Finance (Mr. Selinger) telling us today that on February 18 of this year, the provincial rates for tax on taxable income here in Manitoba were cast in stone at that particular point in time, and a decision had been made?

\* (15:40)

**Mr. Selinger:** The short answer from my official is that on February 18 those are the rates that were transmitted to the federal government. It was based on the notion that the transitional year would be in effect a revenue-neutral year with a direct conversion and that the new rates would take effect in the last quarter of the Budget year, which would take effect January 1 in the year 2001.

**Mr. Stefanson:** Mr. Chairman, could the Minister of Finance provide us with the date that the federal government shared information with the Department of Finance official as to their plans for personal income tax reductions in their year 2000 budget?

**Mr. Selinger:** My officials inform that there were ongoing discussions among federal and provincial officials, but nothing was confirmed until the federal Minister of Finance brought down the budget February 28.

**Mr. Stefanson:** Again, I want to be clear, is the Minister of Finance telling us then that his officials did not have any advance notice of any of these personal income tax changes that were reflected in the federal budget?

**Mr. Selinger:** Once again, my senior officials inform me that they had nothing solid or specific prior to the actual budget announcement with respect to federal intentions or specifics on what the feds were intending to do.

**Mr. Stefanson:** Mr. Chairman, I want to clarify. The Minister just said then that his federal officials received no advance notice of any of the personal income tax changes which we saw in the federal budget on February 28. Is that correct?

\* (15:50)

**Mr. Selinger:** Once again, the notice was given prior to Christmas to move to the tax on taxable income system. The officials focussed on designing the new system. There were informal conversations between federal-provincial officials, but nothing was confirmed until the date of the Budget as to what the specifics would be, the timing of those specifics, and the range of the actions taken by the federal government with respect to taxation.

**Mr. Stefanson:** Mr. Chairman, I am wondering, when the provincial government confirmed these provincial rates for the year 2000, was an indication given to the federal government at that time that those were definitely going to be the rates for the year 2000, that there was no possibility of any changes as a result of the upcoming provincial budget?

**Mr. Selinger:** Yes, I think to answer the question of the Member for Kirkfield Park, the understanding on the shift to the tax on taxable income system for the year 2000 was it was a transitional year where there would be a direct conversion from the tax on federal tax base to the tax on taxable income base. There would be a direct conversion that was revenue-neutral for that 2000 tax year and then changes that provinces wish to make would take effect January 1, 2001, in the last quarter of our budget year. So the basic principles under which the transition year was to proceed would have been articulated earlier on, presumably in the communication prior to Christmas. That would be the basis upon which the transition year would occur. I am just seeing if there is any specific correspondence on that. Certainly the information I have given you with the February 18 date confirmed that general approach.

There is some communication. There is a letter here from the Director General, Individual Returns and Payments Processing Director of the federal Canada Customs and Revenue Agency to the Provincial Director of Economic and Fiscal Analysis, Federal-Provincial Relations and Research saying that—and this is December 17, the date of this letter, referring to a conference call of December 13. It says: To permit this proposal to move forward, the province will concur with the Department of Finance recom-

mendations concerning technical tax base changes, mirror the federal non-refundable tax credits, maintain the provincial tax reductions, tax credits, surtax and flat tax, introduce a transitional surtax or increase the provincial tax rate to ensure the correct withholdings of federal rates were reduced or federal income ranges were altered.

So that was the policy context under which the transitional year proceeded and the one that we followed up on.

**Mr. Stefanson:** So, Mr. Chairman, just to be clear, well, first of all, the Minister indicated, I believe, that he is going to provide us copies of those letters. Is he telling us today that the final decision on the personal income tax rates in Manitoba for the year 2000 was completed by February 18 of this year and therefore the Budget that he brought down on May 10, he had no flexibility in terms of any further adjustments to those personal income tax rates in our province?

**Mr. Selinger:** Again, the year 2000 was intended as a transitional year for tax on taxable income. The focus of analysis and modelling was what would take effect in the last quarter of the Budget year starting January 1, 2000. That is where the work was done in designing the new system. I think I have just repeated what I have said earlier, but that is what happened.

**Mr. Stefanson:** Mr. Chairman, that did not answer my question. What I was looking for was confirmation that the Minister of Finance confirmed as early as February 18, if not earlier, what the provincial personal income tax rates would be in Manitoba for the year 2000 and that at that particular point in time those rates were confirmed, cast in stone, and he was left where he could not introduce any further reductions in his upcoming budget because of the decision and commitment that had been made at that time.

**Mr. Selinger:** Well, again, the decision to go to 47 was one that we followed through on January 1, which was valued at approximately \$40 million. The other decision that we had run in the election on and followed through on was the property tax credit improvement of \$75, bottom end and top end of that system. Then we went to

a transition year that was intended to be revenue neutral but converted the agreed-upon 47% rate to a provincial rate. Further relief was offered in the last quarter of the Budget year, January 1, 2001, through the redesigned tax on taxable income system that we proposed, whereby the flat tax on net income was eliminated, the surtax was eliminated, and a new rate structure, a new bracket threshold structure, new non-refundable tax credits and a family tax reduction component were all put together in a new package to offer additional tax advantages to Manitobans.

\* (16:00)

**Mr. Stefanson:** Again, Mr. Chairman, it does not answer what is a very simple question. I am looking for an answer as to when our provincial personal income tax rates for the year 2000 had been confirmed. Were they confirmed on February 18 or earlier with the federal government, leaving no flexibility to make further adjustments in the upcoming provincial budget, or were they confirmed after the introduction of the provincial budget? At what point in time was the final decision made on the personal income tax rates in Manitoba for the year 2000?

**Mr. Selinger:** They were confirmed on February 18 and earlier as part of that ongoing discussion between federal and provincial officials about the context of the transition year.

**Mr. Stefanson:** Mr. Chairman, is the Minister then saying that as a result of that confirmation on February 18 he had indicated at that time that there would be no further reductions in the year 2000 Province of Manitoba Budget?

**Mr. Selinger:** There were additional reductions that took effect January 1, 2001, the last quarter of the 2000 budget year. Those were the ones we announced in the Budget and which I have outlined here just recently.

**Mr. Stefanson:** Mr. Chairman, that was not my question. I am talking about the year 2000 personal income tax rates in the province of Manitoba. At what point in time were they confirmed with the federal government? Did the Minister of Finance leave himself any discretion to make further reduction in the Budget he tabled on May 10, or was that decision made back on

February 18 and confirmed to the federal government, that there would be no further adjustment to personal income tax rates in the province of Manitoba?

**Mr. Selinger:** Once again, the decision in principle to go to a tax on taxable income transition year was made prior to Christmas. The context for that was intended to ensure that it was revenue-neutral. Then that allowed our officials to focus on designing the new tax on taxable income system that takes effect January 1, 2001. That is where the resources were dedicated and the work done. It was in the context, of course, of preparing the overall budget. Many obviously program decisions were made as well. I am sure the former member realizes and understands the larger context that these decisions were made in and just how much other work was going on to bring it all together in a seven-month period to effect that date of May 10 when the Budget was delivered.

It was a fairly intense period of time with a lot of activity going on both at Federal-Provincial Relations and Treasury Board and in the Secretariat to the Treasury Board. There was just a tremendous amount of activity going on to bring this all together in really quite a short period of time, seven months, since October 4. That is what was being done. There was not really an extra lot of time or energy available to go off in other directions. We had to focus on bringing forward a budget that balanced, met the election commitments, came to grips with the new tax on taxable income system, and that is where all the energy and time went to try and make it all work.

**Mr. Stefanson:** Mr. Chairman, I guess this is becoming more than a little bit frustrating because what we are trying to determine is how much discretion the Minister of Finance had on budget day. I know a few other provinces delinked and they delinked significantly later than—they brought down their budgets much later than February 18. I have all the budget dates for all the provinces here. Of the provinces, the first budget was February 24, and I believe the last budget, of course, was here in the province of Manitoba. They would be dealing with the federal government in terms of giving their provincial rates for the year 2000. In each of

these cases, these governments made decisions to flow through the net effect of the federal income tax reduction, something that did not happen here in the province of Manitoba.

What I am trying to get clear from this Minister is at what point in time did he make and his government make a final decision on the personal provincial income tax rates in the province of Manitoba. Was it as early as February 18? Is he telling us that that decision was made at that point in time and he had no further discretion for reducing the rate in his budget on May 10?

**Mr. Selinger:** Once again, that letter of February 18 confirmed the revenue-neutral conversion based on the decision to delink taken prior to Christmas time. From then on in and during that course of time, all the energy was focussing on designing this new system which was trying to deal with a lot of complexity on the old system where you had a flat tax and a surtax and trying to figure out how to eliminate those mechanisms for revenue collection and come up with a new system that would at the same time not have negative impacts on significant groups of Manitoba taxpayers was where the energy was going. At the same time as all that was going on, there was the program side of the Budget that was being prepared. There were no resources available to look at work that was not related to those specific objectives in delivering that budget and following through on that new tax on taxable income system. That is really where the effort went, and that shows in the result that came out May 10.

**Mr. Stefanson:** I am assuming then the Minister of Finance is telling us today that he and his government had made a final decision on what the personal income tax rates would be in Manitoba by no later than February 18 of this year, and ultimately that is what we saw reflected in the Budget that he brought down, three months later almost, on May 10.

**Mr. Selinger:** The decision to go to the tax on taxable income system was made in principle. The context was one of trying to retain some revenue neutrality with respect to that transition. The rates were firmed up in that letter that we indicated on the date of February 18. All the

effort was put into bringing the Budget together on the program, on the revenue spending side and the new tax regime side. Really, honestly, it was a tremendous effort on the part of everybody to sort all of this out, make it all come together, and to put a package together that would offer tax relief in each of the 2000, 2001 and 2002 tax years. That was where the effort and the energy went.

**Mr. Stefanson:** Mr. Chairman, the federal budget was February 28. At what date did the federal government start sharing some of these scenarios in terms of personal income tax reductions that they might be introducing in their budget with Finance officials here in the province of Manitoba?

\* (16:10)

**Mr. Selinger:** Our first federal-provincial Finance ministers meeting was prior to Christmas. I think it was early December in Ottawa. At that time all the provincial Finance ministers, in discussion with the federal Finance Minister, received a message from him that he would try to design his budget to have minimal impact on provincial budgets. He did not give specifics around that, but he was trying to offer some comfort to provincial Finance ministers that he would try to reduce any negative impacts on their budgets, so that they could proceed with their own planning with some measure or some sense that they would not have any unpleasant surprises.

That is the message we got in December, and then the officials continued to dialogue throughout the entire budget preparation period, both at the federal and provincial levels. But I am not aware of any correspondence or anything confirming what the federal intentions were, and nothing was finalized with us until the Budget was actually announced on February 28. Even on the Budget announcement of February 28, there was a lot of information that nobody had any idea that that was coming forward. So it was one of those informal processes where we had thought his budget was being designed to have minimal negative impacts on provincial treasuries.

**Mr. Stefanson:** Mr. Chairman, when the Finance officials were bringing forward various scenarios, and the Minister and his government were looking at locking in provincial rates as early as February 18 of this year, did he have any discussion with his officials about the pending federal budget and the impact that it might have on Manitobans and the establishment of these rates?

**Mr. Selinger:** We had discussions on all manner of implications in designing our first budget as late as February 18. The main focus was not only in trying to bring the revenue and program spending together on the year 2000 budget but to design the new tax on taxable income system in a benign way, in a positive way for Manitobans. Those discussions were ongoing and back and forth all the time.

There was obviously lots of speculation about the federal budget, but the federal minister had indicated to us before Christmastime that he was going to try and design his budget so that there would be minimal negative impact on provincial budgets, and I, for one, took him at his word.

**Mr. Stefanson:** Well, Mr. Chairman, on what date did the federal Finance officials start sharing with provincial officials some of the scenarios that provincial officials would have realized would have a direct impact on individual taxpayers and the combined system?

**Mr. Selinger:** My officials inform me that they have discussions in an ongoing way with federal officials about budgeting matters. They occur basically all year round. They do not have specific dates in front of them right now for specific meetings, but they talk in the spring, they talk in the fall and they talk in the after-Christmas period.

But we had made our decision to go to the new system in principle and then confirmed it in writing as late as February 18, but that decision had been taken well in advance of the federal budget, and really the federal budget's specific measures that were brought out were really not confirmed until budget day. There was obviously speculation, speculation in all directions, as there was before our provincial budget.

**Mr. Stefanson:** Well, Mr. Chairman, during all of those discussions, did Department of Finance officials point out to the Minister of Finance that by establishing the rates that he says he committed to by February 18 at the levels that he set them at, he could be precluding Manitobans from receiving a further reduction in overall personal income taxes if the federal government brought in federal tax reductions along the lines of some of the types of reductions that they were probably talking about with Finance officials?

\* (16:20)

**Mr. Selinger:** Once again, the package we put together passed through a 47% rate valued at around \$40 million for the 2000 taxation year. It passed through and followed through on a reduction in the small business rate valued at \$5 million to \$6 million. It implemented the property tax credit valued at approximately \$26 million, then of course starting January 1 brought in the new tax on taxable income system, and, as well, passed on the \$10 million in base rate adjustments announced in the federal budget. The value of those reductions exceeds in terms of total value of tax reductions to Manitobans what would have occurred if they would have stayed on the old system.

So the shift to the tax on taxable income system in the transition year allowed Manitobans to receive greater overall net benefits in tax reductions. That is on the record now.

**Mr. Stefanson:** Mr. Chairman, I am just looking again for a fairly simple answer as to what Department of Finance officials were sharing with the Minister during this entire process. I am assuming some fundamental issues were brought to his attention and that by establishing the rates which he ultimately brought forward in his budget on May 10, which he is now telling us he committed to and confirmed and his government committed to and confirmed back on February 18, three months before the Budget that he brought down, that officials were pointing out to him what the impact would be in Manitoba if the federal government introduced personal income tax reductions which had been brought to his attention at a Finance Ministers' meeting and brought to his officials' attention through numerous discussions from December till February.

Now, was that brought to his attention? And if so, were various scenarios provided to him during that review and discussion process?

*Mr. Jim Maloway, Acting Chairperson, in the Chair*

**Mr. Selinger:** Our focus in the Budget was to live up to the broad election commitments on health care, education, property tax credits, balanced budget legislation. We were confronted with this shift to tax on taxable income, and we entered into a transition year to affect that. We designed that to be revenue neutral, as per discussions with the federal government, and then in the beginning of January 1, 2001, we brought in a new system that eliminated the surtax, the flat tax on net income over \$30,000 and did several other enhancements which I have mentioned earlier on non-refundable tax credits.

All of that really was the focus of what we were trying to do. We were trying to make sure that the system is fair, offered relief, lived up to the election commitments and in fact went beyond the election commitments with an additional roll-out of tax reductions, what we call responsible tax reductions, over the next two taxation years.

That is really what we spent our time doing. I know when I talked to my officials that the energy was being focussed on how to design this new tax on taxable income system. I made it a priority and a point of emphasis that I wanted the new system to be fair to families and offer families relief for the responsibilities they had for raising children. I wanted the new system to not negatively impact anybody. I wanted it to be designed in such a way that it would not have negative impact on people. That is where all the effort went, and that is where my attention was turned and the transition year was part of that process.

When I came into office, I understood that the previous government had committed to the tax on taxable income system, and I was being encouraged to go there. Some might say kicking and screaming, in a sense, because I had not had much time to think about this, and it was a pretty new set of concepts for me to grapple with. But I

was constantly confronted with the fact that it was coming. I had to get my head around it and come to grips with it, and that is what we did as a ministry and as a government. We tried to do that in as fair a way as possible, and I think the Budget on May 10 lived up to that.

**Mr. Stefanson:** I am surprised to hear the Minister refer to being brought kicking and screaming into the tax on taxable income when all he needs to do is look at the 1998 Budget, which I am sure he has had the occasion to do, which very clearly outlines the tax on income proposal summary. It says very clearly on page 15, under Taxation Adjustments, that Manitoba would not move to a tax on income system before 2001.

As we discussed the other day, that was done for a number of reasons, to allow Finance officials to do all of the due diligence that should be done when you are making that kind of a significant move in terms of your taxation system, to allow individual Manitobans to have input, allowing various organizations to have input. We put out a discussion paper on that topic for that very reason. So the time lines had been set and agreed to back in 1997 and confirmed in 1998 with the federal government. It was this minister and this government that made the decision to accelerate it one year early. So I do not know how that defines being brought kicking and screaming into implementing it.

I want to ask the Minister, was there anything that precluded him and his government or prevented them from bringing in lower rates in the year 2000 than what they show on page C6 of Taxation Adjustments where they establish the rates for the year 2000 at 8 percent, 12.22 percent and 13.63 percent, and they leave in place for the transition year the 2 percent net income and the 2 percent surtax. Was there anything that precluded him and his government from bringing in rates in his budget effective the year 2000 lower than those rates?

**Mr. Selinger:** The transition year was intended to be a step along the way to the tax on taxable income system, to be designed in a revenue-neutral fashion to allow the Government to design the new system that we have announced and at the same time to live up to our larger

responsibilities and commitments with respect to health care and education and balanced budget legislation. So it was part of a total package of considerations and how we would make all those commitments real in the first budget and move forward. Those were the considerations that went into the decisions that were made.

**Mr. Stefanson:** So I am assuming the answer then from the Minister is that there was nothing that would have precluded him on budget day from bringing in rates that would be lower than these rates that are shown on page C6, that if his government and he had decided to bring in lower rates, that could have been budget day and would be ultimately reflected in our personal income taxes here in the Province of Manitoba in the year 2000. There was nothing that would prevent or preclude him or his government from doing that.

**Mr. Selinger:** The tax measures announced in the 2000 budget were ones that were intended to bring in the \$40 million of personal income tax reductions that both political parties had agreed to in the spring budget of '99. Those were announced and confirmed January 1. It was intended to realize the additional reductions in small business tax rates. It was intended to realize the property tax credit and in addition was intended to follow through on the base rate changes. All of that wound up creating more tax relief to Manitobans than if the old system would have been maintained and none of those things would have been followed through on.

It was an attempt to have some fidelity with the election commitments and at the same time to realize the other commitments in terms of health care and education and community safety and all of those other matters that seemed to be pressing concerns of Manitobans and balance the budget at the same time. It was part of a total package of considerations. You cannot really isolate and focus only on one area, whether it is spending or revenues or taxation. It is trying to design, and I am sure the former minister knows this, because he did it himself many times. It is intended to come up with a total package that works on all fronts for Manitobans. That is really what we tried to do in our first budget as well.

\* (16:30)

**Mr. Stefanson:** So just to clarify and confirm then, on budget day, May 10, here in Manitoba, the Minister and his government certainly had discretion in terms of setting whatever rates they wanted when it came to the personal income tax rates in the province of Manitoba for the year 2000, that the rates we see on page C6, if the Minister and his government had decided, could have been set at a lower amount. I am assuming that is the case. That always has been the case. I just want to be 100 percent sure. Giving the Minister every benefit of the doubt, was there anything that would have prevented or precluded him from doing that? Normally, you can set those rates budget day. Governments do it all the time. I just want to be absolutely certain that this minister and this government had the same discretion and decision making on budget day.

**Mr. Selinger:** Once again, the decisions were made as part of a total package of considerations about what needed to be done in the first budget. The notice for the new tax on taxable income system had been effected before Christmas and followed through on.

I am concerned that the former minister seems to be focussing on this one item without considering all the other requirements of a budget, including balanced budget legislation, including honouring certain obligations in the community with respect to health care, obligations which had been incurred by the previous government and had serious implications for the levels of resources we needed to commit in this budget, obligations that had been incurred with respect to education commitments, et cetera. So we tried to come to grips with all of that and put together a fair and reasonable approach, and, in addition, offer additional tax relief in our new tax on taxable income system, which was also part of the Budget announcement.

**Mr. Stefanson:** What I am trying to get clear is what information this minister had before him when he made decisions on taxation affecting all Manitobans. I want to be clear on the decisions that he made.

Mr. Chairman, the Minister has indicated that an indication was given to the federal government back late in 1999 that the Province of Manitoba was going to delink one year earlier

than had been outlined in our 1998 budget year here in the province of Manitoba. So I want to know what information he had and the basis of his decisions. What is becoming abundantly clear is, it would appear, that the Minister was provided with information that the federal government was certainly looking at reducing federal personal income taxes. It has been made clear that the Minister himself and his government had the discretion to set the personal income tax rates in the province of Manitoba when the Budget came down on May 10. That is why I do not buy this line that is being used by the Minister, or this argument that is being used by the Minister: Well, we gave notification back in the fall of last year that we were delinking. The Minister still had information available to him and still had steps that he could take to allow for the complete flowthrough of the impact of the federal budget. He and his government chose not to do that.

All I am looking for is for him to basically admit that, to say: Yes, I had the information. Yes, I had these comparisons, and, yes, I decided not to pass through the full impact of the federal budget to the benefit of Manitobans, as we saw happen in other provinces. That certainly appears to be the case, from all information, all data, all examples that we have. Based on everything that he has said in the last couple of hours and last week, that appears to be the case. I am just looking for the Minister to be perfectly clear on all of those issues, in terms of the information he had, the information his officials provided to him, information the federal government shared with him, calculations that were done. I would expect him to do all of those things. I would hope he did all of those things. I am assuming he did all of those things. He has tremendous resources at his disposal to do all of them; and, if you are going to change our personal income tax system and, on top of it, you are going to accelerate the process to change it one year earlier than was the original plan, you had better be sure that you have all of that information and you have done all of your homework.

**Mr. Selinger:** Once again, I think the Honourable Member for Kirkfield Park (Mr. Stefanson) is jumping to conclusions, not based on the testimony I have given, but based on what he wishes the situation was.

The reality was that when we came into government, we had issues to deal with, with respect to overexpenditure; we had issues to deal with, with respect to revenues and uncertainties around that; we had a tax on taxable income system that was on the agenda; we had election commitments that we had to live up to, which were grounded in some serious concerns emanating from the community with respect to hospital services, education services. We had a promise on property tax credits, based on some real, palpable concerns expressed to us by members of the community. We proceeded to put together a budget that offered, in aggregate, greater tax relief than would have been the case if the old system had been maintained.

I think that is a very significant and important point to once again reiterate in this discussion that the tax relief exceeded in the order of \$6 million what might have occurred under the hypothetical older system that had been terminated with notification given prior to Christmas-time. That tax relief flowed immediately to most Manitobans through their property tax bill, and for some it will flow when they file their income tax next year.

In addition to that, we offered \$10 million worth of base rate change improvements. In addition to that, in the last quarter of our budget year, we offer additional relief through our new tax on taxable income system.

Of course, we have made improvements on the program side as well. Those improvements are considered to be very important by Manitobans. We are seeing some of those improvements flow through to the community now in terms of better services. That is part of what a budget is. It is an overall bringing together of commitments on services, revenues, taxation levels, and trying to put a package together that will address the priorities, as the Government understands them. That is really what we try to do, and that is what we followed up on.

**Mr. Stefanson:** Well, Mr. Chairman, I am really curious if the Minister would share with us the analysis he has that shows that Manitobans are getting greater personal income tax relief under his budget than they would have in the year 2000 by remaining a part of the combined federal-

provincial system, because I have not seen any data that support that point whatsoever in terms of examples of Manitobans at different income levels, in different family situations. If you run the model on the basis of remaining tied to the federal system in the year 2000 or you take the calculations after the Minister's year 2000 budget, Manitobans are paying more taxes after his budget than they would have paid by remaining a part of the linked system in the year 2000.

So we have data that supports our position. The Minister has not provided any data that supports his position. He is the only one I hear enunciating it, and I ask him today to provide us that information that would supposedly support that position. Mr. Chairman, I do not think it exists, but if it exists, let us see it.

**Mr. Selinger:** Well, once again, the delinking decision was taken prior to Christmas, as required by the notice requirements of the federal government. The new transition year was entered into, and as part of that transition year, there was active work going on to design a new tax on taxable income system.

There was a commitment to follow through on the property tax credit reduction, which was done. There was an indication and a follow-through on adjusting the base rates for a value of \$10 million. There was the \$40 million of additional personal income tax relief that was put in the Budget, the 2000 year budget, and as part of the 2000 taxation year announced January 1, the small business relief of \$6 million that was announced in January. All of that exceeded tax relief in aggregate offered by the Federal Government and exceeded the hypothetical system that might have been in place if the delinking had not occurred.

\* (16:40)

The point is the delinking did occur, and the new transition year, all in, provided greater relief to Manitobans. That is the point.

**Mr. Stefanson:** Well, Mr. Chairman, the point is pretty simple. If you look across Canada, other provinces that delinked a year early flowed

through the equivalent of the federal tax reduction, and four or five provinces did not delink. So the citizens of those provinces all received the full benefit of the federal budget, and Manitoba was completely isolated in the sense of the flowing through of those personal income tax reductions to Manitobans. What that does is it widens the discrepancy between Manitoba and every other province. That is the fundamental point that the Minister seems to be having difficulty getting.

Even though he makes the point that they made the initial decision to delink back in the fall of 1999, he brought down his budget on May 10 after he had seen the federal budget, after he had seen every other provincial budget in Canada—I think the first time that I can recall in a long time that Manitoba was the last budget anywhere in Canada. *[interjection]* We were not the last budget last year.

So he had choices. He had choices around personal income taxes in terms of flowing through the full impact of the federal budget. He chose not to do that.

I just want to be clear that when he did that, he made it based on information which I am assuming he had in front of him, readily available information showing the calculation. I am confident that the Finance officials provided some of those calculations to him, and he made the decision not to flow those reductions through to Manitobans and to widen the tax differential with every other province in Canada, Mr. Chairman.

So all I want him to do is to admit what I believe was the case, that he had the information, and I do not know what is so difficult about him doing that. I mean, it is more than a little bit bewildering that we cannot even get a simple answer to questions like these: Does he have samples of calculations of Manitobans under the combined system in the year 2000 and under his budget in the year 2000; has he taken the time to look at that kind of information? It exists. I am sure his Finance officials have provided it to him. We are just looking for some very basic answers here relative to the information he had, the process he followed, and the decisions he came to, to hold him accountable ultimately for those decisions.

I hope he had that information available. I would be really worried if he did not have it available, and he was making these decisions in a vacuum, Mr. Chairman, and by not at least admitting to us that he had the information, then we can only assume he made the decision in a vacuum.

**Mr. Selinger:** I am not sure there was a question there. It seemed like a rather long statement. But I will, once again, reiterate that we put together a tax reduction package which exceeded in aggregate the hypothetical alternative that was not on the table once the decision to delink from the federal system had been made prior to Christmas.

That was intended to live up to the election promises made by the Government in the election, and it was also intended to allow us to design a new tax on taxable income system that in the last quarter of this budget year will offer additional relief to Manitobans, focussing in on relief for families and also focussing in on additional relief for people with disabilities, for senior citizens, additional relief for charitable donations, through enhanced non-refundable tax credits and the family tax reduction.

All of that was part of our design of the new system that we were challenged to come up with in a timely fashion, so we could make it available within seven months of coming into office and announcing our first budget. Every province proceeded in their own way on the new tax on taxable income system and did it in their own inimitable fashion, according to what they think makes sense for their jurisdiction. And we have a wide variety across the country now when the system is delivered. Many provinces kept surtaxes. Some provinces have double surtaxes at rates that, if I would have announced them in Manitoba, I would have been screamed at for trying to introduce those kinds of surtaxes—20 percent and 36 percent at different levels.

And so we decided not to proceed with surtaxes. We decided to make the system simpler, more transparent. We decided to direct our relief at families, and we did that. We decided to increase the non-refundable tax credits by 39 percent, which had not been done for many, many years. We think those are significant

improvements, both on the tax relief side, on the transparency side, as well as on the simplicity side. I think we can be satisfied that we have made our best efforts to bring forward a fair and reasonable system, and we will see how we can improve it in the future, at the same time as we live up to our commitments on the other side in terms of program commitments to provide the essential services that Manitobans asked us to provide them and which we have attempted to put in place in this first budget.

**Mr. Stefanson:** After all of that, I will ask the Minister a simple question. Is he aware that in the year 2000, Manitobans would be paying lower personal income taxes if we had remained linked to the federal system? Is he aware of that fact—that delinking the system and going to our tax on taxable income in the year 2000—is he aware that if we had remained linked with the federal system in this taxation year—we are talking the year 2000—that Manitobans would be paying lower personal income taxes by remaining linked?

**Mr. Selinger:** What I am aware of is that we have offered more overall relief to Manitobans. I am aware that other jurisdictions have come at it in a different way. Some have increased user fees dramatically, some have increased sales taxes, some have brought in surtaxes, some have introduced double surtaxes. I am aware that every jurisdiction has come at it in their own way. We came at it in a way that allowed us to live up to our election commitments, and we followed through on that.

**Mr. Stefanson:** That is very interesting, Mr. Chairman. I do not recall the NDP ever running on a platform of making Manitoba the highest personal income tax province for a family of four earning \$60,000 during the election campaign. I would like to find that somewhere in their literature, where they made that pledge and commitment to Manitobans, that we would go from fourth highest to highest in one budget, in one fell swoop. I would encourage the Minister to show us that election pledge that he and his colleagues made.

I am asking him a very simple question. I am assuming he has seen the information, and I do not know how much more simple I can make this question to the Minister of Finance for the

Province of Manitoba than to ask him: Is he aware that if the system had remained linked with the federal system in the year 2000, Manitobans would be paying lower personal income taxes in the year 2000 than they are today as a result of the changes made in his 2000 budget? Is he aware of that simple fact?

**Mr. Selinger:** What I am aware of is that our personal taxation rates have been reduced over last year's budget for families in all categories. I am aware that with our new system they will be reduced further in the subsequent two years. We specifically designed our new system to offer relief to families because we could see that middle-income families were experiencing stresses in that regard, and we wanted to make sure that they had the advantage of our new system in the way we designed it, and that is why we introduced the family tax reduction. It gave more credit for the responsibility of raising children, and we think that will be to the advantage of Manitobans as we go forward. That was something that was over and above what we ran on in the election, which was the property tax credit promise which was simple and straightforward and delivered on. What we have done is we have gone beyond the election commitments to offer significantly more tax relief in the order of \$102 million over the next two taxation years. That exceeded what we had committed to in the election, and that is on the record now.

**Mr. Stefanson:** Mr. Chairman, it seems more than a little difficult to get an answer to what I think is a simple question. We have asked this question, I have, the Member for Fort Whyte (Mr. Loewen) has asked it over the course of two days, really just trying to understand what information the Minister had and why he made the decisions he made and, throughout the process, we cannot get answers to the simplest of questions.

We have asked a number of very, very simple questions, questions as simple as asking the Minister if \$6,394 is more than \$6,229. We cannot even get an answer to that question, Mr. Chairman, let alone a number of other questions that we have asked. I do not know why there is this tremendous reluctance on the part of the Minister just to admit that he was provided information on these comparisons and he was

aware of these comparisons. In spite of that, he and his Government made the decisions that they ultimately made. We are just looking for the Minister to say, yes, I was aware of that; yes, I did have that information, and in spite of that, we made other decisions.

If he did not have the information, I would be even more concerned or just as concerned in terms of the thoroughness of the kind of review that he should be doing as Minister of Finance for the Province of Manitoba.

I will ask him just one final time then, because I think it is not casting well on him or the Department if he is not at least prepared to indicate that he had that information available to him, because I know the Department is extremely competent. I know they are extremely thorough. I am assuming that he had various scenarios and various information before him over the course of the last few months since he made the decisions leading up to the Budget.

Today after his budget, after the follow-through on his budget, after questions he had last week on this issue, is this Minister of Finance aware that Manitobans would be paying less tax if we had remained a part of the federal system for the year 2000 than what he had in his budget on May 10?

\* (16:50)

**Mr. Selinger:** What I am aware of is the provincial tax rates in the year 2000 budget year are lower than they were in the '99 taxation year, the provincial rates, and that they will be lower again next year and that they will be lower again the year after that and that the design of the new system is intended to offer relief across the board but with a particular focus on offering families relief. That will come to pass as we have intended it. That is the reality we dealt with when we came into government. We think that we have made significant progress there and will continue to do so in the future with the new system we brought into play.

The tax on taxable income system was one that was recommended by the previous government. It is one we have followed through on. All provinces are going to that system. Each of them is going there in their own unique way reflecting their interpretation of what best serves their

citizens. We have tried to do the same thing with respect to Manitoba. I think we made some significant improvements in the system by eliminating flat taxes and surtaxes. I think we have made significant improvements with respect to non-refundable tax credits, an increase of 39 percent. I think the family tax reduction offers relief to a broader spectrum of families within Manitoba all across the income boards including middle-income families.

That is really what we tried to do in the analysis that we did. That is what I continually emphasized to my officials, that I wanted families to come out ahead on this. I insisted that they come back with alternatives that would generate that result. I think we have made significant progress in achieving that.

**Mr. Stefanson:** Mr. Chairman, I would ask the Minister if, in looking at page D14 and page D15 of the Budget he brought down, if we go to a family of four earning \$60,000 and if we look at the very top line under that chart which shows provincial income tax, looking across at all of the provinces in Canada, does he acknowledge that the amount of \$6,394 of provincial personal income tax in Manitoba is the highest amount of tax paid of any province in all of Canada at that income level and that family situation.

**Mr. Selinger:** Well, what is very interesting about that provincial rate of taxation was that the Official Opposition was claiming credit for this tax reduction when it was indicated that we would follow through on it on January 1. What is also interesting about that table is, when you look at provincial levies, our provincial levies placed us in about fifth place compared to other jurisdictions and that other provinces increased levies while reducing some others. Overall, we still wind up in the middle of the pack for all provincial levies. That is a reasonable place to be historically and for the present.

**Mr. Stefanson:** So the Minister is acknowledging that at that income level, that family situation, we are the highest taxed province in Canada when it comes to personal income taxes. I would encourage him—he probably does not have a copy of the 1999 Budget with him—to look at that budget, which produced basically the same information, Mr. Chairman. The Minister is

indicating to me he has a copy of it. It indicates that just one year ago, in 1999, Manitoba was the fourth highest, with the province of Saskatchewan paying more taxes, province of Quebec and province of Newfoundland. So in one budget year, this Minister of Finance and this Government have taken us from the fourth highest, which that alone was something that was unsatisfactory, to the highest in Canada as indicated in his Budget brought down on May 10. I am assuming that is a simple thing for the Minister to confirm here today.

**Mr. Selinger:** What is clear in comparing those two budget tables, those Manitoba advantage tables, is that taxes for that family unit are \$231 lower. Those are the tax reductions that my honourable friend claimed credit for before the Budget came out. It is also clear when you look at the provincial levies in those two budget years that Manitoba winds up being about fifth place in both of those budgets and that other jurisdictions make changes that increase provincial levies while reducing other ones and that our relative position is just about the same as it was year over year when you consider all provincial levies.

I mean, you can focus on one specific item, try to spin it as if we are the evil empire trying to pick on families, but the reality is that before the Budget was announced, those were the tax reductions that you were taking credit for, and those ones that you were taking credit for resulted in that outcome. It is a \$231 less outcome, but it is the outcome that was planned in the previous budget year that we agreed to and followed through on, and our relative position on overall levies puts us in the middle of the pack, around fifth place.

*Mr. Chairperson in the Chair*

**Mr. Stefanson:** Well, Mr. Chairman, all I can say is thankfully for all Manitobans we introduced significant personal income tax reductions in our 1999 budget which the Minister says he has in front of him. I would encourage him to look at the taxation adjustment section, page 3, which outlines very clearly the impact of the personal income tax reductions put in place in the 1999 budget and the impact in the 1999 taxation year and the 2000 taxation year.

So all he has done in his budget is reflect decisions made in the 1999 budget. He and his colleagues did not make any decisions in terms of allowing for further personal income tax reductions, and, in fact, to make matters worse, they did not allow the flow-through of the personal income tax reductions Manitobans would have received as a result of the federal budget, which is something that happened in virtually every other province in Canada. So not only have they made us the highest taxed province in Canada today of families of four at \$60,000, but he talks about 2000 and 2001.

I am wondering if he or his officials have run for him any sample calculations of how Manitoba will compare to other provinces over these next three years. Has he taken the time to ask for that information? Has he been provided with that information at this particular point in time to see how Manitoba will compare at different income levels under different family situations going forward over the next three years?

**Mr. Selinger:** The preamble to the Honourable Member's question suggests that once again we are entirely responsible for the rate of taxation here when, in fact, before the Budget they were claiming credit for it. I guess that is just the way politics works around here.

The reality is we followed through on those tax reductions. We followed through on our election commitments on the property tax credits which are not actually part of the provincial levies included in this table. They are in addition to that. The provincial levies include gasoline tax, retail sales tax, health premiums, of which we have none. Our relative position has remained in the middle of the pack, around fifth place. Our new system we believe will improve the overall position of a Manitoba family going forward. My officials inform me that some of the other provinces are less than clear on where they are going to be in the next couple of years, but for this year we have the data in front of us.

Some of the preliminary information I had showed our position improving for that particular family category and staying strong in the other categories indicated in this table. The family tax reduction is intended to strengthen the

affordability of taxation for families, and we think it is a significant innovation that will allow that to happen in Manitoba.

\* (17:00)

**Mr. Stefanson:** Well, Mr. Chairman, the Member refers quite often to our party when we were government and taking credit for some of the personal income tax reductions in his budget. It is pretty clear by looking at the 1999 budget that the personal income tax measures that we introduced when we were in government actually were passed, initially in terms of the Budget, with the support of the NDP, even though when it came to the legislation, they brought in an amendment that would not have allowed the flow-through of the personal income tax reduction in the year 2000.

So what I find offensive with his approach is his attempt to leave the impression that he has brought in some personal income tax reductions in this budget that had nothing to do with this budget. All he is doing is reflecting tax reductions that were brought in in the 1999 budget and attempting to take credit for them in his budget.

But I want to move forward because he did not answer my question in terms of whether or not he has been provided with information doing comparisons with other jurisdictions in terms of how we are going to compare over these next few years for personal income tax. First of all, I will ask that question again. Has he seen any of that information? Has he been provided with examples of individual situations, again at different income levels, different family situations, to see how Manitoba compares to other provinces, not only in the year 2000 but going forward over the next couple of years?

**Mr. Selinger:** My officials are informing me that not all the information is entirely available for future years. I know I asked about this earlier myself, because I wanted to ensure that we were improving our position for Manitoba families. Without having all the information from other jurisdictions, it looked like our relative ranking would improve. I think it is important that on this table for the year 2000 there are other family units, a family of four at \$40,000 who have a very favourable tax regime compared to other

jurisdictions, very favourable overall levies regime, and certainly when you get to the overall living costs and total costs, very favourable as well.

Sometimes we just focus on one item to the exclusion of all else, and when I looked at this, I looked at the cost of living increases across say the western provinces when I was just comparing this table on D14 for the 2000 budget. The cost of living increases for British Columbia for that family unit of four at \$60,000 were \$1,165. The cost of living increases I calculated for Alberta—and I might be out a dollar or so—were \$1,006. The cost of living increase in Saskatchewan was \$702. The cost of living increase in Manitoba was the lowest of those four at \$667, and the cost of living increase in Ontario was \$2,035. So when you look at affordability, Manitoba did better than everybody else this year because other provinces were raising their levies. Other provinces had higher costs across the board for other factors including auto insurance, electricity, telephone, eating, property tax, mortgage costs.

So when you look at the total picture, we did pretty well. I wish that would be acknowledged and recognized by my opposition critic, instead of taking the most negative feature and making it the only thing that matters when all these other things matter. All these other things come out of the pockets of Manitoba families. All of these other things count when it comes to the bottom line, and they are considered when people do their budgets. They are important, and we are the lowest of those five.

**Mr. Stefanson:** Mr. Chairman, the Minister of Finance misses one pretty fundamental point, and that is that when you look at most of those other categories, people have choices. People choose what kind of a house they buy. People choose what kind of a mortgage they take on. People choose what kind of property taxes they are going to pay. People get a choice whether or not they pay retail sales tax when they buy a product. People have choices. They decide what kind of a car they are going to buy, what kind of auto insurance they will pay, and so on.

When it comes to personal income taxes, people do not have a choice. They pay the amounts and the rates that are set by the gov-

ernments of the day, and if you are not competitive with other jurisdictions, then you run the risk of businesses not remaining, businesses leaving your province and/or keeping and attracting all kinds of citizens to your province.

The Minister talked about relative ranking. We have a number of examples that we will run through probably one by one or on some kind of a basis, but he referred to the family of four at \$40,000, Mr. Chairman. Let us look at the year 1999 for that family of four where in the province of Manitoba today in 1999 that same family of four earning \$40,000 is paying approximately \$500 less in the province of Manitoba than in the province of Saskatchewan. We are paying in 1999 about \$800 more than the province of Ontario.

Let us go out just one more year to the year 2001, next year, where in Manitoba that same family of four at \$40,000 that were paying \$500 less than Saskatchewan will be paying \$120 more than the province of Saskatchewan next year and some \$1,700 more than the province of Ontario.

I do not know how that coincides with the Minister's statement about our relative ranking when it is going to become worse with a province like Saskatchewan, our neighbouring province that we have competed with on a number of fronts. We will go through a number of more examples, but that is one example that just by next year that relative ranking has swung significantly in the case of that family of four at \$40,000.

I will use one other example, a single senior at \$20,000. In the year 1999, that single senior is paying a couple of hundred dollars less in taxes in the province of Manitoba, and you go out a couple of years, and that senior is paying about \$125 more in the province of Manitoba.

How does that square with the Minister's comments about our relative ranking improving or staying the same? That is not the case. The numbers do not support that. Our relative ranking is going to become worse, and that is because there is absolutely no meaningful personal income tax reduction brought down in his budget

on May 10 and no plan for the next three years to address this situation, Mr. Chairman.

**Mr. Selinger:** Well, once again, the Member focusses exclusively on one element of a total package of affordability for a Manitoban. You know, the table that we used in our budget this year was exactly the same table that was used by the Honourable Member when he was the minister. I think he considered overall provincial levies and overall living costs as important factors in decisions that citizens make about where they want to live and where they want to do business. So to exclude all of that now and just focus on the one element does not seem to be consistent with past practice and past budget presentations.

Personally, I think that looking at the overall picture is the way to go, and, obviously, I think the Member did himself when he was in the same chair that I am in. But it is important to note that in those other provinces that user fees are going up; in sales taxes, the base has been broadened, which means more costs for those individuals and those families. Telephone costs have been going up; their electricity costs are going up. We have been able to maintain those costs in a pretty low level, if any increases at all, in many cases, and so we have to take a look at the whole picture. Each province is approaching it in its own unique way, and I recognize what the Member is saying, that it is a dynamic situation and we have to evaluate it as we move forward.

We made a decision this year to offer \$102 million of additional personal income tax relief over and above what we promised in the election, so we exceeded expectations there. When we prepare our next budget, we will see what is possible there in terms of the strength of the economy and the commitments we have made and the priorities of Manitobans. But I think the total picture is important, and I think it was important to the Member when he was in a similar role. I go back and emphasize again that our cost of living increased the least of all the comparable jurisdictions in the West as well as Ontario. I did not bother calculating from Quebec east, but I am sure we would be very favourably compared there as well. That is an important feature.

I mean, would somebody really move in Manitoba to another jurisdiction when their overall cost of living was the smallest compared to those other jurisdictions? I would hope not when they had all the information available to them. They might move for other reasons, but Manitoba is holding its people. It is attracting new people. People recognize it as an affordable place to live. People recognize it as a good place to live, and they are asking for a balanced approach in maintaining that quality of life.

\*(17:10)

**Mr. Stefanson:** Well, Mr. Chairman, the Member is right. This is a table that has been in budgets for many, many years. It was a table that I believe was in all five budgets that I had the pleasure of bringing down, and it is important to look at the total picture, but that is not the justification for having the highest personal income taxes in Canada. The Minister has already indicated in his own budget when we reviewed pages D14 and D15 that the provincial personal income tax in Manitoba and a family of four, \$60,000, unless these numbers are wrong, which, I am sure they are not, has Manitoba at the highest personal income taxes in all of Canada.

I pointed out to the Minister that, as important as these comparisons are, in most of these other areas, we have choices. Manitobans have choices what they are going to spend in those areas; they have choices when it comes to their house and their car and their property taxes and their retail sales tax and so on. When it comes to personal provincial income taxes, they do not have a choice. They are expected to, and bound by law to, pay those taxes, and when we become the highest taxed province in all of Canada, I think we all should be concerned, in terms of the future of this province, in terms of retaining and attracting businesses.

When I start to see what is happening not only in the current year, right now in the year 2000, when we start to project ahead over these next couple of years, I think it becomes cause for even greater concern in terms of disparities that are going to be created between Manitoba and other provinces. I have cited two examples to the Minister; but, rather than my running through

these examples right now, I will ask him one more time: Has he been provided with any comparisons of how Manitoba will compare not only this year but over the next couple of years when it comes to personal income taxes with other jurisdictions? Does he have any of that kind of information? Has he had a chance to see what the numbers show in terms of how we are going to compare with other provinces over the next couple of years?

**Mr. Selinger:** Just a couple of points. The Member continues to overgeneralize, what I would call the fallacy of generalization. He takes an example that he has and then uses it to condemn the entire tax system in the province which, I think, is unfair and inaccurate. The other point he makes is that people have choices in everything else except income tax. Well, I do not think people do have choices with respect to electricity rates and telephone rates or property taxes or mortgage rates, and I do not think the Member would seriously suggest that people should be switching homes on a regular basis so that they can stay low on mortgage costs or housing costs. I mean, I do not think we want to dislocate people that way.

People do not have choices with respect to health premiums or gasoline tax or retail sales tax. All of those are decisions driven by governments in other jurisdictions, so this notion that they have choice on everything else is really incorrect. It is inaccurate; it is misleading potentially to the best interests of Manitoba families. I think that that should be noted for the record. Many of these decisions in other jurisdictions on sales tax, health premiums are government-driven decisions. Utility rates are often set by provincial regulatory bodies in other jurisdictions, controlled by government-appointed officials. So that distinction is overdrawn between choice and no choice.

I do not think the Member would be sitting here being complimentary if we had raised some of those levies. He would have been probably very critical. I know in Saskatchewan, when they brought in their new tax system, they got heavy criticism for broadening their sales tax base. They got serious criticism for all their user fees that they increased, and people were really concerned about it. They got very little credit for

the income tax reductions that they did bring forward.

The Opposition there, probably like the Opposition here, focussed on the negative, focussed on the worst features of their new system. We brought forward what we thought was an improvement to the system, one that saw year-over-year reduction in income tax, will show a year-over-year reduction in income tax next year, will show a year-over-year reduction in income tax in the year after that. We tried to do that in a way that offered specific relief to Manitoba families.

We are in a situation this year where our cost of living went up less than any other jurisdictions in the west and significantly less than in Ontario. We eliminated the surtax. We eliminated the flat tax. We increased non-refundable tax credits. I think we made a lot of progress this year in making our system a better system of taxation. I think there are significant benefits to Manitobans, and I think the Member knows that when he looks at the whole story.

**Mr. Chairperson:** Just order a minute. The noise level is too high and we cannot hear the speakers too well.

**Mr. Stefanson:** Mr. Chairman, well, all I heard from all of that was justification from this Finance Minister why he supports us having the highest personal income taxes in all of Canada. He does not understand the simple premise that people do have choices in basically all of these other areas or most of these other areas.

I have also asked him now on two occasions—I am becoming increasingly concerned of one or two things. Either the Minister is not being provided with information, which I do find hard to believe, because I know past practices from that department and I know what their capabilities are. So I am assuming the information is being provided, but based on a number of questions we have asked over the last couple of days, he has not indicated that he is even receiving information that I think is very important to him as Minister of Finance. So I will ask it one final time, Mr. Chairman.

Has this minister been provided with any comparisons of Manitoba to other provinces when it comes to personal income tax situations,

not only in the year 2000 but going forward over the next couple of years, to see how Manitoba is going to be comparing to provinces right across Canada? Has he been provided or has he seen any of that type of information? A pretty simple question.

**Mr. Selinger:** Well, one of the advantages of delivering our budget, May 10, this year is we had pretty solid information from other jurisdictions, other provinces, and we presented it in this table in what I believe is a forthright fashion. Once again, I think, this table illustrates and makes abundantly clear that to make the over-generalization that we have the highest income taxes in Canada is erroneous and inaccurate. It makes particularly clear that when you look at all provincial levies that we are still very competitive and in the middle of the pack.

In certain categories, we are among the lowest in the country when you look at provincial levies and when you look at income taxes as well, none of which is acknowledged by the Member opposite. Nothing positive happened in this budget with respect to taxation according to him, absolutely nothing. It was like the world came to an end when the Government changed. I do not think it did. I think for Manitobans, it improved by \$231 in the family category he mentioned.

It improved in all other categories, and for some people, they have the most affordable cost not only on the taxation side but on provincial levies. When all costs are considered, Manitoba remained one of the most affordable places in the country to live. The cost of living went up less here than it did anywhere else. I do not see any flood of people leaving the province. I think a lot of people recognize that this is a good place to be.

With respect to comparisons, we have given accurate information, the best information that was available in this budget. I am informed that not all the provinces give full disclosure on their provincial levies and income tax rates in future years, so it is not all there. The preliminary information I had for that one family that we focussed on in our policy debate was that their position improved. I mean I will certainly endeavour to try and pin that down as soon as possible and make it available to the Member.

It is important to know what our relative position is, but it is also important to know that we have made significant progress, and our projections show progress into the future in real terms in terms of tax saving. So I wish the Member would acknowledge that there have been some positive things that have been done in this budget and that the tax reform we have initiated has been dramatic. It has been significant tax reform. Some people have said to me it is the most dramatic tax reform in about 15 years. I think eliminating the surtax mechanism, eliminating the flat-tax mechanism, increasing non-refundable tax credits by 39 percent, having additional relief for people with disabilities, additional credits for charitable donations are all things that are going to benefit our community.

\* (17:20)

There has not been once that the Member has acknowledged that those things are positive. It is like they do not exist. I would like to know whether he thinks they are positive or not. I would like to know if he thinks there have been any improvements overall. Is he willing to take a look at the whole picture of what we put forward and suggest to us that there have been improvements? Or is he just going to focus on a narrow, negative approach and make that the be-all and end-all and then overgeneralize to say that everybody is paying higher taxes when it is patently not the case? If you look at this table, a table that he had generated himself in his five budgets, a table when you look at it overall puts Manitoba in a very favourable position.

**Mr. Chairperson:** Excuse me. Order, please. Just keep the conversation down so the speakers can speak and we can hear them.

**Mr. Stefanson:** The Minister points out the tax reductions in the year 2000 Budget. I remind him and I encourage him, and he says he has a copy here to look at pages 2 and 3 of the Taxation Adjustments outlined in the 1999 Budget. He will see the impact of those reductions in the year 1999 and the year 2000. If he looks at the comparison for the year 2000, he will see that basically all of the personal income tax reductions that flowed through in the year 2000 were brought down as a result of the 1999 budget.

But I am pleased to hear him say that he was provided with pretty solid information, to quote him. I am not surprised by that, because I know the capabilities of the people in Finance and the history of providing pretty solid information. So then he is telling us today that he and his colleagues and his government made the conscious decision to make Manitoba the highest taxed province in Canada when it comes to personal income taxes for a family of four at \$60,000.

Earlier this afternoon he acknowledged that this table is in fact accurate, the table in his budget on pages D14 and D15. We have looked at a family of four at \$60,000. We have looked at the personal income tax level. I think we have gone across. I do not need to read them all into the record. I could take the time to do that, but I think one can readily see by looking at this table that \$6,394 is the highest personal income tax amount in all of Canada. That is what he has done in one budget. He has created that in one budget. Obviously if he was provided with pretty solid information, he did that consciously. He and his colleagues made that choice to create that situation in Manitoba.

What concerns me even more is going forward, because so far he has not indicated whether or not he has been provided information looking at other jurisdictions going forward. I have asked him that on two or three occasions now. Has he seen that information? Has he looked at how Manitoba compares to Saskatchewan, Ontario and other jurisdictions?

You start running through these examples, and you see it consistently across the board with our neighbouring province Saskatchewan, where at almost every income level we are paying less taxes than Saskatchewan in the year 1999. Depending on the income level either in the year 2001 or 2002, we leapfrog past Saskatchewan, and Manitobans will be paying more taxes than Saskatchewan in virtually all of these income levels in family situations, let alone comparing that to our neighbour to the east where in virtually every one of these categories Manitobans will be paying higher income tax amounts.

So earlier this afternoon the Minister indicated how proud he was of the improvement in our relative ranking. Once again the numbers do

not in any way support that, that our relative ranking has gotten worse in the year 2000 by becoming the highest taxed province in Canada at a family of four of \$60,000. It is going to be higher in all of these income levels going forward over the next few years. Many Manitobans are concerned about what that is going to mean for the future and the economy of this province.

To date, the Minister has not even confirmed that he has seen this type of information. I would encourage him to ask his officials to prepare it for him so he can see it, so he can see what the future holds for our province. He also went on to say, well, they will assess it going forward, but when I look at his medium-term plan on page 27 of his budget, it is fine to assess it, but he does not appear to have left himself any capacity to deal with any further tax reductions, because the amount of the surplus in the year 2000-2001 is \$10 million; 2001-2002 \$10 million; 2002-2003 \$10 million. So he has left himself virtually no capacity to address this growing disparity with every other jurisdiction in Canada.

So I encourage him to get the information and to start to take this issue very seriously for the good of our province from an economic perspective.

**Mr. Selinger:** Once again I did not hear a question in there. I heard another long statement. So I will say this, that when I indicated there was pretty solid information, that is the information expressed in this table on D14, D15. That information reveals a number of things. The Member opposite seems to focus only on the negative feature as he defines it. He refuses to look at all provincial levies. He refuses to look at living costs. He refuses to look at total costs. He refuses to acknowledge that in other provinces they have higher marginal tax rates, that their cost of living has gone up greater than ours. He sort of ignores the Manitoba advantage that he touted for many years in his own budgets. I find that somewhat inconsistent.

He also indicates that in the '99 budget all the tax cuts were his tax cuts, but then he denies that those tax cuts resulted in our relative position for a family of four at \$60,000 being weakened on a provincial income tax level. That provincial income tax cut was the one that he

proposed and we followed through on. I do not know why he cannot take responsibility for it on that side if he takes credit for it on the other side. So I am sensing inconsistency as well in the way I am being approached on what was not a question, what was in fact a statement. I am trying to respond to that as fairly as I can.

I will say this. When we redesigned the tax on taxable income system, we put an emphasis on making sure families were the beneficiaries. There are lots of different approaches to tax reform. I emphasized that families had to be the winners in this. That is why we brought in the family tax reduction. That is why we improved the non-refundable tax credits. I am looking for ways to make sure families have an affordability factor with respect to their responsibilities in this province in raising children. That affordability factor is not just on the income tax side but it is also on other provincial levies and other provincial costs that families bear with respect to utilities and services they receive.

As it rolls out, if the Member would like to look at table C3 in the budget document, I would direct his attention to that. In that table the family of \$60,000, this is a two income earner family, as I understand it, will receive significant relief over the next couple of years, 2000, if it is \$231—no, this is a single income earner family that still will get three times the relief next year of about \$715, will see that go up to \$929 the year after that for a three-year total of \$1,875, for a 14% tax savings. That is significant. I think it is progress.

If there was a way to improve that and still offer all the services that Manitobans want and still balance budgets and all of those things were possible with a growing economy, then we will take a look at it, but this is what we did in our first seven months in office. I think it is a forward-looking approach, an approach that went far beyond what we promised in the election. It is focussed on giving families tax relief and ensuring that their affordability factor for living in Manitoba remained one of the best in the country. A lot of Manitoba families tell me that. They like living here. They think Manitoba is a well-kept secret that should be broadcast more.

When I talk to families about this, to people that come here thinking that they got a transfer,

thinking it was not the most desirable location to come, once they get here, they do not want to move again. These are people who have national opportunities. I was talking to a person in that category last week when I was in Brandon at the Premiers' Conference. They said that they had been offered transfers many times to other jurisdictions such as Calgary and Edmonton, and they like living here and they wanted to stay here. I think we should acknowledge that that is a positive feature that we have for us in Manitoba.

\* (17:30)

**Mr. Stefanson:** I thank the Minister for pointing out pages C2, C3. I encourage him to do the comparison with the 1999 budget on the Taxation Adjustments, pages 2 and 3. He will look at the amounts of reduction in personal income tax both in the year 1999 and the year 2000. If he does the calculation, he will see that basically all of the 2000 reduction in the year 2000 is driven off the 1999 budget. He himself said he had some pretty solid information, brought down the last budget in Canada, so when he brought down his budget, he had an opportunity to see what every other province in Canada had done. He saw what the federal government had done. He had the information, according to his own words, in terms of comparisons, in terms of the federal government and so on. He made the conscious decision not to reduce personal income taxes, not to even flow through the impact of the federal budget reductions that Manitobans would have received if he had not delinked one year early.

He made all of those decisions along with his colleagues. I would ask him the simple question why he did that. Because what he has done now is make Manitoba the highest taxed province in Canada for a family of four at \$60,000. Of greater concern or just as much concern if you look forward over these next couple of years, our relative ranking is going to get increasingly worse relative to provinces that we were doing significantly better than in 1999 and prior to, because he did not introduce any meaningful tax reductions either in this budget. Even of greater concern is that he did not lay out any plan or any vision for the future, did not talk about what this government intends to do over

their mandate to enhance Manitoba's competitiveness within Canada and elsewhere.

**Mr. Selinger:** Once again, the former minister keeps claiming that the tax reductions were driven off the 1999 budget, but then denies any responsibility for what that resulted in in terms of taxation rates on a comparative basis. He seems to be wanting to have it both ways. Our reductions triple that amount for the year 2001 and then go beyond that for another \$284 of relief, bringing it to \$929 in the year 2002. Overall we make dramatic improvements going forward on the family tax side. When we get the information, we will publish it in "The Manitoba Advantage," as has been published in the past, and let the numbers speak for themselves.

I have to emphasize again, when you look at all provincial levies, we remain in the middle of the pack in fifth position. When you look at the cost-of-living increases, Manitoba had the lowest cost-of-living increase of all the western provinces for this year. That means other provinces are becoming more expensive for their families relative to Manitoba. Manitoba remains in a very competitive position. It remains in first place for the west and significantly lower than the east as well, especially when you look at our neighbour Ontario. Manitobans are better off staying here. Their overall cost of living is lower, and they will see benefits in the future as we roll forward.

**Mr. John Loewen (Fort Whyte):** There are a couple of issues that the Minister has raised in his last comments that I would like to approach. Certainly I appreciate the fact that he has brought up the tables on page C3 and referred to the single person earning \$60,000. He has also made statements about his desire, not only today but on Thursday during Estimates.

He has made a statement a number of times that his intention was to offer relief to families in Manitoba. I think that is certainly a noble task. He also indicates that he instructed his staff to ensure that there were not any overall negative impacts on taxpayers in Manitoba and, again, those are certainly laudable statements.

We would be here applauding the Minister in fact that is what he had achieved. My question

to the Minister would be, based on his own department's spreadsheet, and I am looking at what I think in many ways could be considered a very typical Manitoba family. I am using an example of two children and two income earners, assuming one is a teacher and maybe one is a nurse, and they are getting appropriate salaries. We would say that one income earner is around \$50,000 and the second earner is \$45,000, with two children.

I am wondering if the Minister understands that as a result of the Budget that he brought down that that family is going to be paying over the course of 3 years a total of approximately \$45 more in income taxes, even when the \$75 property tax is increased. Has he been made aware by any of his staff that that typical Manitoba family will pay more taxes over the course of the three years as a result of his budget than they would if he did nothing?

**Mr. Selinger:** I want to ask the Member for Fort Whyte the base that he is working off there.

**Mr. Loewen:** The base I am working off—*[interjection]*

**Mr. Chairperson:** Okay, excuse me. Order, please. Keep the noise down.

**Mr. Loewen:** Thank you, Mr. Chairman. The base I am working off is a two-income family, one earner earning \$50,000, the second earner earning \$45,000, with two children.

**Mr. Selinger:** Can the Member indicate what their taxes were in the '99 taxation year? Maybe the Member could make the example available to us so we can study it and respond. I just do not have it in front of me.

**Mr. Loewen:** I have many examples that could be done, as I mentioned. It is off the Minister's and his department's own spreadsheet. I would expect that he would have had these examples and that it would be he who would be sharing this information with not only this Committee but the people of Manitoba. So the numbers I have would be that, in the year 2000, if the Minister had not made any changes, if he had simply allowed, as he has said he has done, the

tax benefits of the federal budget of February 28 to flow through, if he had not changed the rate, if he had left it at 47 percent, then, according to his own spreadsheet, a family of the nature I have indicated would have paid \$9,889 in provincial income taxes in the year 2000.

I would remind the Minister that those amounts were as a result of the budget drawn up in 1999 by the previous provincial Conservative government, which reduced the tax rate from 48.5 percent to 47 percent, a matter which he has already indicated. It also incorporates the fact that on February 28, the federal government informed Canadians of tax relief in their budget that is retroactive to January 1. In other words, they announced in their budget that it takes effect right back to January 1 for all of the year 2000, similarly to the way that the Minister announced in his budget that there would be tax relief for the year 2000.

So, based on those numbers, as I indicated, that typical Manitoba family would have paid \$9,889 in provincial income tax in the year 2000. This year, as a result of the changes that the Minister has announced in his budget, they are going to pay \$10,092 in provincial income taxes. So, even when one factors in the \$75 property tax increase, that family is paying taxes of \$129 more in this single year. Similarly, when the same example is drawn out to the year 2001 and 2002, we find that in fact that family is paying more provincial income taxes than they would have paid had the Minister done nothing.

I would indicate—I think this is important for the Minister and his staff to understand—that in the federal budget they have talked about tax relief that is affecting all Canadians immediately where they have dropped the rate from 26 to 25 percent. They intend to drop it to 24 percent. In fact, in their tables July 1, that is what they will do, and that will likely carry through, I think it is a safe assumption, to next January. In fact, quite likely, given their situation, the fact that they have announced their decrease to 23 percent, that that too will follow through.

So these I think are all at the base of 25 percent and 24 percent when doing those comparisons. They are very, very conservative, small "c" conservative calculations, which indicate that

families in Manitoba of the nature the Minister has set out to help are in fact being punished over the course of three years. I would be more than pleased to provide this information. I do not have a printer here, but I can print this off and provide this to the Minister and his staff so they can check it out.

\* (17:40)

**Mr. Selinger:** I would be happy to receive the information and compare it over the '99 rates.

The delinking decision, once again, was taken prior to Christmas. All the provinces are going there. We have designed our system to provide tax relief. We have not provided a \$90,000 family-income example for a family of four in the book. The one that we provided for a two-income earner family was of \$60,000, and it is on page C8. We show a significant increase in the tax reduction for that \$60,000 family. We also show what the impact would be on a \$40,000 family with two children. But we will take a look at that example. I would be happy to receive it and see how it stands up when we scrutinize it.

On first blush, I would suggest that, compared to '99, there is a reduction for 2000 and a reduction again for 2001 of provincial taxes. In addition, I would think that we would be better off when you look at provincial levies. As well, of course, the federal tax reductions will be available to these families as well. So, overall, they are going to be better off.

**Mr. Loewen:** Well, I can see where I am going to have to provide this information in written form to the Minister, because when you look at it in writing you will obviously see that that family is indeed not better off. In fact, what has happened is that, as a result of his budget on May 10, the income taxes that they are going to pay over the course of the next three years have increased as a result of that budget.

The Minister, I have heard him a number of times this afternoon explain that there is more to the case than simply the provincial tax. I will grant him that argument. What I would only ask him to do is to come clean with the people of Manitoba and tell them that what he has done is increase their provincial tax rate so that he could

afford to give them a \$75 tax credit where that is applicable, and, in fact, be truthful with all the other information. Again, I would ask the Minister: Has he been shown any examples that would indicate to him that that family he is talking about, that he has identified in his book, with a single income earner who earns, I believe he said, \$60,000, two children, who owns a home and is in fact, entitled to the increase in the property tax reduction—does he understand, has he ever been shown information, which is correct information, that indicates that that family is going to pay \$172 more in provincial income tax in the year 2000 as a result of his budget?

**Mr. Selinger:** Well, once again, I think the Member has a unique definition of provincial income tax. Our provincial income taxes are clearly going down from 1999 to 2000, from 2000 to 2001, and, again, from 2001 to 2002, for cumulative savings over those years. That is absolutely the case. I think we can verify that. I would be happy to receive his example, and to check that out to see how it shapes up when we have the officials analyze it.

The property tax credit definitely will be there. The system once again will not have a surtax. It will not have a flat tax or a 2 percent tax on net income, which will provide some real benefits to Manitobans, not the least of which, and I have not mentioned this before, that north-erners will get a benefit by eliminating the flat tax on net income. Their northern deduction will now occur before they pay tax, as well as other people who have investments will now have those deductions before they pay tax.

In addition, the non-refundable tax credits have been increased by 39 percent, which benefits all categories of citizens, disabled people, and people who make charitable donations. The family tax credit reduction improves reductions for children. All those things generate more savings. The example I suggested on C8 showed that the tax reduction went from \$210 in 2000 to \$465 in 2001, more than a hundred percent increase in the tax reduction, and that was a family with \$60,000 and two earners, \$36,000 and \$24,000, and two children. So tax reductions were geared to families. The evidence shows that they benefit, and that is on the record.

**Mr. Loewen:** My comment to the Minister would be that, just so we are perfectly clear here,

I am not disputing the fact that taxes have decreased from 1999 to 2000. I am not disputing the fact that taxes have decreased from 1998 to 1999, which they did as a result of the reduction of provincial income tax rates.

What the Minister has claimed, and it is in Hansard, and he has made this statement in a number of different ways, at a number of different times, both in Estimates and in the House, is that nobody is worse off as a result of his budget. What I would say to the Minister is: Has he seen any information, has there been any analysis done by his staff, which has indicated to him that, as a result of his budget, individuals are paying higher provincial income taxes in the year 2000 than they would have paid, not in the year 1999, but in the year 2000 if he had not introduced his budget?

**Mr. Selinger:** Once again, our information shows that families are better off. The tables indicate that in "The Manitoba Advantage." I think that I will have to leave it at that.

**Mr. Loewen:** For clarification, is the Minister saying that families are better off as a result of his budget? In other words, are they in a better position after his budget than they were had he not introduced this budget?

**Mr. Selinger:** Well, I mean, the tables and the pamphlets that have been made available clearly show Manitobans and Manitoba families receiving increased tax savings in 2000, 2001, 2002, and over the three-year period. So they are clearly better off, and that is just on the tax side. I can certainly mention the improvements on the program side as well, and that is over and above the property tax credit. So there is no question that Manitoba families are better off, and they will see it in the amount of income that they have available to them.

**Mr. Loewen:** Again, I would ask the Minister to clarify, because my question was specifically addressed to provincial income tax, and a comparison between what was in place on May 9, which was reduced federal tax rates, and a provincial income tax rate of 47 percent. When one compares that to what is now in place or will be in place as soon as the mechanism allows, as a result of this minister's budget, is he saying that

he is completely confident that with regard, specifically to Manitoba income tax, families in Manitoba, in general, are better off?

**Mr. Selinger:** Once again, Manitobans were better off after the Budget came down. No question about that. The information we provide in the budget taxation adjustments illustrates that. I did indicate earlier that there are likely some anomalies in any new system, and we attempted in the design of the new system to minimize those as much as possible. We have it down to, as we understand it, less than 1 percent before the property tax credit would be affected, and we think that would be even smaller after the property tax credit came into play. So we put a lot of effort into reducing any negative consequences for Manitobans under the new system.

We were, I think, quite successful in achieving that in the modelling that we did. So that is, in fact, the case, and I think the evidence is before you in the Budget documents.

\* (17:50)

**Mr. Loewen:** Okay, and just for clarification, is the Minister saying when he says families are better off that they are better off on May 11 than they were on May 9?

**Mr. Selinger:** Definitely. Yes, I am saying that.

**Mr. Loewen:** I am sorry, did I hear "definitely"?

**Mr. Selinger:** Definitely. Manitoba families are better off after the Budget came down than they were before, and the illustrations are provided in the Budget book and in the material that was made available to the public. I think I have said that many times.

**Mr. Chairperson:** Excuse me, for the sake of Hansard, make sure I acknowledge you before you speak. Okay.

**Mr. Loewen:** Mr. Chairman, my apologies. I just wanted to clarify for sure and make sure it is in Hansard. I understand that, in the response to my previous question, he said "definitely." I would like to make sure if he believes that and if he is willing to put that on Hansard after he is recognized.

**Mr. Selinger:** Yes, I said: Definitely Manitoba families are better off, and the evidence is provided in the Budget. It is also illustrated in the Manitoba tax advantage tables. When you compare '99 and 2000 tables, he will see that Manitobans are better off in the examples that are illustrated there. If the Member wishes to provide us with new examples that he has generated, we will take a look at them and do the comparisons as well.

**Mr. Loewen:** Mr. Chairman, earlier today the Minister mentioned that the projected provincial income tax relief for Manitobans was projected at \$40 million as a result of the rate dropping from 48.5 percent in '99 to 47 percent in the year 2000. Is that accurate?

**Mr. Selinger:** Yes, that is the number that has been used to show the effects of that reduction in rate which took effect January 1.

**Mr. Loewen:** Mr. Chairman, I then ask the Minister: Has his staff made him aware of what the projected provincial income tax relief would have been as a result of the reductions in the federal budget of February 28?

**Mr. Selinger:** I think I indicated this in the House. We thought the total value of the federal budget was \$30 million. We passed on \$10 million of that. We passed on an additional \$26 million in property tax credits, and we believe and are sure that the overall relief that we have offered is greater than what would have been offered under just simply the federal scheme.

**Mr. Loewen:** So my interpretation of what the Minister has just told me, and you can correct me if I am wrong, is that, as a result of the federal budget announced on February 28, there would have been an extra \$30 million worth of tax relief passed on in terms of provincial income tax relief, and, in fact, \$10 million of that \$30 million has been passed on in his budget?

**Mr. Selinger:** The \$30 million was the scenario under the system that was not in existence, and it was federally generated. We passed on \$10 million of that in the base rate adjustments; in addition, we followed through on the property tax credit adjustment. The total of that 26 and 10 is greater than the \$30 million, so overall Mani-

tobans were better off in our view under the system that we announced in the Budget.

**Mr. Loewen:** Well, I would have to conclude from the numbers I am seeing, and I guess I would ask the Minister about individuals and/or families, primarily individuals who, through the nature of their living circumstances, whether they are living at home with their parents or sharing an apartment and not receiving the increased property tax credit, is it safe to assume as a result of his budget that because they do not share in that \$26 million worth of tax relief that they in fact are paying higher provincial income taxes?

**Mr. Selinger:** The property tax credit is available to tenants. That is one of the positive features about it. It benefits tenants as well, so I just want to draw that to the attention of the Member. It is a very important feature of that tax credit.

In addition, I would like to read into the record I have had some calculations provided to me on that two-income earner family of \$50,000 and \$45,000. Their taxes in '99, by the calculations I have been provided, would have been \$10,416. They would have reduced to \$10,092 in the year 2000. They would reduce again to \$9,707 in the year 2001 and reduce again to \$9,454 in the year 2002. That is the information I have been provided. If that is accurate—and it is on a note here and it has been quickly done—it would show year-over-year reductions in taxation.

So just for certainty, the property tax credit is available to tenants as well as homeowners, and the information we have on the two-income-earner family in the range of \$95,000 is that they would achieve year-over-year tax reductions.

**Mr. Loewen:** Well, I thank the Minister for that information. I would like to make him aware that I do realize and do fully understand that the property tax credit is available to tenants, although I am sure he will agree that in the case where you have two or three people sharing an apartment, that, in fact, it will either be prorated and there will be people there who will not get it, or, in fact, the individual who has their name on the main lease may choose to take the whole credit. Other situations where we have young people living at home with their parents not paying any rent where their parents, in fact,

claim the increase in property tax credit, they would not receive any increase in property tax credit.

In those two cases that I have identified, would that be accurate?

**Mr. Selinger:** For tenants, if there is shared accommodation, there is one claim for the tenant who wishes to claim it. The result would be that their taxes would be lower that year than in the previous year with the improvement in the property tax credit of \$75. So that stands.

The numbers seem to indicate here that on that family that was given to us, that their taxes would reduce year over year. I do not know if in that example that you were using whether there would be anybody that was a student, but they would obviously get the benefit of the 10 percent tuition fee reduction if they were in a post-secondary facility.

So there are a variety of ways of delivering more affordable services and taxes to people, and we have enunciated the ones that we would follow through on in the election and brought them to fruition in the Budget.

**Mr. Loewen:** I wonder if I could ask for the Minister's indulgence, if he could repeat those figures for me that he has just been handed.

**Mr. Selinger:** The ones that I was provided were \$10,416 for '99; \$10,092 for 2000; \$9,707 for 2001; and \$9,454 for 2002.

As I indicated earlier, those were generated quite quickly. They would be subject to verification, but the trend seems clear that there are reduced taxes year over year.

**Mr. Loewen:** Mr. Chairman, I appreciate those numbers, and I am pleased to see that they, in fact, match the numbers that I quoted to the Minister previously. The one exception and the number that is missing from the Minister's statement is the number of—well, there are a number of numbers. Sorry, there are three numbers. In fact, if the Minister had not announced this budget on May 10, that \$10,092 figure which he indicated was the provincial tax for the year 2000 would have been \$9,889. The

\$9,707 figure that he indicated for the year 2001 would have been \$9,688, and these are approximate numbers in the second hand because I have not put into his formula the most liberal of approaches in terms of tax relief the federal government has promised.

I would indicate to him that the number he has indicated of \$9,454 in the year 2002 compares to a figure of \$9,406 that that family would have paid had the Minister done nothing. I would point out to the Minister that if he compares those back to the figures which I already gave him, he would see quite clearly that this family is paying more provincial income tax in the year 2000, in the year 2001 and in the year 2002 than they would have, had he done nothing.

I would ask the Minister in light of those circumstances: What is he going to do for that family?

**Mr. Selinger:** Once again, I think the Member is operating off a false assumption that the delinking process had not occurred prior to the Budget, and that is, in fact, not the case. Five other provinces followed that same routine. Quebec has always been there.

Clearly, when this tax on taxable income system was originally proposed—and I understood it was being proposed by several provinces, among them Manitoba and Alberta—that the idea was to provide greater provincial certainty over their tax regime, simplicity, transparency, et cetera, and that was what was followed through on. That was the argument presented to me by the officials. It was an argument that carried forward from the previous government. It was advocated that we follow through on, and we did. Then we designed a system that we thought would offer relief to the majority of Manitobans and focus on relief for families, and we have done that as well.

So I think that the system has improved. There is no surtax mechanism. There is no flat tax mechanism, and I have already mentioned the increases in refundable tax credits, et cetera. I think I have brought this information forward several times and put it on the record, and I do so again.

**Mr. Loewen:** It is very important for the Minister to understand the full ramifications of the

issue that he is speaking to here, because I will concede to him that he made the decision to delink well before the federal budget. That is fine. No question there. I would also want the Minister to understand, and he has already admitted to us earlier today, that it was the province's choice to set the rates. So they chose to delink, which is fine. They chose to move it up, and after their 185 analysis and running their 185 models, they set the rates.

Now, they had options in terms of setting those rates. The Minister has also indicated that he has flowed through to Manitobans the full benefits of the federal income tax reductions that were announced in the federal government's budget of February 28. It is clear to me that the Minister or his staff are mistaken in how they have applied the rates or how they have described to him that the full benefits have flown through because, in fact, we have a situation now in Manitoba, unlike the other provinces in Canada which have flowed through the full ramifications of the federal tax reductions.

I would ask this minister why, in setting his provincial rates after he had made the decision to delink this year, he did not set those rates at—

**Mr. Chairperson:** The hour being 6 p.m., Committee rise.

## HIGHWAYS AND GOVERNMENT SERVICES

\* (14:40)

**Madam Chairperson (Bonnie Korzeniowski):** Good afternoon. Will the Committee of Supply please come to order. This afternoon, this section of the Committee of Supply meeting in Room 255 will resume consideration of the Estimates for the Department of Highways and Government Services. As had been previously agreed, 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.

**Hon. Steve Ashton (Minister of Highways and Government Services):** Yes, I have some responses to previous questions.

I would like to welcome members of the public in the gallery, especially, my wife and my daughter just back from Hong Kong. Actually, it is the first time she has seen me sitting in this chair, so welcome back. To start off, and please no heckling—*[interjection]* Sympathy, that is right. No, I was actually talking to my wife and my daughter.

In terms of the questions that were asked, I would just like to provide a slight correction, actually more than a slight correction, to the question asked on PR247. The Member for Morris (Mr. Pitura) asked if the bridge was open. It is completed in terms of construction, however, it was not open because of a fair amount of work that is required on the approach and paving work. This would involve closing the bridge again, so the existing condition was considered unsafe to open traffic. The route detour is being utilized as a good detour. A construction order to perform the approach work and pave the bridge deck opened May 26, 2000, a scheduled completion date of June 23, 2000. Borland Construction was the low bidder. So the bridge is complete, but it will require the completion of the approach work before it is opened.

A question was also raised about Kernstead Road in Winnipeg Beach. There was a request for grant and aid funding that was put forward by the town of Winnipeg Beach. There was an initial approval of a grant by the then-minister, Mr. Findlay, and for partial completion of that to be split over two years in May of '98. But in terms of '99-2000 grant and aid funding, the town of Winnipeg Beach—pardon me, March '99—withdrawed the application for grant and aid funding for Kernstead Road. So there had been an approval by the then-minister, but actually at the request of the town of Winnipeg Beach, it was withdrawn.

**Mr. Glen Cummings (Ste. Rose):** I thank the Minister for those responses. I was in the process of determining what the responsibilities are for access into communities and the relative responsibility when an approach needs to be upgraded. When the usage changes, is that the responsibility of the Municipality or the Highways?

**Mr. Ashton:** Are we talking about private property or are we talking about access into a community?

**Mr. Cummings:** Well, let us look at both of them. First of all, let us look at where it is a private approach and business expands or changes and requires heavier traffic. Whose responsibility is it to the edge of the property line?

**Mr. Ashton:** That would be the business itself.

**Mr. Cummings:** I think the Minister is perhaps measuring from the opposite direction I am. From the highway to the property line, is that the property owner's problem?

**Mr. Ashton:** It would be the same answer with the exception of whether major reconstruction of the highway might impact on existing business access, in which case that would be part of the development plan for the highway.

**Mr. Cummings:** Is this for a municipal road?

**Mr. Ashton:** I think just in consultation here with the Department, it would probably vary depending on the circumstances, but you would have to have the specific circumstances to really determine the most likely response from the Department.

**Mr. Cummings:** I am not trying to set up a trick question, but it has always been a tricky question in and of itself. That is why I am wondering if there is any ability to clarify it here. I can give you a specific example of where a town, i.e., a municipal street enters onto a highway, the existing approach is there. If it requires any kind of an upgrade or a widening, whose responsibility is it?

**Mr. Ashton:** Once again, it is hard to give a definitive answer because a lot of it would depend on whether it is resulting from the Department, from our side in terms of growth, you know, traffic patterns, or if the community that was growing, the onus would be more on the community itself, because it would be something that deals with the community's needs, not so much the highway system.

**Mr. Cummings:** I think it is fair to say that this is an area where there is a lack of clarity. I know that there is an issue around, for example, elevators establishing themselves and then looking for approaches. Who pays then?

**Mr. Ashton:** Generally the elevators have paid for the approaches. In terms of the access directly onto the highway, there has been some work in the past based on what I mentioned at our last meeting with the previous policy. It is a policy we are now changing in which there will no longer be an automatic establishment of access to businesses.

**Mr. Cummings:** I assume that Highways pays for lane widening, turning lanes, as a matter of safety?

**Mr. Ashton:** If I can perhaps give a general response that might be of some use. Essentially, in terms of the basic safety element, the Department, the Province obviously will not let unsafe situations continue in terms of our highway system. In terms of any enhancement over and above that would basically be the responsibility of the company itself. I think that is only reasonable and, in fact, one of the significant changes with the new policy will be to rationalize it to make decisions based not on some blanket policy but based on the specific circumstances. That is the real distinction. The Department obviously is not going to let unsafe situations occur on the highway. Above and beyond that, we would expect the business itself to be paying the cost, not the taxpayer.

\* (14:50)

**Mr. Cummings:** This raises some concerns, and I hope that the Minister rather than locking himself in a policy commitment thinks carefully about where this can lead, because it seems to me that this can become a rural development issue. Sometimes there are opportunities to locate outside of the perimeter where additional owner's costs can be placed on the potential developer. When I say outside of the perimeter—I should not use that term. I use that term in the broadest sense outside of city limits, cities are more than Winnipeg, all of our large centres. Yet there are some operations that are better located outside of populated areas.

So, if the Minister does not have a hard position on this now, I would encourage him to keep an open mind on it, because there are situations that have arisen where I know it is troublesome for Highways, for unexpected costs. I would expect that, for example, the location of

certain processing operations that have smell, odour and sewage problems, for those types of operations obviously it is better that they be located away from populated areas. Occasionally, that creates problems for Highways, which you as minister will then have to look at. I would draw the example of where some struggling manufacturing and processing plants establishing outside in some of our smaller centres where that creates increased traffic flow, it does become an economic opportunity issue. If the Minister agrees with that general comment, I would like to move on.

**Mr. Ashton:** I appreciate the advice. The key point here is it is not a blanket policy of no. What it is is not a blanket policy of guaranteed payment by the taxpayer for this type of access. For example, the City of Winnipeg requires the business itself to provide this access, and I think that is the important thing here. There may be circumstances where this is in the best interest of public policy and it is certainly not intended to inhibit rural development. Unless we have some ability to make these decisions like we do any other part of our Highways budget, it really does restrict our ability to make the decisions that need to be made. It can lead to situations where, with slight modifications, the same operation would be able to have access at a much lower cost. As the Member will, I am sure, realize, when you have anything that is a free good—when you are not paying the cost—it is very easy to spend that other person's money, in this case, the taxpayers' money. The reason for this change is to move back to the situation pre-1989 so that the taxpayers have some ability to say yes or to say no. When I say "taxpayers," obviously the Government on their behalf.

I appreciate the advice. It is not a blanket no, but we are moving away from a blanket yes. It is more than a subtle shift. I think it will give us the ability to have some real control over these types of expenditures, and given the pressures on the Highways construction budget, as the Member has pointed out in his comments, it will ensure we can put the money where it is needed by public policy choice rather than having a portion of our Highways budget that is a construction budget that basically is mandated. I appreciate what the Member is saying. I think his concerns will be met under the revised policy.

**Mr. Edward Helwer (Gimli):** I have a question on the same line of questioning here. Because there is some variation in where companies locate and how the policy applies to them, in the case of the Paterson elevator just north of Winnipeg in the R.M. of Rosser, there they built their own road, I understand, and, although they have access off the Perimeter, I think Highways did put in the turning lanes there. The other one I mention is Maple Leaf Construction which is located just in the city of Winnipeg on Route 90. There, I understand, the City of Winnipeg is putting in the turning lanes so they can turn into their property. And yet, you just move outside the Perimeter again, where Agricore is building a new grain elevator, and we will need turning lanes on both the northbound and southbound lanes of that four-lane highway. Who will be responsible for those turning lanes, as an example, for the Agricore elevator?

**Mr. Ashton:** In terms of the the Paterson terminal, the Department of Highways paid for the entire cost of the road up to the property line. I can indicate that may or may not have been the kind of decision we would have come to under the revised policy that I have indicated earlier. I do indicate, though, that there were written commitments made by the former minister on this. Based on legal advice, we will be proceeding in terms of the Paterson development from our side. It is classic of the situation that, under the policy that was in place when this decision was made, there really was no option to the Government, and I think that was unfortunate. With the Paterson terminal, there are going to be some other requirements, including most likely installation of lights, given the current traffic load on that particular highway. It does add additional complications as well, but that was a case where I think the Member can understand, the significant costs involved in complete access is currently subject to our ensuring proper access at a departmental level, making sure it is safe, but we are to continue based on the previous commitment that was given.

\* (15:00)

**Mr. Helwer:** Madam Chairperson, the second part of my question was: Maple Leaf Construction, being located in the city of Winnipeg, are under a different policy again, whereby the City

of Winnipeg is putting in the access for them. We have basically two different policies within the city of Winnipeg just inside the Perimeter Highway and Agricore just outside the Perimeter Highway. So we have a variation of policies there that has this discussion taking place with the City of Winnipeg as to trying to come up with a policy that is uniform throughout the province.

**Mr. Ashton:** I cannot comment on that, although I can indicate that one of the effects of the previous policy was actually—because generally my understanding is that the City of Winnipeg does not pay that type of access. We are in a position of paying access for firms, and I can think of one in particular, to move outside of the Perimeter. So we are actually, because of our policy, providing an incentive to companies to leave the city of Winnipeg and move outside of the city of Winnipeg boundaries, which is something I am sure that the Member would not want us to be doing. It is not a question of businesses locating or not locating inside the city of Winnipeg. I think it is important in regards to what people's view is in terms of urban sprawl that we not provide a subsidy or a trigger, something that makes it beneficial for people to move outside of the city limits.

As I say, our policy, but really the previous government's policy, the policy of the Department for the last 10 years, has provided that kind of an artificial incentive to businesses in some cases to move outside of the city. I think that is not appropriate. If it is for good public policy reasons, we will do it. If not, we will not do it. I think that is what the taxpayers of the province would expect.

**Mr. Helwer:** Just to make sure that the standards are equal or properly met, does the Department of Highways supervise the construction of these turning lanes or driveways or whatever to make sure that they do adhere to the standards?

**Mr. Ashton:** Yes, that is the case. The Department assures any access to the highway would meet appropriate standards.

**Mr. Cummings:** I am not getting a warm, fuzzy feeling from what the Minister just said. I would

ask him to carefully consider the implications of what he is saying. He may well be restricted by the fact that he has a reduced budget and he may well be restricted by the fact that he has other priorities that he wishes to put money on, but if we are entering into an era that goes back to mid-80s policy, where turning lanes and all those ancillary costs may well have been returned to the expense of the proposed developer, and I am speaking primarily of industrial processing types of developments, then that is not necessarily good news for a lot of our smaller communities who, like it or not, see the highway as—I acknowledge the relevance and the importance of planning, but let me phrase the question this way: Where a project meets the planning objectives of the community, will it then receive some consideration from this minister before the highway costs that might be associated?

**Mr. Ashton:** I want to sort of put it in context. I think it is important to note that we made a commitment as a government to review direct and indirect subsidies to business. In fact, I think we were criticized for not moving fast enough in that area. Forgive me if I am sort of stating it a little bit loosely here. I was a bit surprised that it was the critic, who was a former minister who did not move at all on the issue. But I will not get into that debate, but to point out that this is very much a part of it. What we are doing, for the last 10 years there has been a direct business subsidy that has been put in place over which we have virtually no control, if you read the wording of the current policy.

What we will do under the revised policy is basically provide such access where it is appropriate in terms of public policy that would include, by the way, in terms of the Member's comments, obviously the community involved, but also we do have a responsibility to the province as a whole. The key thing is, I talk perhaps as an economist here, but whenever you have something that is in place—I am a strong believer, by the way, that business subsidies in general, a lot of business subsidies distort the marketplace, and this is a classic case of it.

By not having the public policy ability to say yes or no, which we do on every other project—every other project, we can yes or no to and be held accountable for, but if you automati-

cally set up a circumstance in which businesses now have immediate access to this under the policy that is in place, you will end up with situations where—as I mentioned, a slightly modified situation could end up with, even if you were going to proceed with it, a significant cost saving to the taxpayers, and, currently, there is an ability under the existing process for businesses to access this automatically.

That is the thing that has changed. It is not going to mean that we will not be in a position to provide that access if it makes sense, but it means we will have some ability to say yes or no. As soon as you have the ability to say yes or no, you have far more ability to influence the discussion itself. If you want to be held over a barrel by somebody, you tell them in advance I will pay no matter what, and then you have no room to maneuver. That essentially has been the policy the last number of years.

I think if the Member would look at some of the situations that have occurred over the last number of years and the increased pressure on us as a province, particularly in rural Manitoba, I think you will see why it was important for us in terms of removing the business subsidy aspect, but allowing for situations where it is in the public policy interest. That then becomes not a case where you are subsidizing the business, but you are doing something that makes sense for the public as a whole.

I really believe, with the new policy in place, I think it will be in the best interests of the province as a whole. I do believe that it will not inhibit development. I think development is driven largely by what is happening in the rural economy. Obviously, there are some encouraging signs, and it is not our intention to do anything other than recognize that where we can in terms of our construction priorities, but we are not going to do it automatically. We are going to do it based on what makes sense for the taxpayers.

**Mr. Cummings:** I would then have to ask the Minister what his criteria might be, if he has thought that far.

**Mr. Ashton:** I am sorry, if the Member could repeat that?

**Mr. Cummings:** If the Minister has thought far enough ahead about this policy shift, does he have criteria in mind that would be acceptable for the Department of Highways to become involved in the cost of highway upgrade for the expansion of industry?

**Mr. Ashton:** We will deal with it on a case-by-case basis, as we do with any other construction project that is proposed for funding under the capital program.

**Mr. Cummings:** Then I can assume this will be entirely discretionary.

**Mr. Ashton:** No more or less discretionary than what we do with the rest of the highway system in the sense that it will give us the ability to make some decisions, if that is what the Member is referring to in terms of discretionary. But what I am hoping to see with this change in policy is to now have decisions based on, you know, what are the best interests of the province as a whole and particularly the people of the province, the taxpayers. So discretionary I think is probably an appropriate term. Not arbitrary; it will not be arbitrary. It will be based on various difference circumstances.

The big difference is we will have the ability to sit down and discuss with potential companies, potential developers, to talk about potential partnerships. We will have more options than simply under the previous policy of having to say yes virtually no matter what the particular circumstances even if something could be developed that was in the better interest of the province, you know, cheaper costs for example, which can provide this safer access. So it will give us more flexibility, which, I think, is probably the better word, but it will not be arbitrary. It will be based on sound policy.

**Mr. Cummings:** If it is not arbitrary, then there must eventually be some guidelines that will be established for clarity, if not for my sake, but for the sake of people who may be looking to establish businesses. I would suggest again that the Minister not box himself in on this approach because if it comes down to dealing with safety issues, then there can always be reasons created to deal with safety issues. He will not have complete control of this unless he has planning

authority that supports the same type of thinking as he appears to want to implement.

If I could move to another area unless the Minister wants to respond to that. *[interjection]* No. Then, when the Member for Pembina (Mr. Dyck) returns, he will have a couple of questions.

I would like to finish with the question that we were asking. I am puzzled by the approach question, when the demand on an approach to—and a simple yes or no, I guess, will answer this—if the demand on an approach to a municipal road increases, then it is the municipal responsibility to repair and upgrade that approach if it is taking additional loads. I am talking about where a service station has been established as an example, where B-trains are turning in order to go in for fuel and those sorts of things, that I take it from the discussion we had earlier would normally be a municipal responsibility?

\* (15:10)

**Mr. Ashton:** Generally the proponent would pay but there might be cases. For example, if it is a turning lane on a highway where we might be involved, it is hard again. It is not that the situation is arbitrary, but it can depend very much on the circumstance.

**Mr. Cummings:** I will have to pursue that one further in a different manner. I have one specific question that I have discussed with the Minister, and I would like him to comment on the record if he would. It has to do with Highway 270 and the operator who is historically established on that road, who is now in increased traffic because he is acting as a receiving area for the Maple Leaf processing plant. Has there been any further communication with that individual, and are there any lifelines that this minister is prepared to throw him?

**Mr. Ashton:** It is a B1 road, as the Member is aware, and we did give RTAC this winter the ability to run RTAC weights this winter. The difficulty is given the fact that it is a B1 road. It does put the road itself at risk of significant damage if you start running full weights on it, so it is a difficult circumstance. I cannot comment in terms of the R.M.'s position officially, but I am certain that they would have similar concerns about solutions that might involve R.M. roads. I

am sure the Member may be aware of some of that as well.

**Mr. Cummings:** To be specific, there may be some middle ground, if there is a half a mile of this road that could be considered where exemptions could be offered or shared risk. I guess, knowing that everybody is on tight budgets in this area, has the Minister had any further thought about offering a half mile of usage to this person so they could then move to municipal roads, which then becomes an issue between them and the municipality? I am told that the individual in the municipality probably can reach an agreement if in fact they could reach some middle ground on a section of this highway. It does speak to what we were talking about before where businesses have established and then the pressure comes on Highways to continue to service them when they are already a numbered road and they are a Highways responsibility. Does the Minister have any advice?

**Mr. Ashton:** The difficulty is there are 2600 vehicles a day on average on that stretch of road. So our responsibility has to be to all 2600 vehicle users, a lot of people in the local area. I would not want to assume that the R.M. would be in a position to provide such access but, once again, even to upgrade that half kilometre of road—half mile, half kilometre, whatever—we are talking about a couple hundred thousand dollars by the time you are looking at widening and surfacing and strengthening it. It is a fairly significant cost again.

I appreciate the concerns of the operation, but it is a B1 road. As the Member is aware, there are a lot of other pressures out there in terms of operations that are looking at opening up on roads that are on RTAC weights. In a lot of cases, that is the business decision, not to open up on roads that are on RTAC weights, but it is a fairly expensive proposition.

I have looked at this. I appreciate what the Member is saying in terms of trying to find some sort of solution to it. Unfortunately, it is one of those situations. There are numerous other situations very similar.

We did make allowance in the winter, and the advice I get from the Department, and I think it is good advice, is that the option of simply

allowing RTAC weights on that particular stretch of road is not really an option. It would really chew up the road fairly quickly. The other option is also difficult as well, the upgrading approach. It is a fairly significant cost. My assumption too is that there would be a fair amount of pressure on the R.M. road as well. I would not assume even that that was the case, but it is a fairly significant cost factor. So we are in a very difficult situation.

**Mr. Cummings:** Well, I am not trying to make the Minister's situation any more difficult in this particular instance, but it seems almost an affront to common sense that we cannot come to some kind of an amicable resolution to this. The alternative would be that an existing operation which has had the good fortune to be able to expand is probably going to be faced with upwards of a million dollars worth of expenditure to relocate and all of the things that go with relocation when you are talking about businesses that are family run, et cetera. I do not think the Minister meant to shrug his shoulders in the sense that he did not care.

I am saying that there is probably a willingness to do some cost share on some of this. Now, when that cost share is sorted out, then perhaps the person involved will say, well, that is too costly and the only choice I have is relocation, but then at least that would be a decision that they would make with all of the cards on the table. So my desire in this case is to find some middle ground. I do not know this person all that well, but I do know that the problems of live-stock handling, I know the problems of location of livestock operations that will produce smell or noise and, in this case, some manure. It becomes a planning and location issue that perhaps if we solve the issue on one side, we can solve a number of other problems at the same time. The Minister has pointed out that every time a new livestock operation opens up, it does create loading issues on municipal and PR roads. At least those situations do not have daily truck-loads that would exceed loading.

I am making one last pitch to the Minister to consider the ramifications of this and probably open up to some discussion about some cost-shared arrangements, if that should be possible. If it is not, than I guess we are going to have to

put this operator out of his misery and let him make the decision with all the knowledge of what costs might be involved.

**Mr. Ashton:** I appreciate the Member's suggestion and I know he has also talked to me privately about this matter. I want to indicate there has been no proposal for cost-sharing, but if there was to be some discussion of that nature or proposal of that nature, I would certainly be willing to look at it as Minister. There are fairly significant costs involved so I am not sure if it would necessarily result in a solution, but, as the Member points out, there may be other costs to the operator otherwise.

\* (15:20)

The Member has been through this before, I know, many times. I mean, sometimes you have to be up front with people and not give them any illusions. The Member is aware I have certainly communicated in terms of us upgrading the highway that for one operation, it is just not possible for us to do that because there are many other people in very similar circumstances. As the Member knows, it would create I think all sorts of difficulties for other people in that situation. I would be more than happy to have departmental officials talk about possible cost-sharing. I can put that on the record and if the Member does have any interest in this area, I would certainly be willing to look at it and I appreciate him raising it in that sense.

**Mr. Cummings:** The only other comment I can add, and I would like to move on to another issue, is that from time to time I think we forget that this is a temporary blip with a rather high level, and the load volumes will drop when it gets to normal operation. So, I will talk with the Minister off the record on that. I am not here to cause trouble for the person involved. I simply wanted to know if the Minister was open to further discussion.

I do have a policy issue that the Minister and I are going to have to exchange some views on and that is that, well, I asked in the House how he intended to manage his budget. Obviously, in looking at the Estimates books that have been released and all the things associated with that, there are still an awful lot of discretion within

the budget and how the monies can or might flow. The Minister has made certain commitments. His premier has made commitments about, I think, to spend double the money on roads in the North or 25 percent of the budget in the North or 25 percent more of the budget. Perhaps he would like to clarify what the commitment of his premier was in terms of gross highway budget.

**Mr. Ashton:** We indicated we would spend a significant amount more than the previous government did in northern Manitoba. The Member is probably aware it hit as low as 4 percent in one year. There are highways such as 373, in particular, that we have indicated in need of significant upgrading. If you look at the population served by those highways, it is equivalent to probably most of the larger communities elsewhere in Manitoba, the combined population. These are arterial roads, these are the only road access into those communities.

So we are committed to doing more in northern Manitoba. If you look historically, I think it is interesting to note that, when it did hit the low about '93, there was at the same time actually a fair amount of reaction in many areas in northern Manitoba, and the previous government did respond somewhat. There was some upgrading, for example, on 391, but the highest percentage of the capital budget was just before the last election. If you look at the average in the '90s, it was running 4, 5, 6, 7, 8 percent, 9 percent perhaps in that range, and quite frankly, we made that commitment.

We will be living up to that commitment. I think that, when the Member sees the capital budget, he will see that it will combine the greater priority in terms of northern roads, but also I think a fair regional balance. I would note on that that one of the most significant projects that we have committed ourselves to is Highway 59, which, last I heard, is in southern Manitoba. It is a very important development. I think all members of the House would agree with that.

We felt that it was absolutely critical, particularly given the flood-proofing aspect of it, the diking. So I think that speaks to the fact we are committed to regional balance. I am sure we are going to have this debate when specific

projects are announced, but I would hope the Member would understand where the commitment came from in terms of increased priority.

It comes from the fact that the North did not receive much priority for many years, northern airports, northern roads. I think it is only fair and reasonable in this province that we try and get a regional balance. It is exactly what we are going to do.

**Mr. Cummings:** There is an obvious question that the Minister is intending to make a arbitrary decision on expenditures of dollars as opposed to any kind of relative relationship between miles of road and population and those sorts of factors that enter into it. That is his choice if he chooses to do that, but I feel some obligation to find out what the impacts of that might be.

When he mentions Highway 59, how much of that is part of the Red River flood-proofing agreement?

**Mr. Ashton:** Madam Chairman, \$500 000, so it is a very small part of it in terms of the actual cost of the highway itself. The vast majority of the cost is coming from the Department of Highways. So, when I talk about commitment from Highways, it is, by and large, a Highways project.

**Mr. Cummings:** You said a half a million and the total project is?

**Mr. Ashton:** Out of \$15.5 million. So it is a \$15.5-million project. Half a million dollars of the cost is flood-proofing in terms of the actual source of funding.

**Mr. Cummings:** Madam Chairman, when I asked the Minister how he intended to keep his premier's commitment, I would also be interested if he could give us some feeling of how that—with a first glance at the expenditures in the Department, it would not indicate that those dollars are going to flow in the manner in which he has just indicated. Is it construction dollars? When will we receive the provincial construction program?

**Mr. Ashton:** In terms of the actual announcement of the construction, we have done some

announcement, the preliminary part of what I would call the spring announcement. The main construction announcement, I guess we have to go to Cabinet and get it through Cabinet. It has not gone through Cabinet yet, so I would anticipate probably within the next couple of weeks, at the latest.

**Mr. Cummings:** Well, the Minister, obviously, has found himself in a position where he is going to be open to criticism of moving expenditures, and, fine, if he is committing \$15.5 million to Highway 59, which just happens to be in a constituency that is held by the current government. If he intends to put an additional amount into the northern region in construction, then that raises the obvious question: What is left for the rest of southern Manitoba, and how does he intend to distribute those dollars? I guess that is a little difficult for him to answer if he is not prepared to share the construction program yet.

**Mr. Ashton:** Well, first of all, the \$15.5-million project for Highway 59, that is the total cost. That is not in one budget year. This year, we are looking at doing the grading portion, which is \$4 million.

As for its being represented by an NDP member, it was also represented by a Conservative member for many years. I am not sure if the Member wants me to get into the politics of Highway 59 here. He, I am sure, does not want me to sort of suggest that maybe the current Member for La Verendrye was instrumental in getting Highway 59 moving.

I can indicate we have done a lot of work as a government moving it through, for example, land acquisition, which, basically, is only in a very preliminary stage. We are moving to expropriation. We want that built for next year. Even though the portion of the project that is flood proofing is small in terms of the cost element, it still is flood proofing. It is fairly significant. I think, if the Member is aware of the concerns down in that area, he will know that this being stage 2 of that development is of extreme importance to people and communities. It has been something that people have been looking for, for many years, particularly following '97; and, when you have had '98, '99 and this year 2000, we felt we had to make this a priority project.

\* (15:30)

You know, I would hope that members opposite would support that. I think it is important. I think it is also important, and I think members will realize this too, that this talk of arbitrary funding formulas before in terms of population or something of that nature, we have communities—I give the example of 373, why we have indicated we are going to be doing some work in that area—these are very significant-sized communities, and the highways that are in place are similar to the condition of 391, on which some work took place under the previous government in bringing them from what was described by the minister at the time as pioneer standard roads, which others might describe in more colourful terms. The reality is these are arterial roads. These are the only access into the communities involved.

It is interesting because the previous government I think had, if not necessarily in policy, somewhat, certainly in the case of 391, indirectly, perhaps grudgingly, accepted that argument, because there was some improvement. I welcomed it at the time. I felt it was a significant shift. What we are looking at is, I think, even more of a significant shift in terms of that.

I would point, for example, to the fact that there is a great deal of potential for north-south highway links, not just in terms of serving the local communities, but we have continued on some of the work that was underway with the previous government and the Government in Nunavut. One of the implications of extending a transportation link into Nunavut, obviously, is going to impact on north-south highways. For example, Highway 6, which would be the prime connecting route into the five sites that were—I do not know if the Member has seen the report, but there are five potential routes that have been listed to connect into Nunavut. By the way, the Nunavut all-weather road is a fairly extensive proposition at 1.7 billion, 1.9. It is a ballpark figure. A winter road would be \$20-million initial construction, \$7-million annual maintenance, most of which would be in Nunavut, by the way, so we are talking federal government expenditures. So we are committed to looking at that.

We are also committed to looking at the situation in our own communities. I can tell the Member that there was a fair amount of frustration in a lot of northern communities—when I say "northern communities," those starting on the southeast side of Lake Winnipeg—the fact that we were looking at all-weather road links—when I say looking, very preliminary stage—but that we were not doing that within our own province. We are committed to doing that.

I think we have to ask the question in the 21st century whether we should have more than two dozen communities that do not have all-weather access. We have to ask the question whether we can continue to rely on the winter road network, particularly on the southeast side of Lake Winnipeg. We have to ask the question: Do we maybe have to, as this province did in the 1950s, look at the way we extended electricity, rural electrification? We have done that traditionally in the past, and we are undertaking that challenge and trying to find creative ways.

One of the bottom lines here, I think—and I will say this on the record in committee, because I have said this numerous times in the past—I mean the best social program, the best economic development initiative you can ever establish for any community anywhere is to extend roads and basic infrastructure. I point the Member to what happened on the southeast side of Lake Winnipeg, for example, with power, with direct-line power, which, I thought, was a classic example of some very creative work. I gave credit at the time, and I give credit now to the previous government, the federal government, First Nations, who all worked in partnership.

So it is at that stage that we are at. I do not underestimate the challenges of looking at that, but I do think that we have to be starting that process and be looking at some potential ways of creatively putting in place something that I think is going to have huge benefit on the communities involved. So, to make a long story short, I look forward to actually support from the Member and other members on a lot of these initiatives. There may be some disagreements on the allocation of the capital budget. In fact, I would be surprised if there were not. I mean, we certainly had disagreements when we were in opposition, and I think I was fairly vocal at times.

But I believe there has to be a balance. There will be more priority in terms of some of the northern needs, but there will also be focus on southern Manitoba. A lot of the needs are in place, and 59 being one of them, a major project, yes, but I think the Member will find that when a capital program does come out, there will be projects throughout the province. I made a point of meeting with people throughout the province to take into account various things.

For example, I attended a meeting in Pine Falls recently with, in fact, the Member for Lac du Bonnet (Mr. Praznik) because I always appreciated ministers when I was in opposition who took the time to come to all areas of the province. I have been in Winkler probably more than I have anywhere else. I have been to two openings. I have toured the Winkler main street. So I am making a real effort to look at the needs throughout the province, and I think the capital program will show that. There may be some disagreements on some of the projects, some of the priorities, but I think we have to include the entire province from the 49th parallel to the 60th, and that is going to be my goal.

**Mr. Cummings:** Well, I hope the Member is as willing to tie economic and entrepreneurial factors together on the east-side road as he was in our earlier discussion, because it is much easier to get a project like the east-side road completed if there is also economic opportunity tied to it at the same time. Pine Falls has certainly expressed interest in what is happening for access to resources.

The Minister in his own words tied the two together when he was talking about safety and access and the responsibility of business. Well, the east-side road ties those same factors together very nicely, and I hope he will take advantage of that when he is thinking about access to communities. That access will be quicker and jobs will go with it if it is also done in partnership with industry and, of course, probably the other level of government which has more than a little responsibility in that part of our province.

It would seem to me that we should be asking this member, however, when he has got a

reduced budget, how much of the maintenance portion—he has argued that he has more money for maintenance. Does he intend to see the expenditure of the Budget for maintenance in the regions, or once the regions receive their budgets, is it their priorities that then are fulfilled?

**Mr. Ashton:** First of all, on the southeast, just one thing I would like to sort of add is at the meeting in Pine Falls it was made quite clear by the paper company that in terms of the impact of the road on any forestry development or vice versa, that that is something that is a longer-term proposition, that most of the cutting that has been anticipated in the area over the next number of years is not dependent on the road itself. I have actually met with Tembec, in fact met with them in December, and that was the indication at the time. I think there has been, as the Member knows, a fairly significant shift, in particular towards using the existing cut area which is the current plan in that area.

That does not change the point that the Member raised, though, and the point that I certain argue, and that is that we simply cannot just ignore the fact that we have got more than—well, in fact, two dozen communities that do not have road access. We will be continuing to do that.

In terms of the current budget, I would just like to make it very clear that in terms of the base budget and capital, we are actually the same as the last number of years. I think what the confusion relates to is the fact that the previous government had two years where it put in one-time-only capital initiatives, a \$5-million initiative, and last year it was a \$10-million initiative which was not in the actual base. So we have kept the base where it is at. It is actually basically at a very similar level to what has been in place in the past.

In terms of maintenance, we have increased that for a couple of reasons. One is because maintenance has been underbudgeted the last several years.

\* (15:40)

**Mr. Cummings:** Under budget or underfunded?

**Mr. Ashton:** Underbudgeted. Basically, the previous Ministers of Highways had to get more money. It just was not enough to meet the needs. We are trying to match the needs. We are also trying to cover for additional costs related to the increase in the price of oil which does affect our operations and also some of the spot surfacing through the asphalt prices, and it is an attempt, I think, to provide a reasonable amount of maintenance.

One thing I would like to add, too, and I did mention this in my opening remarks, we made the first step, the first significant step in a long time to improving our maintenance equipment which is I think fairly important, that we have increased from 1.3 million to 4 million, which is a tripling. I mean, I could throw out a 300% increase. The sad part is that 1.3 million was an abysmal level. I mean, our equipment is on a 97-year replacement cycle. Our equipment is four hours on the highway and one hour in the shops. Quite frankly, we were in a position of not being able to respond in the case of a serious event, major storms. So maintenance, we have a two-pronged approach here on maintenance. One is on the actual maintenance budget, and the second is on equipment.

I also think, by the way, that there are some good public policy reasons for the enhancement of maintenance, the maintenance budget, one of which is increasingly the previous ministers and myself are in the position of finding that sometimes you can have the greatest impact on the system, not through some of the larger projects, which I know everybody likes. I mean, you have the announcements, you know, people remember them. You do not get that when it comes to some of the spot grading improvements, spot paving that takes place, spot surfacing, but in many cases, just in the same way that when you have a vehicle when it is somewhat of an older vehicle, we have a highway system that is somewhat of an older highway system, as the Member knows. It is actually wise to do what you do, say, with a vehicle. You have more of an emphasis on the maintenance side.

I do want to credit the Department. This is something that is not the result of obviously our

initiatives, but they have been working very hard to maximize the utility of the dollars there.

Some of the new technology that is out there in terms of bridge strengthening with ISIS, Docturus Callan [*phonetic*], there are all sorts of ways in which the Department has taken resources which are always limited, as the Member knows, no matter what level of budget you have, and extend them. In terms of maintenance generally, it will be I think a better reflection of the real need out there in terms of actual cost and the regional needs. I am sure it is something that members opposite will support, because maintenance should be properly budgeted. I think anybody in this committee who drives in the winter, when there is a snowstorm, you expect to have the highways cleared as soon as possible. You expect to have them in good shape, and that is our intention.

**Mr. Cummings:** That raises a further question about investment in equipment. Is the Minister making a philosophical statement about contracting?

**Mr. Ashton:** The Minister is making a policy announcement of this government that we are not going to rely on the poor state of equipment that we inherited. I can indicate I am very pleased that we are going to be able to have a better standard of equipment to provide better service to the public. If the Member is alluding to our not intending on privatizing highway maintenance. I do not know if he is getting into that area, the answer is we are not going to be privatizing highway maintenance. That is not our intent. In fact, we are trying to give our people in the Highways Department the tools to do the job.

**Mr. Cummings:** There are a number of areas where there has been tendering of certain maintenance programs. Does the Minister intend to continue that?

**Mr. Ashton:** In terms of the municipal tendering, that is unchanged. We see some advantages where it was working in the municipal level of government in terms of rationalizing what we do and what they do. In terms of private contracting, we will not be renewing the three areas which were in place, by and large, by the way,

based certainly in one case very much on the feedback from the local municipality. We believe our Department of Highways will be in a better position of being able to provide that service.

**Mr. Cummings:** I am not sure if I heard the Minister correctly. Did he say he will not be renewing or continuing to tender, for example, highway mowing, that type of maintenance, where there has been at least a three- or four- or five-year tradition of putting tendering up for sections of the highways for mowing?

**Mr. Ashton:** I was referring to gravel road maintenance, just to clarify the specific area, most of which went to the R.M.s. That has not changed, the three that went out privately. Particularly based on the experience with one of the contracts, we are not going to be continuing with that policy, and we are basically going to provide that through existing mechanisms.

**Mr. Cummings:** Then the Department will be continuing to tender for some of the services that have been tendered on a regular basis the last four or five years, mowing being one?

**Mr. Ashton:** There are no changes in that particular area. I was referring to the gravel road maintenance.

**Mr. Cummings:** Then the Minister, by what he has said up until now, would indicate that he does not see any additional opportunities for tendering of any of the Highways operations?

**Mr. Ashton:** No, we are not looking at any additional contracting out. As I indicated, we are not renewing the three gravel road at the private level, but we are not looking at further expansion.

**Mr. Cummings:** I think this is probably a humorous interjection, and it is not a shot at Highways because I know that the responsibilities for the equipment are different, but it is interesting that Parks has been known to buy Highways' vehicles, when they are done using them, for maintenance in parks.

I recognize the difference in mileage, so that is not so much an issue, but I do have another question along the acquisition and/or leasing of

equipment. Is Fleet Vehicles, will that be a source of any light vehicle?

**Mr. Ashton:** In fact, I think virtually all of our vehicles come from Fleet Vehicles. Of course, I am the Minister responsible for that on the Government Services side.

That will continue. The irony, and I will just explain to the Member sort of the situation we are in. Fleet Vehicles, like any good leasing agency, cycles its vehicles basically through sort of the new and disposes of them, sells them off in order to maximize the efficiencies, particularly keeping the maintenance low.

Highways is on the other end. I have seen equipment that goes back to 1947. We keep it basically until it drops. We are putting a huge amount of effort into maintaining it. I tell you, some of our mechanics really should be in the magician category. I do not know if they could probably even explain how some of that equipment still stays on the road. The best comparison, I would say, between what is happening with our Department of Highways and where there is a need to upgrade the equipment is you just compare our situation to a lot of municipalities where municipalities operate the same way that Fleet Vehicles does, where municipalities, first of all, have much better equipment than Highways does but also go through what is called proper fleet management.

On the one hand, through Fleet Vehicles, we have relatively reliable, newer vehicles that are also cost efficient, but when it comes to the equipment side, it is extremely difficult. By the way, we do in some cases contract for equipment. We have had to do that I believe in the northern region. I know the previous government had done that because the existing equipment just simply could not handle the roads. The roads are in such bad shape that the equipment itself was having difficulty in terms of reliability. So there has been some private equipment, and we will continue to do that. Where it makes sense to access private equipment, we will do it.

\* (15:50)

**Mr. Cummings:** The Member for Pembina had a couple of questions. I will defer to him.

**Mr. Peter Dyck (Pembina):** I have a few questions and I am going to take them sort of individually by the community. I know that the Minister and the Deputy were out to the Winkler-Morden area several months ago. Anyway, my question starting off would be in Winkler. First of all, you probably do have these numbers, but I will just refresh your memory on some of them. I think the town has met with you, and they have two priority items. One is Main Street, and the other would be the Highway 32. Just to give you a little bit of an indicator, and I will start off with Main Street. Again, the traffic study that took place was one that was done jointly by the Province and the town.

*Mr. Tom Nevakshonoff, Acting Chairperson, in the Chair*

I think you are probably familiar with that. You have got anywhere from 10 000 to 12 000 vehicles on Main Street, so I know in their projections and, I think, also in the Department's projections, that the feeling was that, within the next year, if at all possible, that short area in the town of Winkler, Main Street, and I believe in distance that would be half a mile would be looked at. Again, with the increase in traffic and the tremendous growth that the town is experiencing, it becomes a safety factor. So, if you could advise me as to what you see taking place on Main Street in the near future, I would hope that the Minister would say that will be taking place this year. I would like you to respond, please.

**Mr. Ashton:** First of all, I have been in Winkler. In fact, I very much enjoyed the opening we had at the traffic signals, and I was glad the Member was able to be in attendance as well. I not only toured Winkler's Main Street but met with Winkler just recently in my office. We certainly are going to be looking at their concerns very closely. There has been a lot of work done by the Department.

In terms of any of it this year, obviously, if it was to be assured of anything happening this year, as the Member knows, we are on a two-year cycle. That decision would have had to have been made last year. That really was a decision

that I had nothing to do with. That was the previous government. We are looking at it. I commend the community. It is a very dynamic, growing community. At the same time I had better say Morden is too. I know about some of the rivalry between the two communities, friendly rivalry, I am sure.

I appreciated the presentation from Winkler. Certainly, from their point of view, Main Street is the priority, I know certainly in our discussions. As indicated, we have not finalized the construction budget soon, but I think the Member will see fairly soon, I mentioned earlier to the critic, that the capital budget should be out probably in the next couple of weeks at the latest. I think the Member will see then in terms of specific projects. Certainly, there is a huge traffic volume in that particular street; I certainly acknowledge that. It is a direct result of the dynamic nature of the community.

**Mr. Dyck:** I thank the Minister for that. Without putting words in his mouth, I hear it is possibly yes for this year, and I would welcome that. I believe again it is a matter of safety. I know that you have mentioned that as well in the comments that you have made, a safety factor. So I would just urge the Minister and the Department to look at that favourably to have that done sooner rather than later. Again, with the high school residing right on Main Street, there is a lot of traffic there. Of course, as I indicated by the number counts, there is other traffic there as well. This, of course, is ongoing.

I would like then to talk just a few minutes about Highway 32. That is the highway that goes through the town itself. The town just finished doing a traffic study. They broke it down, but within a 24-hour period of the junction of 32 and 14, there are 2951 half-tons and 1085 semis coming through on a 24-hour period on a daily basis. Then, when you combine that with other vehicles, you have 13 600-plus vehicles going through there. The traffic counts are high, and I realize that in the projections the Department had not looked at doing that one this year, but, certainly, as we move ahead—again, these numbers are increasing steadily. I know the Minister recognizes the community is vibrant community,

is a growing community, and so these numbers will continue to increase on almost a daily basis.

What is the Minister's response to Highway 32 from the study that has been done and the traffic counts that he sees?

**Mr. Ashton:** I should indicate that it is in very preliminary stage. Certainly there was nothing on the books when I came in as minister. I met with the community, and we are committed to working with them in terms of working on future planning on that particular highway. It really is a very preliminary stage, though, and something we are hoping to continue. There has been a lot of good work done between the community and the Department. In fact, I really want to give credit to both sides, but also particularly the departmental personnel. I have heard nothing but positive comments from people, related to the working relationship, and that is really all I can indicate thus far in terms of 32. It is a fairly preliminary stage, and I appreciate the fact the community has identified it as, perhaps not in the same category as the main street, but a developing concern.

**Mr. Dyck:** If I could ask a further question then. With the traffic counts that have been done, and with the attitude the Minister has—and I think we all have—toward safety, what kind of numbers do you look at when you start looking at such things as safety and needing to either expand or repair a highway or whatever? We have significant vehicles moving through there on a daily basis, so what do you determine as being adequate numbers to look at qualifying situations such as this?

**Mr. Ashton:** I think it is important to note that it is in the range of traffic counts, but that is not the only factor. The other factors that go into the determination are in terms of the type of road, geometrics, visibility factors, access from turning lanes, but it is something I would probably identify more as an emerging concern. It has not been programmed, and I presume previous ministers of Highways at that time were not in a position to develop any programming, largely because at that time there was not that kind of pressure. We certainly recognize it is in the range, and that is why we have been doing some preliminary work with the community.

**Mr. Dyck:** I thank the Minister for that response. I guess that the other thing that I would just urge is that, certainly as time goes on—and especially in certain areas—and I know that, when you look rurally, there are areas that do not increase as dramatically as what we are seeing in the Winkler area, I mean, the numbers. I think that these have been escalating. When you do a projection, you do not possibly have the benefit of those numbers, even as a department. How do you determine what the growth factor is going to be a few years down the road? I think this is something that the community has seen, and, certainly, we have seen this taking place within that area. I would urge the Department and the Minister to look at this and to continue to look at it as the community grows. Unless you want to respond to that, I have some further questions in a different area.

\* (16:00)

The Rural Municipality of Stanley, I believe, has either met with you, or they wanted to meet, I am not sure, but I know that I have a letter here stating their priorities. I guess the one that I would just like to highlight here, and, again, we had an accident. This is on Highway 32 and the Schanzenfeld access intersection. I guess, over the years, and again as traffic increases on Highway 32, and this is a compounding problem, but there was a fatality there just two months ago, and I know that the community is very concerned, as I think we all are. But is the Department looking at anything there? Do they have some suggestions as to what could be done there to make that a safer intersection?

**Mr. Ashton:** We have had our Traffic people go out. What I can do is commit to the Member to get a report back either in Estimates or in writing on it. I know it is certainly a concern to the Department and certainly myself as minister, whenever there is any kind of tragic accident, to try and determine if there is anything that can be done to improve safety in the future. So I will undertake to get a report back to the Member on that.

**Mr. Dyck:** I appreciate that. Again, just to reiterate, it is a problem that is increasing because, again, of the population increasing in that

area. As I indicated with Highway 32 with the number of vehicles out there, it did not used to be—I mean, that intersection has been there for many, many years. But it is again because of the growth of the community and the villages south of Winkler that the problem has been compounded. So, again, I appreciate the comment that you made.

One further question that I have, and then I will give it back to the Member for Ste. Rose (Mr. Cummings). Highway 3, the distance between Darlingford and Manitou—

**An Honourable Member:** Lovely communities.

**Mr. Dyck:** Lovely communities, thank you. But anyway, that distance, that strip of highway there—now basically they have been patching it for 30 years, but I am just wondering what the Department is intending to do with that distance in the near future or if that is on the list at all. Highway 3 between Darlingford, it is west of Morden, Darlingford and Manitou. I am not sure of the number of kilometres in there.

**Mr. Ashton:** What I will do is probably just sort of take that as advice from the Member. There is nothing programmed in that particular stretch, but I appreciate his raising that with us.

**Mr. Dyck:** One more question, if I could refer back to the Rural Municipality of Stanley. As you are aware, there are the Boundary Trails, that hospital they built, the junction you were at at the—now there is a small distance in that from the highway to the entrance into Boundary Trails that needs to be paved. When you are doing some work out there, I am wondering if there is an opportunity to just hard surface that strip. It is not even a quarter of a mile. It is just a matter of feet—if the Minister could respond to that.

**Mr. Ashton:** It is on a municipal road. What we can do, as we have done in other areas, you know if there is work in that area, is work with the municipality, and they can pay for the service, but as part of the overall contract, we can extend an existing contract. That would be dependent on other work in the area, but it is certainly something we would be more than prepared to talk to the municipality about.

**Mr. Dyck:** I appreciate that. I think, again, if you can tender that together with another project.

It is such a small distance. To get a contractor out to do just that, it is very costly. This was a concern from the RHA as to being able to do this in conjunction with another project. So if you could sort of remember that, as you are doing work out there, it would certainly be appreciated.

So that is all the questions I have.

**Mr. Ashton:** What I will do is indicate too that there has been some discussion on that particular stretch, but I appreciate the Member's advice on it.

**Mr. Cummings:** The Minister talked about upgrading equipment, but from time to time Highways has materials that are not up to their standard or not suitable for their purposes, culverts that may have been removed during reconstruction, in some cases decking I would assume, but culverts particularly. It is an issue that I do not think I properly wrestled to the ground a while ago, but this minister maybe can lead in the mud wrestling. Is he prepared to look at the policy of offering these materials for tender or auction?

**Mr. Ashton:** Currently they are sold through salvage, so they are sold; they are not wasted.

**Mr. Cummings:** I appreciate that might well be a uniform way of getting rid of the materials, and I can also appreciate that Manitoba Hydro went probably through similar difficulties in getting rid of poles, for example, where they were replacing H-lines or regular lines. There is always a question of how you manage that material.

But we are talking about public infrastructure where we are dealing with municipalities. I would ask the Minister whether he would instruct the regions to offer, by tender or by best offer, municipalities the opportunity to purchase these materials because very often there are roads that are being maintained in their purview that basically are minimal use roads, but they still have to have expenditures where there are water crossings and so on. These materials are actually quite valuable to them if they could acquire them at a reasonable cost. Far be it from me to argue the merits of being able to manage it through salvage and the bulk distribution of this, but I would ask the Minister if he would under-

take to review that policy and see whether or not there could be an opportunity for municipalities. I am only making this case on behalf of municipalities. I would not make on behalf of private individuals or others who might want to acquire this material because sometimes that can in fact be more bother than comes out of it. But where we are talking about maintenance of public infrastructure, if the Minister would commit to reviewing that policy, I would leave that question there.

\* (16:10)

**Mr. Ashton:** We have certainly received representations in the past from R.M.s. Currently part of what happens is in a lot of cases it is part of the contract, so the contractor has some rights to salvage that, but there have been numerous cases where that approach has been made in terms of the R.M.s. What I think we can do is review the policy and certainly perhaps clarify it too because based on some of my meetings with R.M.s, I do not think it is as clear as it should be. I think the Member raises a good point here, the fact that where you do have useable culverts or any other kind of scrap material, make sure that the R.M.s get access to it if it meets appropriate standards. So I will undertake to look into it.

**Mr. David Faurichou (Portage la Prairie):** I would like to ask the Minister in the document published as Estimates of Revenues, there is a categorization of fuel tax between gasoline and motive. I wondered if you could explain the various fuels that fall into those two particular categories.

**Mr. Ashton:** The actual place where it should be asked in terms of the specific details is probably Finance Estimates, but obviously gasoline tax is gasoline tax. My understanding is that motive fuels would apply to everything from propane to diesel, but I am not the Minister of Finance; I cannot give the Member a definitive answer.

**Mr. Faurichou:** I was trying to determine the balance between actually gasoline and diesel fuel consumed on the roadways. Are they both in the gasoline tax column? I speak specifically of highway transport fuel tax. Is it in with the gasoline tax or is that considered a motive fuel?

**Mr. Ashton:** What we do, and this is what the previous government did as well, in terms of calculating what is raised from our transportation system, our road system, is take the road portion of the motive fuel in addition to the gasoline tax. That is essentially where we have come up with the fact that for many years in the province essentially we have been very close to spending what we take in on road-related revenues and putting it back into the system.

**Mr. Faurshou:** I can appreciate what the Minister is saying, and perhaps maybe the question is better posed to the Minister of Finance (Mr. Selinger). However, I was hoping that the Minister of Highways would effectively be versed in actually where the dollars are collected in regard to transportation. If in fact the roadway fuel taxes collected are just that, \$157 million under the gasoline tax line, then what you are saying, as a minister, is true and correct, that that is reinvested into the roadways. However, the categorization of motive fuels, which I can only assume at this point and hopefully the Minister can perhaps correct me, is the fuels collected in other areas other than roadways of Manitoba, that being at the various airports throughout the province, the railways that are operating within the province as well, and I was wondering whether the Minister can verify or validate that statement that I have just made.

**Mr. Ashton:** The numbers that we use, this department, and were used by the previous government, include the road portion of both diesel and propane as well as the gasoline tax. In terms of airports, essentially there are a fair number of fees out there collected apparently by the federal government, but there is a similar problem with the federal government at the national level in the terms of airports. They are draining our transportation system, including our airports as well. But the numbers that I am referring to are basically road-related fuel taxes, and we are one of the few provinces—there is only Alberta really that is any better than Manitoba, and that is largely because of its oil and gas revenue, it can afford to subsidize its highway system. We are not asking for the system to be subsidized, but we feel there should be a greater relationship between what is taken from our road system and what is put back into it.

**Mr. Faurshou:** I really appreciate the Minister's position on it, the fact that revenues generated from our transportation network should in fact be reinvested in that network. I was very disappointed to see at this past weekend's Yellowhead Highway Association a statement by the federal Minister of Finance where he essentially used that opportunity to state that he was not in support of any collection of taxes which is dedicated back to the area in which they were collected. So, in other words, he is not supporting Manitoba's view where taxes collected from a specific revenue-generating network are to be reinvested in that network. I was very disappointed to see the federal Finance Minister in black and white make that position known.

Essentially, what I would like to ask the Minister at this time is: The collection of taxes from our railways operation within the province throughout the year, would he be able to give me an approximate value or dollar figure, or would I be most appropriate to pose that question in Finance?

**Mr. Ashton:** That would be more appropriate for the Minister of Finance.

**Mr. Faurshou:** Then, specific to the operation of the highways network here within Manitoba as it pertains to the railway network operating in the province, could the Minister provide approximate figures as expended in relationship—that is spent on our roadways that is caused by the railways, in other words, expenditures directly related to the railways here by overpasses, controlled railway crossings, diversion of roadways to intersect with railways at 90-degree angles are all Highways' expenditures, but directly related to working in and around the railways' network in our province on an annual basis.

**Mr. Ashton:** It is relatively minimal.

**Mr. Faurshou:** So then the control arms that are a quarter of a million dollars or more per intersection, how is that investment distributed between the municipal government, provincial government and the railways themselves? I was

under the understanding that the Highways Department was responsible for a significant portion of the expenditures on those controlled intersections.

*Madam Chairperson in the Chair*

**Mr. Ashton:** The Department spends \$865,000. It is basically maintenance costs. There may be significant developments where there will be some more significant cost involved because of rail complications, but basically it is an annualized maintenance cost of \$865,000.

**Mr. Faurschou:** Further to that, the overpasses that are built within the province over railways, I would suggest that there has been significant expenditure, if not on an annual basis, over the years. Because we look at underpasses, overpasses, diversions of traffic to accommodate railways, I would think that the value of expenditures is significant.

**Mr. Ashton:** Yes, I think the point is there may have been capital amounts in the past, but in terms of, say, for example, the last capital budget, I do not believe there was any capital cost involved. The basic cost was maintenance. Unless you get a major complication, most years there would not be any significant or any capital costs.

\* (16:20)

**Mr. Faurschou:** Well, I do not want to give the Minister the viewpoint that I am adversarial in this regard. I am trying to determine the dollars that it costs to operate our transportation road network within the province and the additional dollars that it takes to operate that network to accommodate the railways network in the province; and to suggest that the taxation dollars collected from the motive fuel that is consumed by the railways operating within the province, that those expenditures be made available to the Highways Department for expenditure to operate.

I really would believe that the dollar figure is much more significant than one would determine because the railways are consolidating their trackage. Consequently, the commodity-handling companies operating in the province are having to rationalize their grain-handling facilities, and

the expenditures related to those new grain-handling facilities are significant.

Right in Portage la Prairie, we have two, and the Highways Department had to significantly modify slow down, speed up and change the actual angle of intersection. Many dollars were expended. So I am really very concerned that the dollars that are collected from the railways should, in fact, be made available to the Highways Department.

Further to this, I will say that Portage la Prairie, because of the intersection of the two major railways, was considered the most active rail yard in the whole nation averaging 70 units per 24-hour period. So if you can appreciate 24 hours and divide it by 70 movements in a day, that constitutes that you on a lot of occasions had both the west end and the east end of Portage la Prairie blocked by the level rail crossings that are in existence there today.

I am understanding by the Highways Department that overpass-underpass plans were in place for both the east and west ends of Portage la Prairie on the Trans-Canada Highway 1A and that these projects were put to the back burner, so to speak, because of the lack of capital dollars. I would suggest that there is not a lack of capital dollars if one considers the diesel fuel tax that is collected from the railways when operating within this province. It is a great concern to Portage la Prairie residents because emergency vehicles, in fact, have an exit out of Portage la Prairie that constitutes numerous minutes expended to make certain that they do not use east and west exits of Portage la Prairie because of the chance of coming to a standstill because of a level crossing in trains at both the east and west sides.

If the Minister has any comments, I have made numerous comments here, and I would appreciate if he has any thoughts in this regard.

**Mr. Ashton:** My main concern I think is to make sure that road fuel taxes are put towards road uses. The difficulty I was talking about, sort of other taxes where they should be distributed, as government, and the Member would know this having been a member of a government

before, it has to come from somewhere. We have balanced budget legislation, so it will not come in the form of deficits. The Fiscal Stabilization Fund is significantly below its target level, so I doubt if it will come from there. It will essentially have to come from other departments in government, and I do not think as much as I would like to see whatever amount of money for the highway system, that I would want to see it come out of Health or Education, for example. So, realistically, I think our focus should be on road taxes, and one of the reasons is because, quite frankly, of the federal government now not spending more than about 4 cents of every dollar it raises.

You know, that is the focus. I spoke to the Yellowhead convention on Friday and pointed to the need for that, and I think it is unfortunate the Minister of Finance, federally, has not accepted that. You know, quite frankly, even if it was anything, I would welcome that. We have some progress, as the Member recalled, from our first discussions on the grain side, although, quite frankly, I view that as being less related to road taxes and more related to the disappearance of the Crow rate. The Crow rate should have been put into our transportation system. It was not, and the buyout that was put in place barely paid for more than two years worth of Crow benefit.

But we will continue that. In an ideal world, I would love to see more money from elsewhere in the Budget, but my view is—and it is never exact. I have the numbers here. I mean, I think we are at 97.2 percent. My argument is if we do not put in dollar for dollar, it is within a nickel. It is a few cents difference, a big difference when you have a federal government that is putting in, at most, 4 cents on the dollar. If we do not start investing in our transportation system for the good reasons of sound public policy and planning ahead, we are going to have to do it in a few years anyway because we run a real risk of falling further and further behind the Americans. There are a lot of countries in the world where you just do not have basic infrastructure, and the bottom line is those countries fall further and further behind.

I would think we are probably in agreement on that. We may have some disagreements on emphasis on the rail side, but the bottom line is

we need to get the federal government to be at the table when it comes to highway infrastructure. I have communicated that to the federal minister each and every time I have met with the federal minister. I suspect the federal minister would probably agree, too. I suspect he has had perhaps somewhat less success at the Cabinet table than Highways ministers in Manitoba. We collectively—and when I say "we," I am talking about myself and previous ministers—have had more luck relatively speaking than federal ministers have, so, perhaps, if we can give the kind of support we are giving on the record here over time, we will do it.

Some encouraging signs: The Prime Minister has talked about national highways expenditures a bit more the last little while, and my view is if you do not put it on the political agenda nothing happens.

**Mr. Faurichou:** Thank you, Mr. Minister. In regard to that. I just really truly believe that there is a very valid argument to present to treasury and to the Minister of Finance (Mr. Selinger) that, with dollars that are collected from the railways, some portion of that should be directed to the operation of the Highways Department as it pertains to improvements based upon safety and access that are directly related to the railways, and that meaning the overpasses, underpasses, controlled rail crossings.

With the very busy rail yard in Portage la Prairie, I know that it is disappointing to see that the Highways Department that had previously acquired properties and bought out businesses so that they would have the necessary area to construct these overpasses, underpasses to accommodate traffic flow east and west of Portage are now selling that property off as redundant, no longer required properties, even though it will afford once again the opportunity for redevelopment for business in Portage la Prairie. The initial project is disappointing to many because of the numerous times that residents have a challenge to exit and enter Portage la Prairie while waiting for a train.

I would like to yield to my honourable colleague from Gimli with those thoughts and to wish the Minister well in his endeavours to

garner more dollars for the transportation department.

**Mr. Ashton:** I thank the Member. I should point out that actually in the case of Portage probably one of the other major factors really was pressure for development from the community that has encroached on the potential development plan. That is a problem elsewhere within Highways, but that is probably the most significant factor. Not so much dollar amounts in the capital construction side but with the way development has gone in the city, it is now not feasible to do it. Those are the trade-offs that communities make. It is not necessarily that I am criticizing; I am just sort of giving one of the other aspects to it.

\* (16:30)

**Mr. Faurchou:** Just for the record, when city officials and community development officers ask of Highways Department when they are going to in fact develop the site to which they expropriated the properties and the response is not in the foreseeable future, the automatic response to that is, well, if you are not going to be using it in the foreseeable future, would then the lands be available for alternative development. So it is a given that this is the type of scenario that has taken place.

For the businesses who are now developing on those properties or pending development on those properties, it is certainly good for the business climate, but I am certain if one said that these properties will be developed within three to five years for easy exit and entrance to Portage la Prairie's business district, I think the response would have been much different.

**Mr. Ashton:** I would make the point though that I do not think there is a community in Manitoba where there is not some element of land acquisition that takes place for long-term development. There are proposals that come through. We are dealing with proposals that have been around for 10, 15 years, where land is acquired and plans are put in place.

We are currently, in communities like Neepawa, for example, planning ahead, Russell, planning ahead. Part of it is because one of the

key elements that is important is—I will give you the example of those two communities. A lot of what we are doing is quite a few years off, but it is planning ahead what the traffic flows are and what highway improvements will likely be needed down the line.

There is pressure both ways. When you do acquire the land, obviously it cannot be used for other purposes. The problem is once you start developing on that land, then the cost becomes prohibitive. We talked about Highway 9 earlier. You see it is a very similar situation that has developed there. The development really restricts the options available to the Department of Highways.

I appreciate what the Member is saying, but the fact is, when communities do decide to develop in a way that does impact on potential highways developments in the future, it is a conscious decision that the community makes. I am not criticizing it. If that is the decision of the community, it is within their jurisdiction and it is quite legitimate. But, on the other hand, it puts us in a position often as a department not being able to provide the ideal solutions.

I realize that long term may seem a long time off, but we have been working on items in the capital budget that have been around for many years. The previous government was working with projects that went back 10, 15, 20 years. That is part of the process.

I appreciate though the Member's concerns and, particularly on the highways funding side, I would 100 percent agree with him in terms of that.

**Mr. Helwer:** I just have a couple of questions on Highways; then we will go on to Government Services.

Do airports and air services or government Air Services and water bombers come under Highways or under Government Services?

**Mr. Ashton:** Both. Government Air is under Government Services and the remote airports under Highways.

**Mr. Helwer:** First of all, on the highway issue, I have an issue there. Just north of Gimli on

Highway 222, where there are a number of new developments along that road, we have a section there that we have not rebuilt for quite a number of years. It is narrow and there are no shoulders there, up to the Camp Morton corner. There are a number of new areas of development along there, Misty Lake resort plus a number of new subdivisions that come off of that highway. It is very important. At the present time, it is quite narrow, very narrow. Where is that in the program with the Department of Highways to widen that, put shoulders on it, possibly?

**Mr. Ashton:** There is some survey and development work that has been done on that. It is at that level.

**Mr. Helwer:** First stage of redevelopment then and the surveying and then planning and design. Am I correct?

**Mr. Ashton:** That is correct.

**Mr. Helwer:** We are looking at one year for the survey, planning and design. The next year for two, three years down the road, can we expect some action there on that particular road?

**Mr. Ashton:** I think the Member knows with highways it is always a challenge. When I say it is at the early stage, there has been some work done. That is about as far as I can go. There is no particular time frames involved but it certainly has been identified as a problem with the Department, certainly predating my coming in as minister. I assume my response is probably very similar to what the previous minister would have responded to in terms of the fact that it has been identified as a problem and we are looking into it.

**Mr. Helwer:** I also want to emphasize that first mile there from Gimli north there is the access to Seagram, plus the new golf course there and new developments along there, so it would be in the best service to everyone to get that first portion done as soon as possible and continue, I realize, as funding becomes available. I realize there are many demands on your budget for various roads, but the first mile or two is quite important.

**Mr. Ashton:** I think, as the Member is aware, we have been committed on certainly Highway 9 and 231, so there has been a fair amount of work

done in that area and something that, once again, I go back to my previous comments about the department's commitment and my commitment to regional fairness and looking at specific concerns in the area and I think specifically the work on Highway 9 is a good indication of that. I did not mention it earlier but the suggestion that it was 59 that just happened to be represented by a member of the Government, I mean, Highway 9, that is of concern to us, and I think we have demonstrated by finishing that very important work, how important it is to us as a government and how much we recognize some of the concerns in the member's constituency and the Gimli area generally.

\* (16:40)

**Mr. Helwer:** I thank the Minister for that. Perhaps we will talk a little bit about the airport program where they do provide some assistance for some of the airports. As an example, Gimli Airport has not had much work done lately and they have applied, I think, a couple of times under the Airport Assistance Program whereby they might be able to upgrade some of the facilities there. One of the problems is the lighting at the present time. The lighting is becoming obsolete and it is becoming very difficult for them to keep that maintained and to keep that in order. I was just wondering if there is anything in this year's budget for the Gimli Airport.

**Mr. Ashton:** We were just trying to determine if there was actually an application because we have not turned anybody down, the latest applications that came in. What I can do is maybe undertake to get back to the Member on that. We will determine if there was an application and what the circumstances are.

**Mr. Helwer:** Madam Chairperson, I thank the Minister for that and I look forward to his reply. The municipality of St. Andrews has now taken over the St. Andrews Airport. There again the federal Department of Transport has turned that over to the St. Andrews and St. Andrews is now responsible for all of the development, plus I believe they are responsible for the runways. They are planning an extension to one of the main runways there so that they can bring in bigger planes, a little longer runway. They have

to I think go—I forget the number of feet that they have to go to to bring in planes such as 737s and things of that nature. Because of the activity there at St. Andrews—there is a lot of activity just lately. As a matter of fact, a lot of the smaller companies are now using that airport because St. Andrews is marketing it a little bit better than it has been in the past, plus I guess their costs of operating out of St. Andrews would be a lot less than operating out of the Winnipeg International Airport, for example, to haul freight north and things of that nature.

So I was just wondering if the Department could give us any indication as to what negotiations have been going on with St. Andrews or what possible expansion plans could be in the works for that.

**Mr. Ashton:** There have been some discussions, and I think part of what needs to happen there is to have some co-ordination with the Winnipeg Airports Authority, make sure that there is a plan, sort of an airport plan for the Capital Region. But there has been some discussion with the Department already.

**Mr. Helwer:** Madam Chairperson, yes, I agree, there would have because it should be a part of the Capital Region's area. I agree there should be some discussion with Winnipeg regional airport, Winnipeg International and St. Andrews there.

The other thing is I believe there is a need for an alternative airport such as that, whereby it could take the overflow from the Winnipeg International, whether it be freight to northern Manitoba or to other areas. The location of the airport there I think is excellent. It is not far from Winnipeg. It has a good highway leading to and from it. It is a matter of 15 to 20 minutes and you are in downtown Winnipeg. It is not that far away. I believe the use of that airport could be expanded quite considerably in the future, and I would hope that the Department of Highways and your department is involved with the airports and could also work with St. Andrews there and hope to expand that and get better usage out of that airport.

So I am just wondering if the Minister can give us some indication as to when and what kind of participation he is anticipating there.

**Mr. Ashton:** In terms of Winnipeg and St. Andrews, there has been on-again and off-again discussions, and we have ongoing discussions at a departmental level. I do think the co-ordination is important. I think it is important to have an airport plan for the Capital Region that is fairly focussed and may result in different airports having different roles. But as I say, we are continuing to be in close contact with both players, and I know there are discussions back and forth between the two of them as well.

**Mr. Helwer:** Madam Chairperson, I wonder if the Minister could give us some idea, I heard the Deputy Minister say there are two programs there; one is for smaller airports, I believe, whereby they help try to maintain or improve some of the smaller airports. The other one is, I guess, the larger-type airports.

I wonder, Gimli and St. Andrews, I guess, have concrete runways and one thing and another. What program does that come under?

**Mr. Ashton:** It actually does not fit under the two programs that we have. One is maintenance. One is capital for small airports that do not fall under federal jurisdiction, so its prime source of potential capital funding is under the ACAP program, which is a federal program.

**Mr. Helwer:** Is that the program we have through the Province which was mainly, I believe, designed to help some of the northern airports improve and make them a lot safer, for one thing or another, after a number of accidents a few years back, I recall? I remember we came up with a program to try to improve some of those northern airports in northern Manitoba. Is that cost-shared with the federal government in any way?

**Mr. Ashton:** There has been some cost-sharing on specific projects, but the actual operation of the airports and the basic capital in terms of the remote airports is essentially undertaken by the provincial government. We are certainly of the view that there is a much greater wealth of partnership with the federal government. There have been some commitments on Wasagamack, for example, in terms of a cost-sharing formula.

One of our challenges is to actually upgrade the airports. There really was not much of a

capital investment in the airports the last number of years. There has been some improvement in the last couple of years, but primarily the capital budget has been gravel, if that, \$685,000 I believe is sort of a ballpark figure. Quite frankly, it is one of the other challenges we have inherited, that certainly I have inherited as minister. We do hope to have further discussions with the federal government and First Nations and the Northern Affairs communities that are served by the remote airports. They are very vital.

I mentioned before that many communities do not have roads. When you do not have a road you rely on winter roads when they are operational and the rest of the year you rely on those airports for pretty well everything, so unfortunately the Province, largely because the federal government really did not provide the service, has provided the service largely at its cost. We believe the federal government should be more involved.

**Mr. Helwer:** I want to thank the Minister. That is right then. I really believe that the airports are important in northern Manitoba if they are—such as Gimli, St. Andrews or our southern airports, but I really feel that the federal government also has a role to play. Unfortunately, they do not cost-share these facilities as they should. So, at the present time, the northern airports, even though I realize they are gravel runways, are they completely maintained and owned by the Province?

**Mr. Ashton:** We own and operate 22 of them, yes.

**Mr. Helwer:** Yes. I want to thank the Minister for that. I guess, under the government Air Services, do water bombers come under your department or Government Services?

**Mr. Ashton:** I could ask Government Services to step up. Do you have any more Highways questions?

**Mr. Helwer:** Not any more at this time. I think Mr. Cummings is in a meeting. He is going to be back shortly after five I believe. He will want to take over again, so if the Highways people could

have a little break, and we will go after Government Services for a little while.

\* (16:50)

Perhaps we will continue our line of questioning on some of the government Air Services water bombers and one thing and another. I understand we have increased the fleet of water bombers from five to seven. Is that correct?

**Mr. Ashton:** Yes. That is correct.

**Mr. Helwer:** I know they have been working out of Gimli part of the summer anyway and some other areas, of course, when I guess the demand arises. I am just wondering: What are the future plans for government Air Services in regard to the water bombers? At the present time, they do operate out of the Winnipeg Airport, out of wherever the government Air Services have the hangar there. Are there any plans to move them for storage and to build a hangar out in the Gimli area for the storage and maintenance of these water bombers?

**Mr. Ashton:** I would just like to indicate that basically it is not under active review. I think the previous government had looked at this at various different times.

Basically, the water bombers and the air ambulance are tied in together for logistical and economic reasons. The problem obviously with separating the one out is it would create difficulties. Obviously, with the air ambulance, the logical location would not be in Gimli. It would either be in Winnipeg or there had been some discussion before of a northern base, but given the fact that the hospitals are in Winnipeg, that was the prime reason it was located there. So it has been discussed before, but it is not under active review.

**Mr. Helwer:** Madam Chairperson, yes, I understand the air ambulances, they would have to come out of Winnipeg. That would probably make the most sense. But the lease that they have where the aircraft museum is there at the airport, I understand they want to expand their museum or the portion that the museum has there.

I was wondering, if they do, if that will leave enough room for the water bombers, or will they

be looking for a new site whenever that lease comes up for renewal?

**Mr. Ashton:** The museum is looking at a number of options. It actually could lead to us being able to have a long-term arrangement in that particular facility, so it does not necessarily impact on the location.

**Mr. Helwer:** I realize it may not have an immediate impact. When they had five water bombers, it was not quite I guess as important, but now with seven water bombers, you need more space to park them and park them in wintertime. Probably a little more space for the maintenance also because you do the maintenance of those particular water bombers in the wintertime when they are not being used, of course.

I was just wondering if they will be looking for other alternate space for the water bombers there.

**Mr. Ashton:** We have done reasonably well this winter basically with the current situation we have there, so there is no reason to assume we need any additional space in any immediate sense. That is basically why it is not under review.

**Mr. Helwer:** I just want to probably bring to the attention of the Minister that when the water bombers do operate out of Gimli, out of the air base there—or the former air base there, the industrial park there—they have a place where the pilots can stay. They have a place, sort of an office there and one thing and another. Most of the pilots are quite happy operating out of Gimli.

The other advantage of operating out of an airport such as that, they can be there and gone up in the air in a matter of seconds, the water bombers, whereby in Winnipeg when they have to take off they have to go way out to the other end of the west end of the runway, and it is probably a half hour before they can get the plane into the air, plus the fact that if the pilots are at home and have to come to the airport, however they come, by their own car or by cab, it is a lengthy process and takes them longer to get them into operation.

I think it would make sense, as far as servicing is concerned, for them when they can

operate out of Gimli they seem to be, most of them, quite happy operating out of there. Are there any future plans to use those facilities in a more comprehensive manner?

**Mr. Ashton:** I think what I will do is take the Member's comments—I think he is doing a very good job of lobbying on behalf of his community. Since we are not actively reviewing it, I appreciate his comments, and certainly if we do undertake an active review I think we will obviously look at those kinds of factors as well. So I appreciate the job the Member is doing on behalf of his community.

**Mr. Helwer:** Also, there is the question of the Citations. I guess one is used for the air ambulance, the other is used for the pastors or for the Premier (Mr. Doer) or other use of the Government. I was wondering, one of the Citations, I do not know which one it is, has quite a number of hours on it. Is there any need or will one of those or both be replaced in the near future, or will there be a new plane coming in?

**Mr. Ashton:** We regularly review, as certainly the previous government did, the experience with a particular aircraft. There is always a trade-off in terms of maintenance, for example. There are no plans in the Budget for any acquisition. I would also like to add, too, that I think it is important to note that government air has a very excellent safety record, something that I think there is a great deal of pride we can take in its efforts. I think that is important to know that this is an area where we ensure that our pilots are well trained, that our maintenance is appropriate and given the current circumstances, not any immediate indication of a need to replace that particular aircraft.

**Mr. Helwer:** Yes, the government Air Services does operate an excellent outfit. Their safety is second to none. They do a good job in that regard and they should be commended for that, all the pilots, the staff and everyone in that department.

Just getting back to the Gimli Industrial Park for a moment, there are still some buildings that come under Government Services there. We have some that are leased on a long-term basis, I guess. Then Evergreen School Division has one

building. There are a couple of vacant hangars. I think it is No. 5 that I am not sure whether that has been turned over to the Municipality or to the industrial park to be torn down. What still belongs to Government Services and what has been done to transfer that over to the industrial park?

**Mr. Ashton:** Is this the CN training centre or the property on Dunlop?

\* (17:00)

**Mr. Helwer:** The CN training centre is one piece that we have I believe there. I am not sure if that is the part that Evergreen School Division is leasing at the present time. I guess there is the other part where the old mess used to be, or the kitchen part of it. It was rented out to the cadets a number of years ago. I do not think anything has been in it. I do not know if they sold off all the assets, such as all the kitchen equipment, all the equipment there. Has that been all disposed of?

**Mr. Ashton:** The school division, this is the former CN training facility, and they are continuing to lease the space on a month-to-month basis.

**Mr. Helwer:** Also, the Evergreen Basic Needs Committee that was looking for some space to run their food bank operations out of there, I am not sure, because there were some negotiations going on last year there. Did they acquire some property there for the use of Evergreen Basic Needs and the food bank?

**Mr. Ashton:** What has happened there, essentially, the property has been advertised for sale. That is sort of the normal procedure in place and, upon receiving an offer, it would be sold. When you deal with surplus property, that is the normal procedure.

**Mr. Helwer:** Has there been some negotiations going on with the Evergreen Basic Needs Committee to lease or purchase a piece of property there?

**Mr. Ashton:** Basically, the amount that was offered was fairly nominal and the Department, I guess under the previous government, could not

accept it. It is now up. There is the opportunity to obtain it at a reasonable value. Basically, the reason it was rejected at that time was it was a nominal amount. That is the standard policy I know that was followed across the Department of Government Services. We have to follow procedures to ensure that there is a return for the people of the province. Certainly that would be available for purchase at a reasonable price.

**Mr. Helwer:** Also, another piece of property there I believe is under the Department of Education and Training. I am not sure whether that is a separate piece or separate parcel or separate building even when Evergreen Basic Needs was trying to purchase or lease. Does Education and Training still have under their control some properties there at the Gimli Industrial Park?

**Mr. Ashton:** That is actually the Dunlop property, and this is the one we are referring to, so that is the property. It is not under Department of Education.

**Mr. Helwer:** Is that also the same parcel that Evergreen Basic Needs is looking at? The same one?

**Mr. Ashton:** Yes.

**Mr. Helwer:** And those negotiations still ongoing or has there been an arrangement reached?

**Mr. Ashton:** It is advertised for sale going back—actually, it would have been March of last year that it was a nominal amount offered, but that was rejected by the Government at the time. So it is currently advertised.

**Mr. Helwer:** Madam Chairperson, just on that Gimli Industrial Park there, they have a committee there has been working pretty well this past number of years now trying to utilize the space and the locks on the buildings there. I believe they have recently got some new tenants moving into some of the old buildings. I believe some property has been sold to other companies who will be expanding there or doing something with some of the property. There still are two hangars, I believe, on the south end there that are not occupied by any private companies as far as I know. Is that still the case?

**Mr. Ashton:** Basically those probably were properties that were transferred to the R.M. of Gimli, so it would be under their jurisdiction.

**Mr. Helwer:** So those properties have been transferred to the R.M. where No. 5 hangar was, and I believe it is the ones just north of that that I believe still belongs to Government Services. Have they been now transferred to the R.M. or to the industrial park?

**Mr. Ashton:** The answer is, yes, they have been transferred.

**Mr. Helwer:** So it will be the responsibility then of the industrial park or the R.M. of Gimli, whoever has ownership there, to tear those down or fix them, whatever the case may be.

**Mr. Ashton:** Yes.

**Mr. Helwer:** So I would imagine our commitment at the industrial park then is quite minimal as far as the Department of Government Services is concerned, now that most of the area has been turned over to the R.M. as industrial park there. Most of the area has been sold off. What is our ongoing commitment there at this time?

**Mr. Ashton:** We do have in the remaining properties, two remaining properties, some environmental obligations, so that is the extent of our involvement following the transfer to the R.M.

**Mr. Helwer:** Our environmental obligations, I would think, are that there were some concerns raised a number of years ago about some material buried there and one thing or another, whether it was old oil tanks or what might have been buried there or whatever, somewhere on the property of the complete farmland and the industrial park there. Has that been corrected or is there still some ongoing obligations by the Province there?

*Mr. Jim Rondeau, Acting Chairperson, in the Chair*

**Mr. Ashton:** There are ongoing discussions with the federal government on the clean-up.

\* (17:10)

**Mr. Helwer:** So I take it then the federal government still has some responsibility there for some of that clean-up because of the fact that they were the owners and operators of the grounds or of the land that could be contaminated. We do not know what might be there or what might be buried there, so I take it that the federal government still has some responsibility there though. Am I correct?

**Mr. Ashton:** We would certainly be in agreement with that. Yes.

**Mr. Helwer:** I realize, I do not know whether farmland has sold, but that is part of the industrial park, I guess, that the R.M. of Gimli is looking after anyway. Is that where the contaminated sites are, on the part of the farmland or is it on the part of the industrial park itself?

**Mr. Ashton:** What I can do is I can get back to the Member on that. I will get more detailed information for him.

**Mr. Helwer:** Thank you, I appreciate that. The other part that I may have just a question on is that the part of the land that is occupied by—is it Lake Winnipeg? Lake Agassiz? No, Lake Winnipeg, Dean Thorkelsson anyway, with his properties there. Did he purchase that directly from Government Services, or was that purchased from the industrial park, or is that still partially owned by Government Services there?

**Mr. Ashton:** That was transferred to the R.M. So whatever has transpired since then is the result of the R.M.'s decision.

**Mr. Helwer:** Whatever deal he has then is with the industrial park, and we are out of that. We do not have any control over that portion.

**An Honourable Member:** Pull your mike up, we are not hearing you.

**Mr. Helwer:** I will try to speak a little louder.

Some other properties that I just have a couple of questions on. One is in Teulon, where the Agricultural Society or the departments of Agriculture and Government Services and, I believe, Family Services all rent pieces of prop-

erty there, or rent offices there in the same building that is owned by—I believe it is the Dueck building. When are those leases up, or when is that lease up, and what has been done there?

**Mr. Ashton:** Since we have hundreds of leases, I would not want to hazard a guess on that. So I can get the details on that for the Member. If there is other similar information on other leases the Member wants, we will undertake to get the information to him.

**Mr. Helwer:** I thank the Minister for that. This particular one, there does seem to be some problems there. There have been some structural problems there I believe with the building. It leaks, and one thing and another. I know I have had a number of complaints from the staff that work there, so I understand that the lease is coming up on that shortly, or whatever the case may be, I am not sure. So I would appreciate any information that you could get for me for that.

**Mr. Ashton:** I will provide that information.

**Mr. Helwer:** I will defer to the Opposition House Leader, the Member for St. Norbert.

**Mr. Marcel Laurendeau (St. Norbert):** I was wondering, through you, Mr. Chair, to the Minister of Government Services, when we were in government we initiated a purchasing plan on fuel, going tank wagon versus the barrel head. Can you tell me where that is at? Are we still using that same format to buy the fuel, or are we doing it under a different mechanism at this time?

**Mr. Ashton:** We are continuing to tender the fuel purchases. I am just wondering if the Member can give some more detail on what end of it he is referring to.

**Mr. Laurendeau:** Back in 1988, the City of Winnipeg changed its tendering system for the purchase of petroleum or fuel for their automotive needs. We began buying it at tank-wagon price versus barrel or barrel versus tank wagon because the barrel of oil, the market is very volatile. When the barrel goes up, it takes a longer period of time for that adjustment to happen than when it goes down. We found a \$2-

million savings on the price of fuel alone at the City of Winnipeg. We brought this initiative to the Province back in 1994. I would like to know what type of savings we had over the years, and I would like to know if we are going to continue to use that same format or if the oil companies have been balking at it and trying to eliminate it?

**Mr. Ashton:** In terms of savings we could probably try and determine that. That obviously is a more detailed question, but it is done by the rack price which is not the price per barrel. It is basically the retail rack price. I know the Member has some greater knowledge of the industry than perhaps I would, but that is the adjustment factor which does deal with the concern he has raised. I certainly appreciate the Member's point in terms of where we are at currently with the huge increase at the price per barrel level and the rather slow adjustment to any decreases that might take place.

**The Acting Chairperson (Mr. Rondeau):**  
Opposition House Leader.

**Mr. Laurendeau:** No. It is the Member for St. Norbert, by the way. I am not here as the House Leader at this time.

On the buying of fuel, are we looking at the mechanism the City is using at this time?

\* (17:20)

**Mr. Ashton:** I appreciate the Member phrasing this. There has been some historic analysis, and the Member can appreciate there tends to be something of an evening out over time. I mean, there are certain factors that may play a more significant role during one period of time than others you know in terms of a price increase or decrease.

*Madam Chairperson in the Chair*

I do not know if the City has recently made any changes in that area. Certainly if they have we would be prepared to look at it. I thank the Member for raising the issue here. Certainly, as I said, the adjustment factor was done on the rack price which I think is the area that the Member is pointing to as the better reflection, but if the

Member has any further suggestions I would certainly be prepared to look at it.

**Mr. Laurendeau:** I was wondering how do we deal with the different areas of discounts offered by the different retailers for petrol throughout the province? With the co-operators, if we have a discount, if we have a membership at the co-operators you get your rebate at the end of the year. If you are buying your gas at Domo, you would have your 2 cents a litre that you could use your coupon. There are a number of different packages available through the different oil companies. Do we as a government attempt to take advantage of those rollbacks or those discounts?

**Mr. Ashton:** Yes, the Government does access the discounts. There is a process whereby companies do tender on that basis. Anything that is paid for initially will then be re-credited with the amount. Approximately 6 percent is the average, because the Member does raise an important point, that the retail price that is paid is a fairly artificial measure of sort of what the actual price is to the consumer. I am a member of the co-op in Thompson, and we had a 17 % rebate last year, so there is a fair amount of that. A lot of the fluctuations in the retail sector come from dealers' support, as it is called—we call it price wars at other times—or through other discounts that are available. So that is factored in in the process, and the Government does take advantage of that.

**Mr. Laurendeau:** What happens with the GST that is paid on the petrol? Do we get that claim back from the federal government at this time?

**Mr. Ashton:** No credit is needed because the Province does not pay GST.

**Mr. Laurendeau:** Then how do they break that GST off of the tank when they are buying the gas?

**Mr. Ashton:** The system that is in place is Fleet Vehicles has cards. The cards, when they are used, do not trigger the GST. That is basically a way of ensuring that we are not subject to the GST, which we are not as another level of government. It is taken care of through the billing system.

**Mr. Laurendeau:** How long are the tenders? Are they one-year contracts or two-year contracts on the terms for the purchases?

**Mr. Ashton:** Traditionally, they have been annual, but I will undertake to double-check if that has been the case over the last series of tenders.

**Mr. Faurchou:** Madam Chairperson, in regard to Government Services, the operation of the Agassiz Youth Centre under the Ministry of Justice—the actual operation and ownership of those facilities are Government Services. There was a cutback in personnel designated as operations individuals for that facility in Portage la Prairie from eight persons to four persons. The four persons who are there had proposed last year to the previous government the idea that if they could receive their certificates as to recognized tradespeople for teaching purposes—now these are all individuals who already are recognized tradespersons, whether it be electricians or carpenter, painter. They have those already recognized trades, however they would have to be upgraded to be able to perform duties in a teaching capacity.

Now I was wondering whether the Minister has had further discussions in this regard because the personnel that are Government Services employees would significantly benefit from the apprenticeship—if I might use that term—relationship with some of the young men that are in those correctional facilities. As well, those young people would potentially benefit from the experience that would be garnered under the professional tradespersons that are employed there. I wondered whether or not this is being actively pursued or discussed with Justice officials, because I believe it is a win-win situation where more work is accomplished on Government Services buildings and grounds. As well, the young people are garnering a sense of self-worth through accomplishment in being trained in some of the trades.

**Mr. Ashton:** Well, actually, I agree with the Member, and we have started an initiative within the Department to use our expertise on the mould side. We are looking very much at combining what is a real need out there in terms of public facilities, ranging from schools to hospi-

tals, I hope, eventually, as well, in the area of housing, which is, I think, an extension of that and using a model that will also include training of inmates. It can include young people, I suppose, eventually, as well. But we are looking at that, currently.

In fact, we are underway at one facility in the province and what we are going to be doing is as this model develops further, exactly along the lines the Member is talking about, which is where our department will work with Justice and work to provide the training, provide on-the-job experience, and put in place a mechanism that we can then extend it to provide that expertise when people are back in the community.

One thing I am concerned about, quite frankly, is that the last number of years there has been far too much of a focus on the corrections system here. I am saying this from the perspective of Government Services, on some of the incarceration aspects. Obviously, we have corrections facilities for a reason, but there is a real opportunity to rehabilitate people and give them a chance to get back into society in a better position to succeed in society, not to end up back in the facilities. I look at the mould program in our department as being one small but significant move in that direction. I hope we can look at it in other ways, as well.

I know, just in talking to corrections officials myself, that far less work has been done in the last number of years than was done before, even just in terms of public works. Some of the best mechanisms, I think, for getting inmates back into society is through work and vocational—I am not talking about chain gangs. I am talking about real, positive work and training that will benefit people when they do end up leaving the facility.

\* (17:30)

There have been a number of cases where, actually, programs have been cut. So our mould program is based very much on models similar to what the Member for Portage la Prairie (Mr. Faurshou) is talking about. There is just a huge opportunity to provide training opportunities and work experience to inmates in our facilities, many of whom, by the way, are not significant

security risks. I am not talking about obviously those who are. You do have to put public safety first, but there are a lot of people who end up in facilities who are there for a reason. I think everybody recognizes that, but it should not be just a holding area. There are all sorts of people in society who have made mistakes in the past who, when they were given a chance, were able to do tremendous things. All sorts of people, where if you have a proper corrections facility, they can turn their lives around by recognizing obviously the need to change their own personal lives, but also if you can add that element of training.

So, I agree 100 percent with the Member, and I will keep him posted as to the development of the mould program. The reason, by the way, it is an initiative of Government Services is because we have the expertise. When people have difficulty with mould, as various schools have had and the hospitals have had, they call us. What we are doing is we are going beyond the ability to provide simple consulting services in the sense of analyzing the problem but working through the kind of model we are talking about here to get in place a program that can benefit—actually, it is win-win all the way around. I appreciate the Member's raising this point.

**Mr. Faurshou:** I thank the Minister for his comments, Madam Chairperson. I truly believe it is a win-win situation. I am a little confused and not understanding, because when you move from one department to another department, there seems to be a barrier there. Justice officials or personnel can take the young men that are in that correctional facility and take them to the kitchen and to the laundry and to custodial work. They can provide that type of training. However, when it is Government Services personnel that are on site there, as far as grass cutting or changing light bulbs or even other maintenance, this is not possible. I hope to try and break down the barriers that exist between departments if at all possible. I want to emphasize to the Minister that the personnel at the Agassiz Youth Centre within his Department of Government Services are most willing to try and work into job experience, apprenticeship programming if given the opportunity.

**Mr. Ashton:** I can indicate we have already had discussions. I mentioned the mould program. I think there is a real willingness on the Justice

side as well as Government Services side in this particular case. I view this model as something we can extend to other areas. I appreciate the comments of the Member. I think, quite frankly, we need to go back to some of the models we had probably about 15, 20, 25 years ago.

I talked to somebody just recently. My committee had extensive experience in the corrections system. We used to be a lot more creative. Certainly from my side, as Minister for Government Services, if there is anything we can do to transfer the expertise and knowledge of our people and transfer that to people in these facilities, I am all in favour of it. There is a real opportunity. I appreciate the Member for raising it.

**Mr. Faurichou:** I am most encouraged by the Minister's remarks. I certainly will be looking forward to that trend.

Just in turning to the place where we are at present, that being the Legislative Building, as a newcomer to this building I am energized and in awe of the architecture and the stately Legislative Building in which we have the privilege of serving. However, the building, upon closer examination, as a curious newcomer to this building, I have had opportunity to be toured around the building. It is in evidence in this building that the test of time has started to show. I wondered whether the Minister could elaborate on his earlier remarks that there are dollars allocated for the Legislative Building proper. If he could elaborate on that, I would appreciate it.

**Mr. Ashton:** I heard reference to air conditioning, which is a whole other subject when it comes to this building. Focussing on the condition of the building itself, I want to indicate to the Member that I have personally inspected the building. In fact, I took the opportunity to go with the Member for Dauphin up to the top. My deputy minister escorted me to the first level. He did not need to go to the top. He has already been to the top before on occasion many times. It is interesting, quite an experience, because you—first of all, I would not recommend it for the faint of heart. If you are scared of heights, it is not the place to be. As you can see, either I am not scared of heights or else, once you get up you have to get down.

So it is quite an indication, though, when you see the facility of the tremendous heritage in this facility and the incredible architecture. What I found fascinating by the way is actually going down into the lower levels where you have all the support brick walls. It is absolutely fascinating and for people who have not been there, it sort of looks like a medieval dungeon. I hear there is talk of ghosts, maybe that is where they put former MLAs, I do not know, but I have heard stories.

I digress because it is a very serious question and there has been a fair amount of work done. I think what the Member is probably referring to is the overall plan which is for a fairly significant cost, which has been—we have done three projects out of six, essentially. The exterior stairs which the Member may recall was done a couple of years ago, the stairs subbasements which was a smaller project and the entrance porticoes.

The next level basically is dealing with issues like the main building, the skylight and the tower, and it is interesting because the Golden Boy is not very golden, I tell you. The closer you get, the more you realize that it is quite tarnished, and I think the general analysis of the building is it is in remarkable shape for a building this age. I mean, 80 years old, but it is starting to show its wear and tear and there is going to be some requirement to do some work. We have had chunks of stone fall off the side of the building. I am sure the Member is aware of that. Others may not be aware of that. I was not aware of that until I became minister. You can see actually, if you go up higher, the wear and tear just from normal environmental wear and tear, and we have been budgeting for scaffolding this year. We are looking at a cost of at least \$1 million as part of the next stage, and I mentioned before the next reconstruction that we are looking at would depend on getting the scaffolding in place. That is the next step.

**Mr. Faurichou:** Well, I appreciate the Minister is going in the direction to recognize the historic nature of this building and to preserve the marvellous architecture that we are blessed with in this province.

I would like to ask the question as to, being a Minister of Government Services where one has to appreciate building code as well as labour

law, I would like to ask the Minister in that consideration with the Labour Department hiring more inspectors and that, does this building come up to the working environment which labour is expected to receive as far as a quality working environment? Is the wiring within the building and air conditioning the standards in the industry, whether those are considerations within the Department's Estimates?

\* (17:40)

**Mr. Ashton:** In terms of safety standards, it was built according to the codes of the day and there certainly has been upgrading over the years. It goes beyond the basic codes that are in place. In terms of air conditioning, I know the Member was not in government for 11 years but he was part of the Government that had been in government for 11 years and I notice that somehow air conditioning in this building did not become a major priority. I suspect it is because of the pressures of finance, and I am sure I am giving the same sort of answer that previous ministers of Government Services have given as well. If you just compare, for example, our need to maintain the building and continue the major project work that has to be done, it does limit the ability. To put in place central air conditioning operation would be quite extensive, you know, you would need a chiller plant. It is quite an expensive proposition. So, I guess, my answer, as Minister of Government Services, is that it is not in the Budget.

**Mr. Faurchou:** I thank the Minister for his frank response in saying that it is not in the Budget this year. Well, then let us progress to future budgets. I would like to have the Minister's thoughts in this regard. I want to appreciate not only ourselves that come to this building each and every day but those individuals that are charged with the public service on an everyday basis and to provide the services to Manitobans out of this facility. I am wondering whether the Minister of Government Services is looking to afford those civil servants that are employed within this facility the same environment that other individuals have in the workplace elsewhere.

**Mr. Ashton:** Maybe what I will do is, as suggested, if I see a news release issued by the P.C.

caucus tonight saying, headline, Opposition demands air conditioning for Legislative Building, I might look at it in a slightly different light. Let us put it this way. I will be watching my fax machine tomorrow.

In all seriousness, it is a huge cost factor. It is not in the Budget. Part of it is when you have so many other needs in government, it is very hard to deal with that. I do appreciate the difficulty that it puts staff in the building in. Part of the difficulty again is because of its historic nature. I mean, this building was not built for air conditioning. It was not built really for, if you look at it in terms of heating, according to what we would do currently. There are significant structural issues that would be involved, significant issues even in terms of where you would put the chiller facility. I want to stress too that even in the air conditioning end, we have existing facilities that are in need of replacement as part of our capital program. So, as I said, I will be watching my fax machine first thing tomorrow to see if that press release is issued by the Member for Portage.

**Mr. Faurchou:** Thank you very much, Mr. Minister, for your remarks. I will leave the topic. I know we can jest about the air conditioning and how we would appreciate it seeing that we are looking at a very hot, arduous summer approaching as we deliberate the Estimates throughout the summer, and air conditioning would be most appreciated.

However, in the serious light of providing a workplace environment that is standard practice throughout the province, where one can have wiring within here to accommodate laptop computers, for instance, and be certain that we are able to find an outlet to plug into that a long-term viable plan for this facility be definitely in the works.

I would be very dismayed to see happen here in Manitoba, as happened to the Saskatchewan Legislature, where effectively they had to evacuate a wing for structural problems that occurred there, because we have to be visionary and forward looking as well as to appreciate that the future is around the corner. It is not going away, and we have to plan for that future, and it involves a continued operation of this facility.

So, having said that, if the Minister has any comments in that regard, I would like to yield to my honourable colleague from Gimli.

**Mr. Ashton:** No, I agree on the situation of the Legislature, in terms of our ongoing need to maintain it and to deal with the capital improvements. I agree. It certainly is a priority for myself, as Minister of Government Services, over whatever length of time I have the honour to be in this portfolio, to make sure that we continue with the process of doing the work that needs to be done to maintain this unique, historic building. I would say it is one of our major assets as a province. Well, it is the most beautiful legislature anywhere. It is going to be a challenge budget-wise but we have to do it.

**Mr. Helwer:** I just have a few more questions here on Government Services. One of them is in the Estimates book, on page 83, under Accommodation Development. There is a line there for alterations and renovations that is Minor Projects, it says, but have increased from \$475,000 to a total very close to \$2 million this year. Can you give some indication what is in those alterations and renovations?

**Mr. Ashton:** The Department has been doing an increased amount of work for RHAs, for example. In fact, if the Member looks also at the Estimates book, we built in an amount to reflect that. There is also recovery that balances it off. So it is basically work done for, in this case the RHAs, and it is work that is recovered directly from them.

**Mr. Helwer:** Madam Chairperson, I wonder if it would be possible for me to get a list of all the buildings that the Province has, the ones that are owned or leased. I understand there are some 206 leases, consisting of some 1.5 million square feet. I wonder if I could get a list of that. I realize it is going to take some time to put this together, but if I could get a list of all the buildings and the square footage of each, and also what our cost per square foot is for the leases, and maybe, possibly, the address of each building. If I could get those put together sometime in the near future, I would appreciate that.

**Mr. Ashton:** I can undertake to do that.

**Mr. Helwer:** Just getting back to these alterations and renovations. If in that are some health care facilities, such as for the RHAs, because I see some of it is recoverable, I see that, is that charged back to each department also, such as your space for agricultural offices or other departments? Is that part of that also?

**Mr. Ashton:** Yes, that is correct, although the major increase is a result of the work the Department is doing for RHAs.

\* (17:50)

**Mr. Helwer:** So some of the departments, such as Agriculture and other departments and some of them through the Department of Health. What about the departments that are special operating agencies? Are these included in that and also is there any recoverable from that also?

**Mr. Ashton:** The answer is yes.

**Mr. Cummings:** I was wondering if the Minister has any plans to change or revise policy around the special operating agencies.

**Mr. Ashton:** Other than ongoing decisions that come from the business plans of the special operating agencies, the answer is no.

**Mr. Cummings:** Does the Minister intend to continue, in general, the policy on retained earnings with the operating agencies?

**Mr. Ashton:** That actually should really be directed toward the Minister of Finance (Mr. Selinger) in terms of the actual policy as he is responsible for the special operating authority. In terms of special operating agencies generally, certainly, as minister I am actually one who has felt that they offer a very useful sort of blended role. It is basically public sector organization that operates under principles that are equivalent to a competitive market situation. I think there are opportunities there, and in fact we have undertaken a number of initiatives that have led us even more into providing some services to government generally, some of which are not necessarily under special operating agency structures currently, but I would not rule out additional use of that vehicle down the line.

**Mr. Cummings:** The Minister, and I would agree, seems satisfied with the direction, the

general success of special operating agencies. Does he see comparisons being made from time to time with other private sector supply? I am not talking about materials distribution, I am talking about supply of the services that special operating agencies provide, Fleet Vehicles being a good example. Does he expect that he would be, from time to time, making comparisons with other private-sector vehicles to the efficiency of the service?

**Mr. Ashton:** Departments have the option of going to private leasing, but Fleet Vehicles is able to provide vehicles at a more competitive price. I think that is testament again to the relative success of all the special operating agencies, certainly within my area, the ones I am familiar with.

**Mr. Cummings:** The Minister mentioned Fleet Vehicles particularly. Can I interpret what he just said as being supportive of the Fleet Vehicles Agency being in a competitive position or in a competing position, private sector supply of vehicles in this case, or is it the policy of the Government that, within the general costs of operation, Fleet Vehicles would be the supplier of choice?

**Mr. Ashton:** Currently there has not been a change in what was in place previously. As I said, the option has been there. Has it been exercised? Certainly last year I think there was a case where one department did look at the option, and it was not considered to be useful—two years ago. In terms of special operating agencies, I think there may be some review in that area. I mean you do have to consider that sort of basic point. In the case of Fleet Vehicles, for example, I mean there is an inherent advantage that Fleet has in terms of its relative efficiency, particularly its borrowing rate. But whether we do it by having open competition or trying to build in some competitive operations through business plans, et cetera, the bottom line is, I think, it is important to have the special operating agencies act as if they were in a market situation, even if they were not, or as if they were in a competitive situation because that is where you are going to get the efficiencies.

My view is I am quite impressed, and I think I certainly speak for other members of govern-

ment, with the creative thinking that has gone on within these special operating agencies, all of the ones in my area, for example. Some of the business plans that come through and some of the new initiatives this year, I think, are indicative of the fact that there is even greater potential to move ahead, not just with the special operating agencies but generally within the Department.

We are looking at areas like procurement, for example, getting greater extension of co-operation and procurement across government. There are all sorts of other areas where I think we could probably get some greater co-ordination. Given the fact that the private sector, in particular, the last number of years has looked extensively at savings on the logistical side, you know, we have whole corporations that succeed or fail on that basis. Wal-Mart—I am not holding it up as a role model—but they are certainly an example of a corporation that is founded on logistics, on procurement logistics, and I believe the Government should run efficiently.

It is interesting because I am a big believer and always have been in terms of the public sector. Playing a key role there is where private sector, obviously, is in a very advantageous position, areas where you do need the public sector. When you do have the public sector, I believe, as Minister, it should be operated efficiently and also obviously has other goals as well. But in Government Services, we are providing a service to other government departments essentially and to the public as a whole, so it should be provided on an efficient basis.

**Mr. Cummings:** I think I put on the record earlier, but certainly also one of the advantages of special operating agencies is that it frees up the management capabilities that are there for the best advantage of government. But, by comparison, it seems to me that some of the comparable organizations at the national level have gone from being a built-in monopoly to where they became not cost-competitive with alternate services.

I just was curious if the Minister has a predisposition to, from time to time, cross-check—and using Fleet Vehicles as an example, it is a very well run SOA. So it is a good example

that we can discuss. Can I assume—all I need is an affirmative answer—that the Minister then is prepared to use the scrutiny of, from time to time, making comparisons with other delivery vehicles?

**Mr. Ashton:** Yes. The key thing is whether you do it through direct competition, or in this case it has really been theoretical competition because it has not been exercised for two years, or you do it through fairly rigorous comparisons back and forth. You can compare kind of pricing, et cetera. When I say that, you also have to account for other factors. One of the concerns I have is the need for greater co-ordination of procurement across government, which is one of the initiatives of our department this year.

The reason I mention that is because, if you go into Costco—to pick a store—you may be able to get an eraser for slightly cheaper, but you also have to account for your travel time and your staff time. So you cannot just look at the exact cost. You have to look at sort of the total cost to government, and that may be something that needs further scrutiny, but there is a lot of potential in the initial stage, we feel, through greater co-ordination. I am actually surprised how little procurement is done either on essential or a co-ordinated basis in government, and most other large entities. A lot of corporations, in my own community, Inco as an example, have made significant changes in that area, so this is a major initiative this year of the Department.

One of our key initiatives, and on this end I think the Member and I would probably agree more than we might in a lot of other policy areas, not just in this department or elsewhere, largely because in the end the best interests of the taxpayers and the people of Manitoba are served by efficient government operation. I believe the SOAs have proven that they can do that, and I think there is more potential for SOAs in other areas quite frankly.

**Mr. Cummings:** Madam Chair, the Minister is putting me in an awkward spot. He is heaping praise on the previous administration almost.

Are there any other areas that the administration is currently looking at that might be candidates for, without naming them, because I

would not expect that he would name any, but are there other areas that the Minister might be looking at as potential SOA opportunities?

**Mr. Ashton:** Yes.

**Mr. Cummings:** Does the Minister have a particular view of whether or not any of the successful SOAs could in fact be completely unfettered and become part of the public sector?

**Mr. Ashton:** The whole point of the SOAs, to my mind, is that they are publicly owned, publicly operated and they use a process similar to the private sector, but I want to keep them publicly owned. I think it is really critical in this area.

**Madam Chairperson:** The hour being 6 p.m., committee rise.

## LABOUR

\* (14:40)

**Mr. Chairperson (Conrad Santos):** Will the Committee of Supply please come to order. This section of Committee of Supply will be considering the Estimates of the Department of Labour.

Does the Honourable Minister of Labour have an opening statement?

**Hon. Becky Barrett (Minister of Labour):** Yes, Mr. Chair, I do.

Mr. Chair, it is my privilege to present the Expenditure Estimates of the Department of Labour for the fiscal year 2000-2001. As a new government and the new Minister of Labour, I am looking forward to many opportunities and positive partnerships among the various stakeholders that my department works with.

I would like to acknowledge the hard work and commitment of almost 250 staff throughout the department. Their dedication to the citizens of Manitoba ensures that all changes within the department add value to our services and ensures the effectiveness and value of our programs to the public.

The department is committed to working cooperatively with business, labour, government and other community stakeholders, as well as encouraging consultation and consensus building wherever possible. The 2000-2001 total budget request for the Department of Labour of \$23,138,200 is the first request for the reorganized Department of Labour, which now includes responsibility for Citizenship and Multiculturalism. This represents an increase of 5.4 percent from the adjusted vote of the previous year, largely reflecting increased funding in two areas, Workplace Safety and Health and the Manitoba Immigrant Integration Program.

The Department of Labour recovers a significant proportion of its annual expenditures through its various sources of revenue, and for 2000-2001 a revenue recovery of about 61 percent of the departmental budget is projected.

I would like to take this time to acknowledge the significant contributions made by members of all of the department's external advisory committees which includes the Advisory Council on Workplace Safety and Health, the Manitoba Pension Commission and the Labour Management Review Committee. These individuals have contributed their valuable time and efforts to providing advice and assistance.

Earlier this year, I had the opportunity to co-host, with my federal colleague the Honourable Claudette Bradshaw, the first meeting in three years of ministers of Labour from across the country. This meeting was an excellent forum for the exchange of information and ideas and a positive way to strengthen working relationships between the jurisdictions.

An important outcome of this meeting was the agreement by federal, provincial and territorial governments to work towards the Canadian ratification of the International Labour Organization convention on the elimination of the worst forms of child labour.

In Manitoba, we strongly believe that Canada should take a leadership role on this significant issue by being among the first countries to ratify the convention. Support for the ILO Convention is a positive step towards protecting vulnerable children from exploitation and elimi-

nating the worst forms of child labour around the world.

The department has recently enacted two significant legislative changes. The Retail Businesses Holiday Closing Act was amended to clarify that the established hours of Sunday shopping familiar to consumers and retailers in the various municipalities across the province are maintained. Amendments were also enacted to the pension benefits regulation under The Pension Benefits Act to require an employer to continue making payments into a pension plan where they terminate or wind up a pension plan that has a funding deficiency.

Very recently the Manitoba Labour Management Review Committee, the main advisory group to the Government on labour legislation was restructured with some new members representing the business and labour communities. This committee's primary role is to review draft legislation and bring forward recommendations. Our government is committed to working with this group.

I want to congratulate the committee members on their selection to this important consultative and advisory organization.

We have asked the Labour Management Review Committee to provide suggestions and recommendations on several policy areas, and expect to introduce labour legislation this session.

We are committed to reviewing the minimum wage level on a more regular basis than in the past. Low wage earners should not be adversely affected by long periods of time between minimum wage adjustments. A regular review process will also benefit employers by providing some certainty on the issue, which will be advantageous to their business planning.

We are living in the information age, and information technology is playing an increasingly important role in our lives and the activities undertaken by the Department of Labour. Information technology supports and enhances the delivery of services to the citizens of Manitoba. Efforts in the Department to increase

efficiency and effectiveness in its performance through the application of IT are underway.

I would now like to take this opportunity to briefly review the important programs delivered by the Department.

The Conciliation and Mediation Branch continues to play a critical role in facilitating the resolution of labour relations disputes.

The Office of the Fire Commissioner has completed its fourth year as a special operating agency. An effectiveness evaluation performed by internal audit found the agency to be meeting client needs with a high ranking in customer satisfaction. The OFC continues to provide support and training to Manitoba emergency services and has received re-accreditation of 11 college programs and 4 new programs. New partnership agreements have been signed with fire departments and training facilities throughout the province to provide training and/or trained recruits to individual departments and communities.

The Employment Standards Division includes the Employment Standards Branch and the Worker Advisor Office. The division continues to respond to increasing demand for services by using education as the primary deterrent to non-compliance, the resolving of complaints through mediation, and the focussing on industries and clients at greatest risk.

Recognizing that awareness and knowledge of rights and obligations is an effective method to ensure compliance with the legislation, the Employment Standards Branch is engaged in a number of public education initiatives.

They are currently working with the Citizenship and Multiculturalism Division to develop strategies aimed at educating immigrant workers about rights and responsibilities in the workplace. The branch has also developed a poster for distribution to the restaurant industry, to promote greater awareness of employment standards law in that industry. Additionally, the Branch is exploring partnerships with a number of agencies to embark on a youth initiative that will include development of a youth website, fact

sheet and CD-ROM. Over 33 000 businesses and 450 employees fall under the jurisdiction of the Employment Standards Branch. The Branch receives approximately 130 000 telephone inquiries, 10 000 walk-ins and 3000 formal complaints annually.

The Branch's nonconfrontational approach has led to voluntary resolution of claims in about 90 percent of cases. For the remaining 10 percent of claims that require orders to be issued, the Branch continues to offer alternative dispute resolution, where a formal hearing before the Manitoba Labour Board is requested. The success of the ADR process is expected to substantially reduce the number of referrals to the Manitoba Labour Board this fiscal year.

The Intake inquiry unit continues to perform the critical functions of handling all telephone traffic, intake and triage of claims and investigation and quick resolution of claims. The introduction of two interactive voice response telephone systems has allowed the unit to focus resources on resolving complaints using a quick resolution process.

The Employment Standards Branch and the Worker Advisor Office have established a common intake process. Through cross-training, intake staff from their offices can answer the questions, concerns and complaints of their mutual clients which will allow both branches to provide more timely service to the public.

The Worker Advisor Office provides professional and timely service to workers and their dependants who require assistance with their Workers Compensation claims and to interest groups who want educational and training assistance for their members. The Worker Advisor Office provided investigation and representation to over 450 claimants requesting formal appeal assistance during this last year.

As well, the office, through its early intervention program, assisted over 250 cases to be resolved without formal appeal. The Labour Adjustment unit provides services that focus on mitigating the negative impact of workplace downsizing through adjustment support to employees, employers and community organizations. The unit is currently involved in 33 ad-

justment committees assisting approximately 4300 workers.

The Manitoba Labour Board is an independent and quasi-judicial body that helps resolve a wide range of labour-related issues in a fair and equitable manner. The Board is dealing with increasing numbers of complex matters in its ever-expanding mandate. The Board is a representative group consisting of an equal number of representatives from labour and management.

I would like to acknowledge the dedicated work of the Chair, vice-chairs and members of the Board for the challenging and important responsibilities they fulfil. The Workplace Safety and Health Division is our province's workplace injury and illness prevention arm. It is also responsible for public safety respecting mechanical devices such as boilers, elevators and gas and electrical equipment.

There are signs of progress in improving safety in Manitoba workplaces. However, some sectors such as manufacturing and health care have not performed as well as they might. Building construction also had a bad year in 1999 with six fatalities. We need to improve injury and illness trends and strengthen our commitment to injury prevention across key industry sectors.

A recent review of workplace injury data indicates that 500 firms have 72 percent of the time loss claims. Many of these firms are in the manufacturing sector. This year, the Workplace Safety and Health Division will conduct audits in 47 of these firms that have 22 percent of all accidents. The audit will focus on safety and health committee effectiveness as well as concentrating on selective inspections and targeted ergonomic interventions.

In co-operation with the Workers Compensation Board, senior staff of the Workplace Safety and Health Division are taking a proactive approach by meeting CEOs of high-risk firms to discuss the ways their performance safety can be improved. They will also meet with union officials representing the workers in each firm.

The recent provincial budget has added eight new safety and health officer positions to work with specific industrial and manufacturing sectors that have the highest rates of injury. One of the new positions has been assigned to provide services in northern Manitoba. Recruitment for these positions will include focus on bilingual and aboriginal candidates. An outreach program has been instituted within aboriginal communities and educational institutions. The target is to have hiring completed by the end of summer followed by up to eight months of comprehensive training.

My advisory council on Workplace Safety and Health has embarked upon a very ambitious agenda in their work plan 2000. The council is looking at several key issues vital to the development of a comprehensive strategy for workers safety and illness prevention in the province.

\* (14:50)

A new computer-based system called LINK which stands for Labour Information Network has become operational in the division. Apart from other beneficial service delivery advantages achieved by staff, the system supports the intake of information from both outside and from inside client databases. Through The Pension Benefits Act, the Manitoba Pension Commission strives to safeguard employees' rights to benefits promised under employment pension plans. Amendments to the Act have improved the rules respecting the requirements of employers to ensure the solvency of pension plans. This change in legislation will assist with ensuring that full benefits are paid to plan members, should a plan terminate.

In October of 1999, the Citizenship and Multiculturalism Division was transferred from the Department of Culture to the Department of Labour. With its mandate focussed upon increasing and successfully settling Manitoba's share of immigrant newcomers, this division provides an appropriate fit with the department's broad responsibilities respecting labour issues. As part of Premier Doer's recently announced economic strategy for Manitoba, my department will continue to deliver and augment programs and services that attract and retain Manitoba's skilled newcomers within the province. Our

long-term goal is to double present immigration levels from approximately 4000 to 8000 arrivals, and to receive our fair share of overall arrivals in Canada. While not only valuing the importance of immigration for the economy, Manitoba strongly supports the reunification of families, and the protection and settlement of refugees and displaced persons.

The Immigration, Promotion and Recruitment Branch has been extremely active in the past year with the implementation of their successful new program, the Manitoba Provincial Nominee Program. In partnership with the federal government, the private sector and community groups, this program provides us with the direct means to select skilled workers to fill Manitoba's emerging labour markets, and to contribute to economic growth.

Since 1998, 622 individuals have been nominated for immigration to Manitoba. When we include family members, we have received, or will welcome, 2093 new residents to our province. Last year, my department launched the Manitoba Immigrant Integration Program, a streamlined funding program facilitating the economic and social integration of immigrants. Settlement service providers no longer have to apply for funding to two levels of government, and can be assured that support will meet Manitoba's settlement needs, with an increase this year, in funding from \$3.5 to \$4.3 million.

The Adult Language Training Branch co-ordinates English as a Second Language training for adult newcomers. Activities include language assessment, instruction in delivery, volunteer programs, and curriculum development. In addition, co-ordination and funding support is provided to community-based language training programs for non-confident women with child-care responsibilities, and for seniors. Workplace language training is delivered through program funding, which is matched by employers.

As the Minister responsible for Multiculturalism, my department is responsible for ongoing consultations, communication, and relations with ethno-cultural community organizations, individuals, government departments and agencies. I have recently undertaken a consultation with ethno-cultural and community groups on their

views respecting the nature of the relationship between government and the multicultural community.

This completes my opening statement, Mr. Chair, and I welcome a meaningful discussion of the Department of Labour 2000-2001 program estimates. Thank you.

**Mr. Chairperson:** We thank the Minister for those comments. Does the Official Opposition critic, the Honourable Member for Springfield, have any opening comments?

**Mr. Ron Schuler (Springfield):** Yes, I do have some very brief comments to make. I would like to thank the Minister for her comments, and to congratulate her on her new position as Minister of Labour. She definitely has an advantage. She has been in this House for a considerably longer time than I have, as a new MLA. On top of that, as a new critic, I have been assigned the critic of Labour. So it has been quite a learning curve for myself, not just to learn what it means to be an MLA, but also what it means to be a critic. So I will try my best. There are a lot of positive things that the Department of Labour does. We certainly want to discuss a lot of those. Through the process, I am sure that I will get a better understanding of what the Department actually accomplishes, and where, perhaps, the focus of the government is going to be. That is something of interest to myself.

As part of my opening remarks, I would like to ask the Minister--and, again, I am new to this. I happen to be in on the Estimates of the Highways Department, and there is such a thing as global questions. I would ask the Minister if she would agree to it, the reason being that she actually covers three different critics. She covers myself, who is the Labour critic; Workers Compensation, which is the Member for Carman (Mr. Rocan); and Multiculturalism, the Member for--

**An Honourable Member:** Albania.

**Mr. Schuler:** No, she is not from there. She is from Seine River (Mrs. Dacquay). If it would so please the Minister, if she would give leave to that, I would deal with the Labour issues, then the other two members would come in and deal with the other two departments. I understand that they are actually one, basically, but by virtue of

the way opposition works, we each have a portion of it. That would sort of be a question to the Minister.

**Mr. Chairperson:** Is that agreeable to the Honourable Minister?

**Ms. Barrett:** The way the Estimates book is set up, if we discussed each area in order of its coming through, the multicultural area would be the last in the process. I have no problem, and the Workers Compensation Board is not directly part of the Labour Estimates, only indirectly through their assistance in the Workplace Safety and Health division.

I am prepared to discuss any question the Member has, with the proviso that there may not be staff at the table at the time the question comes up to give me the kind of information I may need to give to the Member. So, if that happens, we could perhaps then put the question over until I have had an opportunity to get the information.

**Mr. Chairperson:** Is the Member for Springfield done with his opening remarks?

**Mr. Schuler:** If I can just conclude to the Minister on this. Because she has staff from different areas, then we would agree that we would leave the questions to Labour, and if we did touch on one of the other areas, then we would wait until another day for the other staff to come. That way not all of the departmental staff would have to sit here. So if she would agree to that global questioning, then we can just leave those, and we would then give you notice that, say, tomorrow we are looking at asking questions in a different area, if that would so please the Minister. That would then conclude my remarks.

**Mr. Chairperson:** We thank the critic for the Official Opposition for those remarks.

I would remind the members of the Committee that debate on the Minister's Salary, item 1.(a) is deferred until all other items in the Estimates of the Department are passed. At this time, we would invite the Minister's staff to take their places in the Chamber.

Is the Minister prepared to introduce her staff members to the Committee?

**Ms. Barrett:** Yes, Mr. Chair.

To my right, first, Tom Farrell, who is the Deputy Minister; to his right, Jim Nykoluk, who is the Assistant Deputy Minister responsible for Management Services; to my left, Jim Wood, who is Director of Financial Services.

**Mr. Chairperson:** The item before the Committee is item 11.1. Labour Executive (b) Executive Support (1) Salaries and Employee Benefits \$500,100. Shall the item pass?

**Mr. Schuler:** Actually, I have questions.

**Mr. Chairperson:** Yes, ask a question if you want.

\* (15:00)

**Mr. Schuler:** I think the agreement was that we would sort of go global with our questioning, and I know traditionally, that the way the rules are set down, you go line-by-line. The Minister gave leave that we could just do more of a global questioning, so I would go with that. If I may, I would like to ask the Minister some questions on the Supplementary Information for Legislative Review, the green document that she handed out. On page 9, we have the Organization Chart. If we could just refer to that. I have some questions there.

The Minister mentioned that she has 250 staff. I would like to just sort of work through the Organization Chart. Could the Minister tell the Committee: How many of those individuals work directly in her office, which would come under the Minister of Labour?

**Ms. Barrett:** Mr. Chair, on page 21 of the Estimates book, the Executive Support lines under Salaries and Employee Benefits, that is where that is found. So there is one Managerial position, which is the Deputy Minister; one Professional/Technical; and eight Administrative Support people, for a total of ten. That includes the Minister's office and the Deputy Minister's

office, so the whole entire Executive Support is Executive Support, the Minister and the Deputy.

**Mr. Schuler:** I guess that if I could just ask the Minister to again go to page 9. What I am just trying to discern is—we have all these various boxes—actually who works where. So the Deputy Minister actually has his own. I am wondering: Just working for the Minister, how many staff does she have working for her? That would be the O/C. Do they not get paid out of the Department, or does that come out of another fund?

**Ms. Barrett:** It is a combination of both. There are six employees who work directly in my office.

**Mr. Schuler:** Those six, are they part of the 250?

**Ms. Barrett:** Yes, and I must say, in clarification of that figure, that it is an approximate figure because there are part-time—I do not have the specific full-time equivalents. I think that we could get that information, but it is approximately 250 workers. Every person that is listed under Salaries and Employee Benefits in each of the categories is part of the total number.

**Mr. Schuler:** On that one, back to the six, I guess that would include her. I do not know how she has her office structured? Does she have an executive assistant and an administrative assistant? Then she has secretaries, secretarial pool. Those would be the six we are talking about, right?

**Ms. Barrett:** Yes.

**Mr. Schuler:** Can she tell us who those six individuals are?

**Ms. Barrett:** Yes. In no particular order, Bob Luna is the Executive Assistant; Karen Kennedy is the Special Assistant; Joanne Cerilli is Coordinator, Boards and Commissions; Wendy Hughes is Administrative Assistant; Lorraine Leochko is Secretary to the Minister; and Kim Topham is Correspondence Secretary.

**Mr. Schuler:** Could the Minister tell us about the Executive Assistant and the Special Assistant? What are their current salaries?

**Ms. Barrett:** The salary for the Executive Assistant is \$42,400, and for the Special Assistant it is \$44,100.

**Mr. Schuler:** The third position, and I did not get her position—here we go—the individual in charge of Boards and Commissions, Coordinator, Labour. When was she hired?

**Ms. Barrett:** Joanne Cerilli was hired October 16, 1999.

**Mr. Schuler:** Was that a direct appointment, or is that a public service position, or is that deemed to be an O/C?

**Ms. Barrett:** That is an Order-in-Council position.

**Mr. Schuler:** Mr. Chairman, I would like to drop down to Construction Industry Wages Board. How many individuals work for the Construction Industry Wages Board?

**Ms. Barrett:** Mr. Chair, I would like to ask the Member to repeat the question. I did not quite catch the whole question.

**Mr. Schuler:** In the Construction Industry Wages Board, how many people work for that board? How many are paid staff?

**Ms. Barrett:** Mr. Chair, when that board meets, there is a part-time secretarial or admin position that is assigned from the Department to meet with the Board when it meets. So there is no additional staff requirement.

**Mr. Schuler:** The composition of the Board, who sits on there, and what might their names be?

**Ms. Barrett:** The Construction Industry Wages Board has been inactive for approximately four years. So the board members really are not active anymore. So, in effect, there is no Construction Industry Wages Board right now.

**Mr. Schuler:** Is the Minister intending to revive that board?

\* (15:10)

**Ms. Barrett:** As shown by my previous answer, the previous government did not utilize the Construction Industry Wages Board for a fairly extensive period of time. So we are reviewing what the Board's terms of reference are, and in our review of all of the legislation and the work of the Labour Department, we will be taking a look at the role of the Construction Industry Wages Board.

**Mr. Schuler:** I guess, as it still stands, there must be some members on the Board. Have they been notified that basically there is a review of their board? Is there anybody currently sitting on the Board?

**Ms. Barrett:** The role of the Board is to meet when the Minister has requested the Board to meet to deal with issues dealing with construction industry wages. So they are sitting there. They have not been notified that their services are no longer required, frankly because we have not determined if that is the case or not. We do not know exactly what the Board will be doing, what the configuration will look like. At this point they have not been notified that they are no longer there because technically they still are.

**Mr. Schuler:** You know what, if it is fine with you, Mr. Chair, if nodding is fine with you, it is fine with me, if that is allowed.

**Mr. Chairperson:** I will—

**Mr. Schuler:** Okay, you have to say it every time. Could you tell this House who they might be on the Board? Do we still have a list of the individuals on that board?

**Ms. Barrett:** There are three sub-boards: the Winnipeg Building Construction Wages board, the Rural Building Construction Wages board and the Heavy Construction Wages Board. There are five positions on each of these boards. The chair of the overall board who is chair of each of the subcommittees is Wally Fox-Decent.

The Winnipeg subcommittee has two members on it, two members other than the chair: L. Desilets and M. Kaufmann. Did you want me to go through the rural? Okay, the rural board, again, chaired by Wally Fox-Decent has three other members: W. Gurr, J.M. Wiens and R. Robbins. The Heavy Construction Wages Board has two members, Ron Robins and D. Whitmore.

**Mr. Schuler:** Could the Minister tell the House if there has been any money earmarked for this particular board and then sub-boards within the Budget? Has any allocation of any monies been earmarked for this particular set of boards?

**Ms. Barrett:** The members of the boards do not get remuneration for their appearance in the past when the Board has been called. There is remuneration for the Chair, the amount I do not have with me here, and the support staff would again come from the Employment Standards division, if and when the Board is called. So the costs would be found from the Employment Standards division. But as I say, the Board has not been called for four years, so there has not been any charge against this board for that period of time.

**Mr. Schuler:** The Minister has already indicated that she is reviewing this board and she mentioned something about the mandate. When does she see her coming forward with something to the House in regard to what she is planning with this particular board and its sub-boards?

**Ms. Barrett:** This board and its subcomponents deal with construction industry wages. As I have said on many occasions, over time we will be looking at every piece of legislation that the Department of Labour is responsible for. When the Construction Industry Wages Act comes up for review, the composition of the Board will all be looked at at that time. I do not have a specific timetable as to when this particular piece of legislation will be brought forward.

**Mr. Schuler:** In her budget, a line item, very minute breakdown. Is there any money allocated to this particular board or set of boards or does it just come out of a global fund? Is there any money at all earmarked for this particular board or its sub-boards?

**Ms. Barrett:** The cost for this board which would be really quite minimal, seeing as how only the Chair is paid, I believe it is per diem, but I will have to check on that, would come out of the Employment Standards division because that would be the area where this board would be housed. I believe it would be subappropriation 11.2(j)(2) Employment Standards. I believe that it would probably come out under Other Expenditures, Other Operating, so there is money in each of these divisions in the Department as there is with every department that could be available for items such as this, particularly the ones that do not have a large cost factor to them.

**Mr. Schuler:** Having done a few organizational charts myself, would it not have made sense to have moved the Construction Industry Wages Board under the Employment Standards division, if that is actually where it gets its finances from? You were mentioning it is actually housed under the Employment Standards division. Does it not almost make sense then to move it underneath Employment Standards division?

**Ms. Barrett:** I am assuming that the Member's eyes are better than mine, because he is younger and he does not wear glasses. It is hard to see but there are several of these boards that are advisory boards to the Minister. That is where the Construction Industry Wages Board comes. As well, there is the Minimum Wage, the Elevator Board, the LMRC, the Multicultural Grants Advisory, the Building Standards, Power Engineers, Manitoba Pension Commission and Advisory Council on Workplace Safety and Health.

They are all advisory boards to the Minister, so that is why they hang down from that first horizontal line. The only one there from that first horizontal line is the Manitoba Labour Board, which is independent, but all of those other boards are advisory to the Minister, so that is why they are put there.

\* (15:20)

**Mr. Schuler:** So basically all the other ones are advisory, as is the Construction Industry Wages Board. Are they all funded through Employment

Standards Division, or do they each have funding depending on their activity?

**Ms. Barrett:** No, the other advisory boards would be funded out of the division that they most clearly correspond to. For example, the Labour Management Review Committee would be under the Labour Management Services Division. The Multicultural Grants Advisory Committee would be under the Citizenship and Multiculturalism Division. The Elevator Board would be under Workplace Safety and Health, Pension Commission under Pension Commission, et cetera.

**Mr. Schuler:** Back to the Construction Industry Wages Board, as far as advisory goes, and I hope my hearing is at least as good as the Minister's, I take it that she has never met with the Construction Industry Wages Board, right? They have never had reason to advise the Minister.

**Ms. Barrett:** That is correct.

**Mr. Schuler:** I guess calling that an advisory board to the Minister is a unique use of the English language. I take it that it has not advised the Minister in a considerable amount of time.

**Ms. Barrett:** Yes, that is true, nor did it advise the former Minister of Labour or the former former Minister of Labour.

**Mr. Schuler:** Then it is probably time to move on to the next board, and that would be the Minimum Wage Board. Could the Minister tell this committee what is the composition of the Minimum Wage Board as it stands currently?

**Ms. Barrett:** The current Minimum Wage Board is a minimum wage board that was put in place by the former government, so we are calling for nominations. It is made up of a chair, a government staff person as support and three representatives from employer groups and three representatives from employee groups, as many of the boards in the Department of Labour are made up of parallel employer-employee representatives.

The current members are the Chairperson, Jack McJannet. The government support staff is Glenda Segal from the Research Branch. The

employer representatives are Hartley Klapmann, Kristine Sigurdson and Bob Stevens. The employee representatives are Joyce Santos, Bernard Christophe and Blair Hamilton.

**Mr. Schuler:** Could the Minister tell us are there any full-time or part-time staff paid for by the Department who serve this board?

**Ms. Barrett:** Glenda Segal, who is the government support person is a full-time government employee, and she would provide the departmental support for the Minimum Wage Board when it holds its meetings. But, again, like the earlier questioning, there is no one who supports this board or any other board on a full-time basis.

**Mr. Schuler:** Just back, and unfortunately I do not have instant Hansard here, so if the Minister would bear with me on this, it is the Chair and there is a vice-chair. Is that correct? Or is there just a chair? Who appoints the Chair?

**Ms. Barrett:** The Minimum Wage Board, as is the case with all of the advisory boards, are appointed by the Minister.

**Mr. Schuler:** There are three employer members. How are they appointed?

**Ms. Barrett:** The employer representatives are recommendations that are made by a group called the employer council and the employee members of the Minimum Wage Board are recommended by the Manitoba Federation of Labour. Historically those recommendations have gone through pretty much as is.

That recommending process the Government says fine, we will take the recommendations of the employer community and the employee community, and then the Government appoints the Chair. Now, all of those members are appointees by Order-in-Council, but the employee and employer members are recommended by those two groups. We accede to their recommendations, and then the Government appoints the Chair.

*Mr. Stan Struthers, Acting Chairperson, in the Chair*

**Mr. Schuler:** I welcome a new chair of the committee. The employer council, who actually makes up the employer council that the recommendations come from on the employer's side?

**Ms. Barrett:** The employer council is made up of virtually all of the employer associations in the province. Now this is not an exhaustive list, but it does include the Manitoba Chamber of Commerce, the Winnipeg Chamber of Commerce, the Canadian Alliance of Manufacturers and Exporters, the Restaurant Association, the Canadian Federation of Independent Business, any association that the business community has put in place is represented on that employer council, I assume. They do a canvass of their representatives and say which individuals would be best for the Minimum Wage Board.

**Mr. Schuler:** The members on this board, do they receive a per diem, and how is that calculated?

**Ms. Barrett:** We do not have the specifics available right now, but we can get them for the Member, the specifics. Again, the members would receive a nominal amount of money, not very much money. The Chair would receive a per diem, but I will get that information for the Member, the specifics on that.

**Mr. Schuler:** Just to go back to a question I had asked, the Minister told us who the chairman was. Did the Minister tell us who the individuals were on the employers' side and the employees' side? [*interjection*] You did give us those names. Great.

Underneath the Minimum Wage Board, are there any other subgroups?

\* (15:30)

**Ms. Barrett:** No, there are no subgroups. This board historically has met again at the call of the Minister to advise the Minister on any changes to the minimum wage, and the Board that I have read out in Hansard is the current board, which means it is the Board that is in place, that was put in place by the former government and last did its work in, I believe, 1997-98—in '98, I believe, advising the former government on

changes to the minimum wage, one change which was implemented just this last year.

We have asked for new names to come forward, new recommendations to come forward from both the employer council and the MFL, and when we have finished canvassing those organizations, we will be making up a new Minimum Wage Board.

**Mr. Schuler:** Is the Minister planning on having a change insofar as the Chairman of the Board goes?

**Ms. Barrett:** We are looking at all of the membership of the Minimum Wage Board, but we have not made a final determination on any of the names to be part of the Minimum Wage Board.

**Mr. Schuler:** Could the Minister tell this committee sort of what is the mandate of the Minimum Wage Board?

**Ms. Barrett:** The Minimum Wage Board advises the Minister on what the minimum wage should be, and I believe but I am not 100 percent sure—I think the Minister could ask the Minimum Wage Board to give them parameters or just be as open-ended as possible, saying give us some advice on what the minimum wage should be. There is a great range. It is an advisory board, so anything dealing with the minimum wage in Manitoba is grist for the mill as far as what the Board does.

**Mr. Schuler:** Has the Minister met with this board since her appointment?

**Ms. Barrett:** No.

**Mr. Schuler:** Clearly, we have had a change of government and more than likely a change of the way we view the minimum wage in Manitoba. Is it the Minister's intention to change the mandate for how the Minimum Wage Board will conduct itself?

**Ms. Barrett:** No.

**Mr. Schuler:** I believe the Minister said it is about a year, a year-and-a-half ago, the last time

the Minimum Wage Board met. I was not quite sure. Does the Minister plan on meeting with the Board soon, and will she be directing them as far as a parameter of the kind of advice she would like to have back as far as the minimum wage is concerned?

**Ms. Barrett:** Yes, as I stated, we are waiting for the conclusion of the canvas of both the employer council and the MFL, and we will be putting in place a minimum wage board in due course. Of course I will be giving them parameters as to the kind of advice—not the advice but the areas that I would like them to take a look at. That is the role of the minister.

**Mr. Schuler:** For instance, what kinds of areas would the Minister like the Board to be looking at?

**Ms. Barrett:** Well, that is advice that the Minister will give to the Minimum Wage Board. When we have concluded the change in composition, then I will be discussing that with my colleagues and making a final determination, but that has not been determined at this point.

**Mr. Schuler:** Does the Minister sort of have a time line when she would like to see the new board in place so as to give them direction?

**Ms. Barrett:** Well, as I said, we are waiting for the recommendations to come forward from the two employer and employee groups, and once we have those recommendations, we will be working on establishing a time frame for the meeting of the Minimum Wage Board.

**Mr. Schuler:** Has the Minister—word this question carefully. During the last election, her leader and her party did take a stand on minimum wage, and correct me if I am wrong, Minister, but was not one of the things that came out of that that the Board was to meet once a year to review the minimum wage?

**Ms. Barrett:** Yes, we made an election commitment. As I spoke in my opening remarks, we have pledged to review the minimum wage on a much more regular basis and an annual basis, and we will. As I gave in my opening remarks, we believe that this is a fairer thing to do for workers and it is a fairer thing to do for employ-

ers so that they have a more regular—they know that change or no change will be coming on a regular basis rather than waiting upwards of four years between minimum wage changes. So, as we have done with many of our election commitments to date, we are planning to fulfill that election commitment.

**Mr. Schuler:** So would it be fair to say that one of the directions the Minister would be giving the new Minimum Wage Board is that they are to come forward with some kind of recommendation annually?

**Ms. Barrett:** Well, the process is initiated by the Minister. So the way it works is the Minister calls the Board and says here are the issues I want you to look at regarding the minimum wage, and get your recommendations back to me as quickly as you can. So that is the commitment we have made is that we will call the Minimum Wage Board regularly, annually, so that the minimum wage can be reviewed regularly, and so that all members of affected groups, both employees and employers, will know that this is coming and that it will be a regular situation.

**Mr. Schuler:** Just so that I have it straight, if the Minister could just define, again, for us—I guess I see a difference in calling a board together and actually directing a board to review the minimum wage. Sorry if I did not maybe understand where the Minister was going. Will the Board meet once a year to review the minimum wage?

**Ms. Barrett:** Yes, that is our election commitment.

**Mr. Schuler:** Obviously, the Member has been in political life certainly in this Chamber longer than I have. Perhaps she could tell this House: What purpose does she see that serving?

\* (15:40)

**Ms. Barrett:** In my opening remarks, I addressed that. I am not saying that the Member should have recalled that specifically because I raised a number of issues in my opening remarks, but we have talked always about the need for fairness and for the need for fairness for workers and for employers. We believe that depoliticizing the minimum wage review proc-

ess, which a commitment to an annual review, we believe, does. It is depoliticization in the sense that you do not wait for four years, just before a provincial election, to raise the minimum wage, which has happened in this province in the recent past.

So we are saying we want to make it regular. We want to take it, as much as we can, out of the political arena so that it is a regular thing that happens, and we want to make it fair. We believe a regular annual review of the minimum wage by the Minimum Wage Board, with recommendations to the Minister and, through her, the Government does that because it ensures that employees who work for minimum wage do not go for long periods of time without an adjustment to the minimum wage.

The cost of living does not stay static, the expenses that people have do not stay static, so it is incumbent when you are at a minimum wage that you review that on a regular basis.

For employers, it is critical as well. Many employers who employ people who work at minimum wage operate their businesses. They do not have a lot of cushion. They need to know regularly what is going to happen with the minimum wage so that they can plan year by year for their expenses. It is quite unfair, I believe, to employers to say keep a minimum wage at one level for four years, and then all of a sudden bump it up quite extensively actually. A percentage increase once every four years or two and a half years, four years, that kind of thing, without knowledge, you know, without a certain sense of regularly to it. So those are our reasons for committing in the election to an annual review of the minimum wage.

**Mr. Schuler:** Will this be by instruction to the committee? Is the Minister looking at doing a by-law change or a change to the Act, that now every year they will come forward with a recommendation, or is it just going to be by instruction of the Minister? I am just wondering how formalized is the Minister going to make this so that, in fact, the promise is kept it will be once a year? Is that going to be just by her word? Is it by change of the Act or by-law?

**Ms. Barrett:** As a political person, as a public servant, I feel very strongly that we must follow, to the best of our ability, the pledges that we

make in government and the pledges that we make in opposition to follow through once a party becomes government. So it is my pledge and the Premier's (Mr. Doer) pledge, and it has been made public on numerous occasions, that we will be calling the Minimum Wage Board on an annual basis. That is the process that we will be following. We commit to that, and I pledge that personally, as does the Government.

**Mr. Schuler:** So what the Minister is saying is it will be basically, to use your term, a ministerial call or a political call. Once a year, the Board will be instructed to advise the Government. It will not be something that will be established. It will not be by by-law or change of—I guess the Board would have been established by an act or however it was established, but it will not now become part of their mandate. This will always depend on the call of the Minister.

**Ms. Barrett:** At this point, we are looking at maintaining the process which, with one glaring exception, we feel has worked well in the past, which is the composition of the Minimum Wage Board balance between employer and employee representatives with a chair. We believe that, by and large, in the past the Minimum Wage Board has made recommendations to the best of their ability to the Government of the day and, again, remember they are only recommendations.

The Government determines how much, if any, the minimum wage will be changed by and at what time. But the Minimum Wage Board has provided, I believe, over the years, a very good vehicle for that kind of advice to ministers of various governments. So the problem that we saw, the one problem that we saw with the Minimum Wage Board was that over the last decade or so it was not being called as regularly as it should have been. So that is our commitment to make, that it will be regularly called. It is housed already in the Employment Standards legislation the authority for the Minimum Wage Board and that the Minimum Wage Board gives advice to the Minister. It is then up to the Government through regulation to make that change in the Employment Standards legislation.

**Mr. Schuler:** I wonder then, when the Minister actually gets the new board together and calls for a review of the minimum wage, does she see it

being always the same time of the year? You know, the Board is called together and you want a recommendation by the end of April and that would fall for April 2001 and then 2002. How does she want to structure this call for a review of the minimum wage?

**Ms. Barrett:** We are looking at, at this point when we say regular, pretty much the same time every year, whatever time that might be. That is to the best interests of—because that is what makes it regular. Not only is it annual but it is annual at more or less the same time of the year so that everyone knows and can plan for the eventuality, whatever that might be, of the report from the Minimum Wage Board.

**Mr. Schuler:** The Board, I guess, would then be called and be given its direction; I guess more than likely would be given some time frame to come back. What does the Minister then plan on doing? Will she always follow the recommendation of the Minimum Wage Board?

*Mr. Chairperson in the Chair*

**Ms. Barrett:** The Minimum Wage Board is advisory, so in that regard it will advise the Minister. The Minimum Wage Board could advise the Minister that they were unable to come up with a recommendation, because it is made up of both employer groups and employee groups. So we could have situations where there was not consensus. You could have a situation where there were three positions, one taken by the employer groups, one taken by the employee groups and one taken by the Chair.

So to say that the Minister or the Government would follow the recommendations of the Minimum Wage Board is very hard to say because we do not know what they would be. They are not binding, but they are advisory. So even in a situation where you had two or three recommendations coming from the Minimum Wage Board, that is not necessarily a bad thing.

As a matter of fact, that might be a very positive thing or a very useful thing because it tells government then that there is a range of opinion, at least as reflected in the composition of the Minimum Wage Board. So, no, I cannot guarantee that we would follow the recommendations in all cases because I do not know what

those recommendations would be, and I can pretty much guarantee you they will not be unanimous, at least some of the time.

\*(15:50)

**Mr. Schuler:** Is the Minister aware if, at any point in time, there was actually a locked board at the Minimum Wage Board? Was there ever a time when they came back to the Minister and said: We seem to have got to a point where we are 3-3-1?

**Ms. Barrett:** Most of the time there is not unanimity in the Minimum Wage Board recommendations. One would not see that this was a strange thing, given the composition of the board, where you have employer representatives and employee representatives. Generally speaking, they are going to come at this whole issue from different perspectives. That is the beauty actually of the composition of a board such as this, because that gives the Government a range of opinion, a range of concerns, a range of options from which to choose or not choose the final determination that the Minister and the Government make.

So I would say that, yes, a good percentage of the time, there would be a lack of unanimity on reports from the Minimum Wage Board. That would not be seen as failure on the part of the Board, by any means.

**Mr. Schuler:** Again, I would ask the Minister: Does she know of any time in the history of the Minimum Wage Board that they actually came to the Minister and said we are all locked up; we seem to have a 3-3-1 position? Does she or her department know of any time when the Board actually got locked up and could not come back with a decision?

**Ms. Barrett:** Yes, I believe in my response to the previous question I said that my understanding was that, in a good number of cases, that has actually been the case where there has been at least two if not three different opinions.

**Mr. Schuler:** I guess I am not making my question very clear because, by virtue of the set up of the Minimum Wage Board, you have an

odd number. You have three representing employers, three representing employees, and you have a chairperson of the Board. So, even if you have a locked 3-3, you have a tie vote.

What I am asking the Minister, because she had indicated that you could actually come forward where you would have three going one way, three going another way and the chairman going a third direction, that is then called a locked board. Is there, in the history of the Minimum Wage Board, a time when that happened?

I am not talking about dissenting, that two dissented or three dissented, because you still could have three dissenting and the Board could still come forward with a recommendation. To her knowledge, or her department's knowledge, has there ever been a time when the Board has actually locked itself up?

**Ms. Barrett:** I must be not making my answer clear, because I have said, I will say it again: Yes, there have been occasions when there has been a report given, a recommendation given by the management group, the employer group, that was different from the report that was recommendations given by the employee group that was different from the report and recommendations of the Chair. So there could be three possible outcomes. You could have unanimity among all of the parties. You could have two of the parties agreeing and one of the parties disagreeing, or you could have all three of the parties disagreeing.

What I mean by parties is three entities. The employer group will come up with a recommendation among themselves, the employee group will come up with a recommendation and the chair will come up with a recommendation. As a matter of fact, I have just been informed that the last time all seven of the members or all three of the groups, of the entities, employers, employees and chair, agreed was sometime in the '80s, when they agreed to repeal the youth differential minimum wage.

Since then, for 15 or more years, there has not been a unanimous report out of the Minimum

Wage Board. The management/employer group will come to a consensus among themselves of what their report will be. There will be consensus from the employees' part and the Chair has a report.

**Mr. Schuler:** Is there then a provision made there for multiple recommendations to come forward?

**Ms. Barrett:** Yes. As part of the definition of an advisory committee, you would expect for there to be often cases of multiple reports. This is not a quasi-judicial body. It is not a body that has any authority at all; it is advisory. So, by its definition, it brings forward recommendations and advice to the Minister, which can take the form, as I have said several times, of unanimity or of one or two or three different reports on each of the items that have been requested to be looked at by the Board.

**Mr. Schuler:** Whenever there is not unanimity of the Board, is it tradition then that the Board gives at least two recommendations to the Minister? Is that the way it is traditionally done?

**Ms. Barrett:** The board will give the recommendations that it comes up with. So if in its deliberations the employer group comes up with a minimum wage of \$5 recommendation and the employee group comes up with a minimum wage recommendation of \$6 and the chair says I do not like either of your recommendations, I am going to come up with \$5.50, with all the appended rationale for those three positions, those three positions go forward to the Minister identified as the employer, employee and Chair positions.

**Mr. Schuler:** So then the Minister has to decide if she is going to follow, either one of those, or come up with her own? How does the Minister then reflect her own advisory board? How would the Minister then make a decision?

**Ms. Barrett:** Well, that is the beauty and the beast of an advisory board, because the Minister takes the advice, takes a look at it, which is positive, but then has the challenge—particularly in cases where there is not unanimity, which is virtually all the time in the last 15 years—of having to decide which among these alternatives,

or another alternative, will actually be implemented. Because it is advisory, it has no authority. It only provides advice. I will take that advice, look at it and come up with whatever the Government's change to the regulation will be.

**Mr. Schuler:** I take it the Minister is looking at changing the Chairman of the Board?

**Ms. Barrett:** As I said earlier this afternoon, no decision has been made on the composition of the Minimum Wage Board at all.

**Mr. Schuler:** If the Minister were going to change the position of Chairman of the Board, does she have any recommendations in mind?

**Ms. Barrett:** I think that if the Minister had any intimations of changing the Chair of the Minimum Wage Board, it would be highly inappropriate to share any potential names with this process prior to any decision having been made, and the decision has not been made as to the composition of the Minimum Wage Board.

**Mr. Schuler:** When the Minister decides to change the minimum wage, how long does it take for that to come into effect?

**Ms. Barrett:** Normally, the process of putting in place and appointing and having Minimum Wage Board meetings takes approximately six months and then there is usually several months after that for implementation to take place.

**Mr. Schuler:** Just on that particular issue, once the Minister has made her decision there is nothing else that the Minister has to go through. Is it a six-month waiting period?

\* (16:00)

**Ms. Barrett:** No, there is nothing carved in stone. It is just that in the past it has taken approximately six months to call the Minimum Wage Board to have them get together to have them look at—they do not just sit down and say, hmm. What do we think is a good minimum wage? There is a lot of material, a lot of background, a lot of stuff that has to be gathered, information that has to be gathered, so that the Minimum Wage Board can do its job, as well as

they have to consult with their various stakeholders, the employer council.

I mean, there are only three members on the Minimum Wage Board from the employer and employee groups, but they represent a far larger constituency each of them. So there is a consultation process; sometimes, there is a public consultation process that the Minimum Wage Board, I believe, would recommend to the Minister, that the Minimum Wage Board—I think virtually always the Minimum Wage Board is open to taking written representations from various interested individuals or groups. There are times, I understand, in the past when the Minimum Wage Board has actually held public hearings throughout the province, so in order for there to be adequate time there is a period of time that has to transpire.

**Mr. Schuler:** So this de facto could take up to a year.

**Ms. Barrett:** No. What we are saying is that we will call the Minimum Wage Board regularly annually, but the process itself does not take a full year. If you had, for example, a minimum wage that came in January 1, then you would say January 1 the minimum wage will be X on January 1, 2001, and then some time between the time the Minimum Wage Board has been called and another year for the Minimum Wage Board it would be called again. So there is always a lag time. The Minimum Wage Board is always called ahead of the implementation date of the minimum wage.

**Mr. Schuler:** What is the time lag or how much time does it take from the moment that the Minister announces a change in the minimum wage to when it can come into effect? Can that be a week, three months, six months? Is there any notification time that the Minister has to give so that businesses can get themselves ready?

**Ms. Barrett:** There is nothing requiring a delay or a time line of any sort. Once the decision has been made by the Government as to what the minimum wage will be, it could be announced that it would be effective immediately, but that does not happen because, as I said, it is fair to give some time to allow particularly employers to make some adjustments to their payrolls and

make any other necessary adjustments. But it varies. It would depend partly on how extensive the change was. Again, if you have a regular annual review rather than waiting four years, you are much more likely to have a much more modest change annually, depending on the circumstances. So there might not need to be as much time given for a regular review as there would be if you only did it every four years.

**Mr. Schuler:** So probably the statement that all of a sudden there is a change probably is not necessarily that accurate because it does take some time for a minimum wage change to take effect?

**Ms. Barrett:** Yes.

**Mr. Schuler:** I was wondering if the Minister has had a chance, or her department has had a chance, to look at how other provinces handle the minimum wage review. Do they do it yearly?

**Ms. Barrett:** Most other jurisdictions have a format similar to Manitoba's, which means then that they do not have a required time frame. They are not regulated by legislation to update the minimum wage at any particular time. They range. Some provinces and territories review it more regularly. Others review it less regularly.

**Mr. Schuler:** Do most other provinces also have the same kind of a composition of a workers compensation board?

**Ms. Barrett:** Yes, it is a format that seems to have worked quite well, and it is one that has been followed virtually throughout Canada, the balance there with a third-party chair.

**Mr. Schuler:** Are they also defined by an act, or how are they defined?

**Ms. Barrett:** Yes. The one exception is the federal government which has moved away from establishing its own minimum wage and thereby has eliminated the need for a federal minimum wage board. They go by the minimum wage as established in each of the provinces or territories.

**Mr. Schuler:** Can the Minister tell us is there a process by which the minimum wage can be waived?

**Ms. Barrett:** Yes, generally speaking, there are provisions. Again, the minimum wage comes under the Employment Standards legislation, so the Director of Employment Standards has the authority to, under certain circumstances—and we will get more detail when we get to the Employment Standards section of the Estimates—but, for instance, on an individual basis, the Director can waive the minimum wage. That is done in some cases for sheltered workshops for work that is done through the Department of Family Services, that kind of situation. There are not very many of them, I do not believe, but that information can—if the Member is willing to wait until we get to the Employment Standards area, we can provide much more detailed information there.

**Mr. Schuler:** Perhaps this will come under that same board. How many of these waivers have been granted this past year?

**Ms. Barrett:** Yes, I would like to delay the answer of that until we get to the Employment Standards section, if that is acceptable to the Member.

\* (16:10)

**Mr. Chairperson:** Shall the item pass?

**An Honourable Member:** I would just like to move on to the next—

**Ms. Barrett:** I am sorry to interrupt, but I am really having a difficult time hearing the Member. If he can sit a little closer to the microphone, that would be helpful.

**Mr. Chairperson:** The Opposition critic, are you closer now to the microphone?

**Mr. Schuler:** I think sometimes I have been speaking when the mike was not on. That might have been part of the problem.

If it is okay with the Minister, I would like to move on to the Elevator Board. I would like to ask the Minister what is the composition of the Elevator Board?

**Ms. Barrett:** Yes, the Elevator Board has nine members. Would you like the names of the members? The Chairperson is Wayne Mault, and the eight members are: Edward D. Zelinsky,

Irving Shore, Marguerite Chown, Dale Hill, Gordon Sinclair, Gerry A. G. Brown, Terrence M. Beeman and William H. Palmer.

**Mr. Schuler:** Has the Minister met with this board since her appointment?

**Ms. Barrett:** No.

**Mr. Schuler:** Has the Minister made any changes to this board since her appointment?

**Ms. Barrett:** No.

**Mr. Schuler:** Is the Minister intending to make any changes to this board?

**Ms. Barrett:** All the boards under the Department of Labour are under review. Again, I would like to clarify something. The Elevator Board is under the Workplace Safety and Health Division. It comes under the Mechanical and Engineering Branch. The Chair, Mr. Mault, is an employee of that branch. It works more with the division than it does directly with the Minister.

**Mr. Schuler:** So is the Elevator Board not an advisory board to the Minister?

**Ms. Barrett:** Yes, ultimately, but it is not a direct advisory board. It does not meet with me. It would meet with the division in the Department that is most closely related to it. For example, I will not actually meet with, directly, many of these boards at all on a regular basis. They are advisory to the Minister, but they are advisory to the Minister through the division of the Department that they correspond with.

So the Elevator Board advises on the safety requirements of elevators and proposed changes in the National Elevator Code. So that would go directly to the Mechanical and Engineering division, and then should any issues arise that the Minister would need to look at, that would happen. I apologize for not being clearer on that direct versus indirect linkage.

**Mr. Schuler:** How many employees are earmarked for the Elevator Board?

**Ms. Barrett:** The Chair is an employee of the Department.

**Mr. Schuler:** The Chairman being Wayne Mault, what is his salary?

**Ms. Barrett:** The salaries of all civil servants are available through the Public Accounts of the Department of Finance and is accessible that way.

**Mr. Schuler:** So is the Minister not willing to tell this committee what the salary is of this particular individual? [*interjection*] Okay, I will repeat that question again. Is the Minister then not willing to tell us what the wage is of the Chairman of the Elevator Board, at this committee?

**Ms. Barrett:** The Chairperson of the Elevator Board is a civil servant, and the position that he holds as the Chair of the Elevator Board is maybe one one-hundredth of his salary. He does not get additional remuneration for acting as chairperson of the Elevator Board. I am prepared to share with the Member opposite salary ranges and salary classifications, but I am not prepared to put on the record individual salaries of individual civil servants. That information is available through Public Accounts, and if the Member is interested in getting that information he is more than welcome to go to the Department of Finance and ascertain that through the Public Accounts.

What I am suggesting is that the Chair of the Elevator Board chairs the Elevator Board as part of his salary as a civil servant. He gets no extra remuneration for that position.

**Mr. Schuler:** As far as the Elevator Board goes, are there any sub-boards that work underneath the Elevator Board?

**Ms. Barrett:** No.

**Mr. Schuler:** The other members of the Elevator Board, are they paid a per diem?

**Ms. Barrett:** I do not have that information, and I will endeavour to get that information for the Member as quickly as possible.

\* (16:20)

**Mr. Schuler:** Could the Minister tell the committee what exactly is the mandate of the Elevator Board?

**Ms. Barrett:** The Elevator Board advises on safety requirements of elevators in the province and proposed changes in the National Elevator Code.

**Mr. Schuler:** Is there any intention by the Minister to change the mandate, or does she plan on leaving the mandate as it is?

**Ms. Barrett:** There is no intention to change the mandate of the Elevator Board.

**Mr. Schuler:** In the past year, how many times has the Elevator Board met?

**Ms. Barrett:** It has not met in the last year.

**Mr. Schuler:** When is the last time that the Elevator Board met?

**Ms. Barrett:** Mr. Chair, I would appreciate it if the Member would ask those detailed questions when we get to the Mechanical and Engineering section of the Estimates.

**Mr. Schuler:** Can we then just defer those questions to that time, if the Minister's staff could just make a note of it?

**Ms. Barrett:** Yes, I believe that is what I suggested. We are actually technically in the Executive Support area so any detailed questions in other areas would be best left to when we get to that part of the Estimates.

**Mr. Schuler:** Mr. Chair, to the Minister on this. This having been my first time going through this, I am not quite sure how this is all laid out. So I appreciate that very much and certainly want to ask the right questions in the right place.

I would then like to move to the Labour Management Review Committee. In the Minister's statement, the Minister mentioned that this is a key advisory group to the Minister. Could she tell us what the composition is of this particular committee?

**Ms. Barrett:** Yes, again, this is a board that is set up similar to the Minimum Wage Board in

that it has representatives from the Government on it and it has then representatives from the management side and then labour side.

The current membership of the LMRC is as follows: Wally Fox-Decent is Chairperson; John Atwell, Vice-Chairperson; Jim Nykoluk is the Government representative. Glenda Segal is the secretary to the Labour Management Review Committee. She, as I stated earlier, is also a government employee. The labour representatives are Rob Hilliard, Wally Pindera, David Martin, Robert Ziegler and Ken Hildahl. The management representatives are Candace Bishoff, Darcy Strutinski, Ken Entwistle, Jim Witiuk and Peter Wightman.

**Mr. Schuler:** How are the various individuals appointed? How are the management members of the committee appointed? How are the labour members of the committee appointed? I take it the Chairman is appointed by the Minister. Could she just tell us how the various individuals are appointed?

**Ms. Barrett:** The labour side of the LMRC are recommendations that come the Manitoba Federation of Labour and the management side are representatives that come from the employer council that I spoke of earlier.

**Mr. Schuler:** Since the Minister's appointment, have there been changes to this particular board?

**Ms. Barrett:** The Labour Management Review Committee has gone through some very substantial changes since the end of last year as a result of internal decisions among themselves. They were formerly made up of over 20 representatives, again balanced between labour and management, and they felt that number of individuals was far too bulky to be able to provide good advice to the Government on labour legislation.

So the Labour Management Review Committee, over the past few months, restructured itself and has made a major change in its own composition. So going from over 20 people down to 5 on each side, with the Chair and the Vice-Chair has been accomplished by that group itself.

We have not actually worked with the Labour Management Review Committee yet in its new configuration, but again, those appointments from the labour side and the management side come through those two groups and then are approved through Order-in-Council.

**Mr. Schuler:** I take it then the Chairman is still the same chairman from the previous minister?

**Ms. Barrett:** The Chairperson continues to be Mr. Wally Fox-Decent.

**Mr. Schuler:** The other positions on the committee though, have they changed or are they still part of the initial 20?

**Ms. Barrett:** I am getting the specifics. But because the composition has so radically changed, there are some new people and some people who are on from before. The Chairperson and the Vice-Chairperson, Mr. Wally Fox-Decent and Mr. John Atwell, remain the same. The labour representatives, two representatives on the new committee were on the former one, Rob Hilliard and Wally Pindera, and two from the management representatives come from the old LMRC, Candace Bishoff and Ken Entwistle. The other three reps on each side are new.

\* (16:30)

**Mr. Schuler:** Could the Minister tell this committee, are there any permanent staff that are working for this particular committee?

**Ms. Barrett:** No. As in the other committees, Mr. Nykoluk, who is at the table here and Glenda Segal, who is the secretary to the committee, both are in the Labour Management division of the Department of Labour and have many other duties besides working with the LMRC. The LMRC meets as needed, so again it advises the Government on labour legislation. So it meets when the Government has advice it wishes to seek from the LMRC.

**Mr. Schuler:** Are there any subcommittees that work underneath this committee?

**Ms. Barrett:** Again, because this is a new composition, there has been one subcommittee from the former configuration that has been

retained and that is the arbitration advisory committee but the remainder of the standing committees of the much larger group have been disbanded, and the LMRC will put in place new subcommittees or working groups as they see the need to do so. But again, this is a structure that was redesigned by the LMRC itself, and since it is brand-new I am not sure how it will play itself out over time.

**Mr. Schuler:** Is there a per diem paid to the members of this committee?

**Ms. Barrett:** There is a per diem for the Chair and for the Vice-Chair. I do not have that information, but I know there is no per diem for the members, the labour members or the management members. They do this totally voluntarily.

**Mr. Schuler:** Since her appointment, how often has the Minister met with the Labour Management Review Committee?

**Ms. Barrett:** I met with several members of the restructuring committee that included—I would have to go back to my diary to see if it was exclusively—I know Candace Bishoff was there and Rob Hilliard. They are sort of the people who were in charge of the restructuring, along with the Chair, Wally Fox-Decent. I have met once with that group to just be advised sort of as a new minister about the process that had been undertaken to change the composition and make the LMRC more efficient. I have met on occasion, once or twice I believe, with the Chair individually.

I will not meet with the LMRC. The LMRC will meet and provide the Minister with advice.

**Mr. Schuler:** How often has the Labour Management Review Committee presented the Minister with advice?

**Ms. Barrett:** To date, it has not.

**Mr. Schuler:** In her opening statements, the Minister mentioned that this was one of the key adviser groups to the Minister. Is it fair to say that in seven months the Minister actually has not yet met with the full committee, whether it was in the old format or the new format, and has to date not received any advice from this com-

mittee? How would she come out with the statement that it is a key adviser to the Minister?

**Ms. Barrett:** As I said, I have not met directly, nor do I meet directly with the Committee. I met with the three because they wanted to brief me on the change that was taking place.

The LMRC has met to provide advice on the successor rights legislation which is before this House. It was adjourned by the Member opposite, Bill 18, several weeks ago. The LMRC met to provide advice on that piece of legislation, but that was prior to the completion of the reconfiguration of the Committee. So the new committee has not yet met but will be meeting soon. As I have stated, we will be having labour legislation before the House. So it will be meeting.

**Mr. Schuler:** What advice did the Minister get from that committee on her bill before this House?

**Ms. Barrett:** The LMRC generally supported the legislation.

**Mr. Schuler:** Was that advice given in written format to the Minister?

**Ms. Barrett:** Yes.

**Mr. Schuler:** Is the Minister willing to table that advice to this committee or to the Legislative Chamber?

**Ms. Barrett:** The LMRC recommendations are advice to the Minister and they are used in order to develop policy and frame legislation; therefore, as advice to the Minister, I do not feel it would be appropriate to table it.

**Mr. Schuler:** The Minister has also announced that there are going to be some labour changes coming. Has the Minister instructed the Labour Management Review Committee to have a look at these changes that are being proposed and come back to her with advice?

**Ms. Barrett:** Not yet.

**Mr. Schuler:** When does the Minister see this taking place?

**Ms. Barrett:** Soon.

**Mr. Schuler:** I am really glad the Minister narrowed that down for us. I guess that is sooner than later. Could she quantify soon, or is that just a soon soon?

**Ms. Barrett:** How about in the fullness of time.

**Mr. Schuler:** I compliment the Minister on her taste of shows that she watches. That particular show is also a favourite of mine. In fact, I have the whole "Yes, Prime Minister" series, if the Minister is interested. It is just a great program.

Is it the Minister's intention to meet with this committee on a more regular basis than she has in the past?

**Ms. Barrett:** I must reiterate to the Member that I do not meet with the Committee. The meeting I had with representatives of that committee was for purposes of sharing with me the reconfiguration of the LMRC. I do not meet with the LMRC. The LMRC meets and provides advice to the Minister. The LMRC meets as needed. So when there is legislation that is contemplated, as there was with the successor rights legislation, as there will be soon with labour legislation, then the LMRC is called to provide advice to the Minister, but it does not meet on a monthly basis or anything like that. As a matter of fact, it will meet far more than monthly when it does meet. It is a very intense process.

\* (16:40)

**Mr. Schuler:** The mandate of this committee, has it changed any from when she became Minister, when she was appointed Minister? Could the Minister tell us what the mandate is of this committee?

**Ms. Barrett:** Yes, the mandate of the Labour Management Review Committee is to promote a harmonious labour relations climate and to foster effective labour management co-operation in support of the economic and social well-being of Manitobans.

**Mr. Schuler:** Seeing as this composition seems to be fairly close to the Minimum Wage Board, has the this board ever also got itself into a

locked position where there were multiple recommendations that came forward?

**Ms. Barrett:** Definitely.

**Mr. Schuler:** Is this the rule or the exception?

**Ms. Barrett:** There really is not any rule or any hard and fast statement because there are occasions when LMRC will agree on portions of a piece of legislation but disagree on other portions of some legislation, or other times, as in the case of the successor rights, they generally agreed. So in other cases, I am assuming, as was the case with the Minimum Wage Board, there will be a pretty clear divide, but it depends on the issue and it depends as well on how the Labour Management Review Committee works with each other. They may be able to talk together and come up with a consensus opinion. They may agree generally on something but disagree on a specific part of it. So it is very hard to make a determination one way or another that it works.

**Mr. Schuler:** You read the mandate, and I do not happen to have it in front of me, but I believe "to build harmony" was one of its lines in there. It seems to be that sometimes that same premise should be used when the Board sits. When the Minister gets various dissenting opinions, does she consider all of these opinions when she makes her decisions?

**Ms. Barrett:** Yes. If I did not I would not be using the Committee to its full capacity. I fully intend to take advantage of all of the suggestions and recommendations that come forward to me from the LMRC. It is a very important committee. It has provided excellent advice, not always taken by governments, since 1964, and I fully intend to use, if not take all of its advice in every case, I certainly pay serious attention to what comes from that committee.

**Mr. Schuler:** Is the Minister intending on changing the Chairman of the Board?

**Ms. Barrett:** The new board is in place, I believe, since approximately the 1st of April. No, the Chair of the Labour Management Review Committee is Mr. Wally Fox-Decent.

**Mr. Schuler:** Was he also the same Chairman of the Board from the old Labour Management Review Committee?

**Ms. Barrett:** Yes.

**Mr. Schuler:** The Minister plans on keeping Mr. Fox-Decent in his current position for the foreseeable future?

**Ms. Barrett:** Yes, the Labour Management Review Committee, as it is currently configured, has not even yet met. I have no intention of making any changes to the committee. At this point it needs to do its work, and I have been very pleased with the work that Mr. Wally Fox-Decent has done in a number of positions that he has held with this government and the former government.

**Mr. Schuler:** On a sidebar there, I concur with the Minister. Professor Wally Fox-Decent is a great man. If there is anybody to give credit to, or maybe on behalf of the Minister, blame, Professor Fox-Decent was my professor at the University of Manitoba, my first Political Studies professor and, as I say, I give him credit for putting me on the right path. A great man.

If my colleague who is sitting in the row to my left does not mind, I would just like to ask a few questions on the Multicultural Grants Advisory Council, but I will leave that up to her to ask specific policy questions. If that is fine, I just want to ask about if there are any employees.

**Ms. Barrett:** I would prefer if it is okay to wait until we get the Assistant Deputy Minister here for that specific question.

**Mr. Schuler:** Just to the Minister on this one. The only question that I will have on it is how many employees work full-time for the Multicultural Grants Advisory Council? If she can just get that for me tomorrow, there is no reason for the Deputy Minister or the individual in charge to sit here because that is my only question on that one until such time as my colleague then sits down. That would be my only question.

**Mr. Chairperson:** Honourable Minister, it is agreed? What? What did you agree on. We have to state on the record what the agreement was.

**Mr. Schuler:** There is no need for departmental staff to come down just to answer one question, so I think the agreement is if the Minister can just come tomorrow and just tell the Committee how many full-time people work for the Multicultural Grants Advisory Council, that is my only question there. At a later date, and we have already agreed previously that when my esteemed colleague starts on the multicultural side we will advise the Minister so that the appropriate staff could be here for that, because there is no reason to have departmental staff sit here when they could be doing work elsewhere. So that is, I think, what we agreed to.

**Mr. Chairperson:** Provided the Minister states the number of employees who work for the multicultural body, there is no need for staff to come here tomorrow. Is that the agreement?

**Ms. Barrett:** When we get to the Citizenship and Immigration portion of the Estimates process, then the Assistant Deputy Minister will be here, so Multicultural Grants Advisory Council comes under that general area, so more detailed questioning by the critic at that time will be acceptable, but I will get the information on that one specific question for tomorrow.

**Mr. Chairperson:** Shall this item pass then?

**Mr. Schuler:** The Advisory Council on Workplace Safety and Health, could the Minister tell this committee what the composition of that particular advisory council is?

**Ms. Barrett:** Yes, I just would like to acknowledge the presence of Geoff Bawden, who is the Executive Director of the Workplace Safety and Health Division.

**Ms. Barrett:** The Chair of the Advisory Council on Workplace Safety and Health is Wally Fox-Decent, and there are twelve members: Bonnie Mazerole, Frank Thomas, Irving Gusdal, Len Kutchaw, Janice Huot, Harry Mesman, Chris Lorence, Maurice Steele, Wally Pindera, Bari Simoneau, Ron Typlinski and Bud Shiaro.

**Mr. Schuler:** For the sake of the Labour Department, let us hope that Wally Fox-Decent does not ever get an extended bout of the flu or a severe cold. He could literally impair the work-

ings of the Department of Labour. Again, to the greatness of an individual who is willing to give so much of himself and his time, I agree with the Minister's choice of a chairperson. My question is to the Minister. Since her appointment as Minister, have there been any changes to this particular board?

\* (16:50)

**Ms. Barrett:** There are some changes. One member, Len Kutchaw, from the Mining Association, has actually resigned because he has left the province. I have sent a letter to the Mining Association asking for recommendations to replace him. As well, two other members from the management side, Janice Huot, her term has expired; and from the technical side, Bonnie Mazerole, her term has expired as well. We will be sending letters to those various areas asking for recommendations. That is not to say they might not recommend the same people to be reappointed, but those are the one change that has taken place and the two potential changes that may take place.

**Mr. Schuler:** Does the Minister see in the near future her changing the Chairman?

**Ms. Barrett:** All of the positions expire in October of this year. So we do not anticipate any changes other than the two positions whose terms have expired, and the vacancy, we do not expect any changes at all until October, at the very earliest.

**Mr. Schuler:** Is the Minister looking at changing the composition of the Board at that point in time?

**Ms. Barrett:** The composition of the committee is set by legislation, four members from the labour community, four members from the management community and four technical representatives. We do not anticipate in changing the legislative mandate. This board has done very good work and provides a great deal of good material, background and advice on a number of areas.

When those appointments are up, we will do the same thing as we have done with the three that we are talking about now. We will send

letters to those areas, those committees, those groupings and saying your appointment is up or the appointment of these people is up, will you send us recommendations.

**Mr. Schuler:** I take it the Chairman's position is a government appointee?

**Ms. Barrett:** Yes, the Chairperson's position is appointed.

**Mr. Schuler:** Is the Minister intending to change the particular chairman at the time when his appointment expires?

**Ms. Barrett:** The Member knows and has said what high level of respect the current chairperson has in the community at large, and I share that respect. However, one does not know what will happen between now and October. Mr. Fox-Decent's situation may change. He may not wish to continue to act in this capacity. So it would be presumptuous of me to say that I am looking to change or not to change. I am very pleased with the support that the Chairperson has given to this Committee over the years, and we will of course take a look at the situation in October.

**Mr. Schuler:** How many people actually work for this particular committee or advisory council, if any?

**Ms. Barrett:** As in all of the other committees that provide advice to the Department and the Minister, there are no full-time staff people whose job is only to work for those committees. The support that is provided from the Department is provided by full-time civil servants who have other jobs, whose jobs are in the various parts of the Labour Department and, as part of their duties, provide assistance, where needed, to this committee, as every other committee in the Department.

**Mr. Schuler:** Are there any subcommittees, subgroups of this particular council?

**Ms. Barrett:** Yes, there are two subcommittees to the Advisory Council, the Agricultural Safety and Health Committee and the Mining Safety and Health Committee.

**Mr. Schuler:** Does the Minister plan to change either of those two subcommittees?

**Ms. Barrett:** No.

**Mr. Schuler:** Could the Minister tell us what the composition is of those two subcommittees?

**Ms. Barrett:** The committees are fairly lengthy in names. I am wondering if it would be acceptable for the Member to have these tabled for him.

**Mr. Schuler:** Sounds good to me.

**Mr. Chairperson:** Tabled?

**Mr. Schuler:** Tabled.

\* (17:00)

**Mr. Schuler:** Does the Minister intend to change the members of these committees?

**Ms. Barrett:** My understanding is that there are a couple of vacancies on those subcommittees that will be filled, as is the normal process, by a letter being sent from the chair of the Advisory Council, because these are subcommittees of the Advisory Council to the various groups that are represented by the people who have left the committee. But other than those vacancies that occur as a matter of changes in people's situations, I have no intention of, at this point or in the near future, of making any change to the composition of the committees. As I said, they were doing a very good job and providing a great deal of good advice to the Minister. So I see no reason to make any changes.

**Mr. Schuler:** The Advisory Council on Workplace Safety and Health, is there a per diem paid to the members of the committee?

**Ms. Barrett:** Yes, there is a per diem paid to the chair and the vice-chair and the members.

**Mr. Schuler:** What is the per diem that is paid?

**Ms. Barrett:** For the chair, it is \$462 per diem; for the vice-chair, it is \$256; and for the members it is \$38.85.

**Mr. Schuler:** Is that per day?

**Ms. Barrett:** Per meeting, which is a half day, but the per diem for the chairperson is a full day, because the chairperson has additional duties and responsibilities as chair. So the vice-chair's and the members' per diem is for half-day meetings.

**Mr. Schuler:** On the two subcommittees, are there per diems paid?

**Ms. Barrett:** No. Their expenses are paid but no per diem for the subcommittees.

**Mr. Schuler:** Could the Minister tell this committee, the Advisory Council on Workplace Safety and Health, what is their mandate?

**Ms. Barrett:** The purpose of the Advisory Council is, as it says, to advise the Minister on issues of workplace, safety and health.

**Mr. Schuler:** Mr. Chairman, if the Minister would give leave, I think we would all appreciate about a five-minute break.

**Mr. Chairperson:** Is that agreed? *[Agreed]*

*The Committee recessed at 5:05 p.m.*

*The Committee resumed at 5:09 p.m.*

**Mr. Chairperson:** Committee, please come to order. Shall this item pass?

**Mr. Schuler:** I believe the Minister was just finishing up with answering the question on per diems. Is that where we left off? I think we had asked if the two subcommittees received any per diem, and she had indicated that they just received their expenses. Is that correct?

Could the Minister tell this committee what the mandate is of the Advisory Council on Workplace Safety and Health?

**Ms. Barrett:** Yes, as I believe I stated earlier, the mandate of the Advisory Council is to provide advice to the Minister on issues and policies relating to Workplace Safety and Health.

\* (17:10)

**Mr. Schuler:** Does the Minister see any change forthcoming in the mandate of the Advisory Council on Workplace Safety and Health?

**Ms. Barrett:** No.

**Mr. Schuler:** How many times does this particular committee meet?

**Ms. Barrett:** Monthly, except for July and August, so that would be 10 times a year.

**Mr. Chairperson:** Honourable Minister—

**Mr. Schuler:** Has the Minister herself ever—

**Mr. Chairperson:** Wait, Opposition critic.

**Mr. Schuler:** That is okay. That Freudian slip was fine. Has the Minister ever met with the committee?

**Ms. Barrett:** Yes, I met with the Advisory Council shortly after I became Minister of Labour. Again, as sort of an introductory meeting for me to get to know them and for them to get to know me and go over generally the kinds of things that the Advisory Council does. But I do not meet regularly with them. Again, as is with the other advisory councils, they provide advice to me but not with me actually meeting with them.

**Mr. Schuler:** Has the Minister given any direction in a particular area that she wanted to see some advice coming forward?

**Ms. Barrett:** Yes, as I stated in my opening remarks, there is an advisory committee work plan 2000, and I have asked for advice in the following areas: workplace safety and health committee regulation, violence in the workplace, ergonomics, director's liability, occupational exposure limits, safety of youth workers, safety and health in the farming community, regulatory enforcement and mines regulation revisions.

**Mr. Schuler:** Has the Minister received any reports back from the committee on any of these particular issues?

**Ms. Barrett:** No, I have not. There is work being done by the Advisory Council in all of these areas, and I will be getting regular updates,

but their work plan is just under way so I do not expect anything immediately.

**Mr. Schuler:** Will the Minister be tabling any of the reports that the council presents to the Minister?

**Ms. Barrett:** I know as I stated in an earlier answer, this is advice that is given to the Minister on policy issues. The reports are advice to me, so they will not be tabled. However, I fully expect there to be regulatory changes or action coming out of the advice that I get from the Advisory Council. If they advise me on regulatory changes, you may see that in regulatory changes or program changes, this kind of thing. You will be able to see the effects of the advice that they give me, but the actual advice is advice to myself.

**Mr. Schuler:** Back to the Labour Management Review Committee, the Minister mentioned that there was one subcommittee. Could the Minister tell this House what is the composition of that particular subcommittee?

**Ms. Barrett:** Yes. There are several members of this subcommittee, some of whom are members of the LMRC, some of whom are members only of the subcommittee and arbitration. Wally Fox-Decent, Candace Bishoff and Rob Hilliard are members of the LMRC. Gerry Irving, John Korpescho, Ken Hildahl, Lloyd Schreyer, Paul Moist and Wally Pindera. And Wally Pindera is a member of the LMRC as well.

**Mr. Schuler:** Are there any staffers assigned to that particular subcommittee? Any paid staff?

**Ms. Barrett:** The same situation applies to the subcommittee as applies to the LMRC as a whole. Glenda Segal is the secretary to the committee and would provide either directly or indirectly any support that this subcommittee would need.

**Mr. Schuler:** Is there a per diem paid to any members of this particular subcommittee?

**Ms. Barrett:** No.

**Mr. Schuler:** And date of the subcommittee?

**Ms. Barrett:** The arbitration advisor subcommittee puts together a list of arbitrators. The subcommittee is made up of representatives of management and labour as well. It is a balanced subcommittee. It looks at potential arbitrators to have as a list that goes to the Labour Board, so when an issue comes before the Labour Board, or a request for an arbitration comes before the Labour Board, the Labour Board has a list that is devised by and recommended by this subcommittee that they can use to call on to arbitrate a labour dispute.

**Mr. Schuler:** Is the Minister comfortable with the mandate of the subcommittee? Is she intending on making any changes to the mandate?

**Ms. Barrett:** Yes and no.

**Mr. Schuler:** How many times does the subcommittee meet?

**Ms. Barrett:** It meets as required. In the past it has met two or three times a year. So it does not have regular meetings, but only as required.

**Mr. Schuler:** Has the Minister had the pleasure of meeting with this particular committee?

**Ms. Barrett:** No.

**Mr. Schuler:** I would like to ask the Minister if she could tell this committee what the composition is of the Manitoba Pension Commission.

\* (17:20)

**Ms. Barrett:** The chair is Michael Byrne. There are six members: Lee Cunningham, Marsden Fenwick, Paul Hart, Robert Ziegler, Wolfgang Tiegs, and Michelle Redekopp.

**Mr. Schuler:** Could the Minister tell this committee, are there any employees that are assigned to this particular commission?

**Ms. Barrett:** The Acting Superintendent of the Pension Commission, Debbie Lyon, is the staff person, the civil servant who works with the Pension Commission. As in all the other advisory committees and boards, other additional support staff would be provided as needed by

civil servants through the Pension Commission area.

**Mr. Schuler:** This particular individual, I am to understand, is a full-time, paid position that is assigned to the Manitoba Pension Commission?

**Ms. Barrett:** No. As is the case with every other advisory board, the Civil Service staff people who work with those advisory boards, and in the case of the Pension Commission, it is not an advisory board, per se, but work with all of these boards and commissions within the department. The civil servants who are there are there as part of their civil service job. There are no full-time staff people assigned to any of these boards or commissions.

**Mr. Schuler:** Are there any subcommittees to this particular commission?

**Ms. Barrett:** No.

**Mr. Schuler:** Is there a per diem paid to this particular committee?

**Ms. Barrett:** Yes, for a full-day meeting, and generally the Board meets twice a year or on an as-needed basis, for a full day it is \$139, and for a half day it is \$79.

**Mr. Schuler:** Since the Minister has been appointed, have there been any changes to this particular commission?

**Ms. Barrett:** No, but there are two vacancies that we are looking to fill. The rest of the terms expire in November or December of this year.

**Mr. Schuler:** How was this particular commission appointed?

**Ms. Barrett:** The Pension Commission members are appointed by Order-in-Council.

**Mr. Schuler:** So these are basically ministerial appointments.

**Ms. Barrett:** Not basically, they are. They are ministerial appointments.

**Mr. Schuler:** Are there any plans on the Minister's part to change the Board when their term comes up in November?

**Ms. Barrett:** Mr. Chair, we look at all of our boards on a regular basis, and we will look at the composition of the Board as it unfolds. As I said, we have several vacancies now, and so we will be looking at filling those vacancies. Also, when the other members' terms expire, we will be looking at whether we would like to ask for reappointments or perhaps get additional or other people on the Board, but I have not made any determination on any individual member at this point.

**Mr. Schuler:** Could the Minister tell this House what the mandate is of the Manitoba Pension Commission?

**Ms. Barrett:** The Pension Commission, their responsibilities are to actively promote the establishment, expansion and improvement of pension plans throughout Manitoba. It provides advice and assistance to the Minister on pension-related matters, and it hears appeals of orders issued by the superintendent in applications for surplus withdrawals under The Pension Benefits Act.

**Mr. Schuler:** Is the Minister comfortable with that mandate, or is it her intention to be changing the mandate?

**Ms. Barrett:** Yes and no.

**Mr. Schuler:** I understand from the Minister's comments that this particular committee meets twice a year. Has she had the luxury of meeting with this particular commission?

**Ms. Barrett:** As I stated earlier, it meets approximately twice a year, or as needed if issues arise. As I have stated several times this afternoon, I do not meet regularly with any of these advisory boards. They provide advice to the Minister, but as a regular habit I do not meet with these boards. I have met with the Advisory Council on Workplace, Safety and Health, as I stated earlier, as part of my introduction to the Minister's portfolio. I have spoken with members of the Labour Management Review Committee, as I stated before, for them to inform me as to the change that was taking place in that composition. But I do not meet with the advisory committees, any of them, regularly.

**Mr. Schuler:** In the case of the Manitoba Pension Commission, the Minister pointed out to me that it is "not basically," that she appoints it. She actually does appoint the Commission, and she says she is comfortable with the mandate. Would it not be advisable to at least meet once with these individuals within a fairly short time, this fall some time, when she will either be reappointing or appointing a new board? Would it not be something for the Minister to at least meet with these individuals once?

**Ms. Barrett:** I think it is important that the Member understand that, particularly in the Pension Commission, this is a very technical commission. As having met with the acting superintendent on numerous occasions, I can attest that this is a very complex area. It is important that this commission be allowed to provide advice to do what it needs to do, which is look at the pensions throughout the province of Manitoba and provide advice to the Minister on those issues and any issues that come up about pension changes or problems that arise.

It is important that I get that advice. It is important that the committee be reflective of the kinds of technical expertise that are necessary for that committee to do its functioning. That is why I will look at the composition depending on what happens with the replacements of the two people whose terms have expired. But I do not feel that it is essential that I necessarily meet with the boards.

I meet regularly with the staff that support these commissions and boards. I meet regularly with Mr. Bawden for Workplace Safety and Health. I meet regularly with Ms. Lyon, who is the Acting Superintendent for the Pension Commission. I meet regularly with those staff in each of the divisions. So I feel that I get a good summary of the issues that are facing the divisions and also of the actions and activities of the various advisory committees.

\* (17:30)

**Mr. Schuler:** Does the Minister feel that the Manitoba Pension Commission gives sound advice to her department?

**Ms. Barrett:** I think the short answer is yes. The slightly more extensive answer is if I did not think I was getting good advice from the Pension Commission I would make changes, but I have no reason to believe that I am not getting excellent advice, as a matter of fact, through my meetings with the Acting Superintendent. I have gotten a great deal of background and information on a very complicated and complex subject matter. I feel that not only through her advice but the advice that she is getting through working with the Pension Commission that I am being very well served.

**Mr. Schuler:** Could that then be applied to basically all the boards and commissions?

**Ms. Barrett:** Yes.

**Mr. Schuler:** I would like to ask the Minister if she could tell us what the composition is of the Power Engineers Advisory Board.

**Ms. Barrett:** The Power Engineers Advisory Board is required to be appointed as a result of The Power Engineers Act. The mandate is to respond to questions raised by the Minister. This is not an active board. The last question that was placed to the Power Engineers Advisory Board was placed by the Minister of Labour in 1992. I have not placed a question to the Power Engineers Advisory Board either yet. Their mandate is to advise on the training and licensing of power engineers as it relates to the safe operation of steam and pressure plants. More specific details I would request that the Member ask when we get to the Mechanical and Engineering section of the Estimates.

**Mr. Schuler:** Is there a per diem paid to this board when it does meet?

**Ms. Barrett:** I would like to suggest that I will get the specifics of this board for the Member when we get to the Mechanical and Engineering section of the Estimates. I will attempt to provide that information tomorrow.

**Mr. Schuler:** I will acquiesce to the Minister and we will ask questions about the Power Engineers Advisory Board when we get to Mechanical and Engineering, right, and that can wait. I would like to ask the Minister then if she

could tell us what the composition is of the Manitoba Labour Board.

**Ms. Barrett:** Yes, the Chair of the Manitoba Labour Board is momentarily going to appear. I am advised that it is by magic. In the meantime while we are awaiting his arrival, I will read—actually there is a lot of them, so I would like to suggest that I would table the names of the Labour Board, if that is acceptable.

**Mr. Schuler:** That is fine.

**Ms. Barrett:** The Labour Board is structured as several of the other boards are in the Department of Labour which is a balance between labour representatives and representatives of management or employers. There are three vice-chairpersons, three full-time vice-chairpersons. The Chair of the Labour Board is on his way here. Then the members represent a balance from the employer-employment or labour management side as well. So, it is similar in composition and structure to many of the other boards.

I would like to introduce John Korpesho, who is the Chair of the Labour Board.

**Mr. Chairperson:** Honourable Minister. Sorry, Opposition critic.

**Mr. Schuler:** Mr. Chairman, I am not minister yet. It is still Opposition critic. I would like to ask the Minister: Are there any full-time paid employees that are assigned to this particular board?

\* (17:40)

**Ms. Barrett:** This is not an advisory board as it has got heavy lines and it comes in the Estimates book. There is a spot in the Estimates book where we will get to the Labour Board. That is page 32. So I am wondering if it is possible for the Member to hold off on his questions on the Labour Board until we get to that section. I can speak to the composition of the Board, but then the activities, et cetera, there are two pages of Estimates material on the Labour Board.

**Mr. Schuler:** I am fine with dealing with certain specifics about it later on. Just for information, though, could the Minister tell this committee:

How many staff paid employees are there in the Manitoba Labour Board? It does not necessarily break that out, does it?

**Ms. Barrett:** Yes, it is on page 33 of the Estimates book. The Labour Board is an entity in and of itself, a unique entity, I might add. So pages 32 and 33 of the Estimates book outline the information about the Labour Board. So it is different from the other advisory boards to the Minister. So, unlike the other advisory boards, this particular board has its own section in the Estimates book.

**Mr. Schuler:** If the Minister would just bear with me on this one: Where exactly on page 33 do I find the number of employees? Is that FTE? So, by the Minister's budget, that would be 14.5, fourteen and one-half employees would be assigned to the Manitoba Labour Board?

**Ms. Barrett:** Yes.

**Mr. Schuler:** I take it then, it is the Minister's wish insofar as mandate and such, that we would deal with that as we get into the line by line, or would she care to do that now?

**Ms. Barrett:** I am wondering if the Member can tell me: Approximately how long the discussion on this will be—will it be more time than is left to us today?

**Mr. Chairperson:** Shall this item pass?

**Mr. Schuler:** Perhaps we should go to the Building Standards Board, and just deal with that one, then move back to the Manitoba Labour Board. On the Building Standards Board, could the Minister indicate to this committee what the composition is of that particular board?

**Ms. Barrett:** Again, there are a number of names, and I would like to table that, if I may, for the Member.

**Mr. Schuler:** I take it from what the Minister has said about the previous boards that there are no FTEs applied to this particular board?

**Ms. Barrett:** That is correct.

**Mr. Schuler:** Are there any sub-boards attached to this particular board?

**Ms. Barrett:** No.

**Mr. Schuler:** Is there a per diem paid to the members of this board?

**Ms. Barrett:** Yes, the Chair is paid \$129.45, and the members are paid \$38.85 for the first meeting, which, I believe, is classified as half a day, and \$32.35 for a second meeting in a day.

**Mr. Schuler:** Could the Minister tell this Committee what is the mandate of the Building Standards Board?

**Ms. Barrett:** The Building Standards Board advises the Minister and the Fire Commissioner on matters related to public safety, fire and emergency services, as well as, the Manitoba fire, building and plumbing codes.

**Mr. Schuler:** Is the Minister comfortable with the mandate as she stated it?

**Ms. Barrett:** Yes.

**Mr. Schuler:** Planning any changes to the mandate?

**Ms. Barrett:** No.

**Mr. Schuler:** How many times does this particular board meet?

**Ms. Barrett:** The Board is currently inactive and is in the process of being reconstituted.

**Mr. Schuler:** When is the last time that the Board met?

**Ms. Barrett:** I will have to get that information for the Member.

**Mr. Schuler:** I take it then that the Minister has not received any advice from this particular board.

**Ms. Barrett:** No, the Board itself has not met in the time that I have been Minister, and again this board advises directly the Fire Commissioner on

matters related to public safety and also various building and plumbing codes.

**Mr. Schuler:** Since becoming Minister, have there been any changes to the Board?

**Ms. Barrett:** As I stated earlier this board is inactive and has not met in the time that I have been Minister. There were some names forwarded prior to the change in government for consideration, but we have not as yet acted on any recommendations. We will be looking in the near future to how we want to deal with the reconstitution of this board.

**Mr. Schuler:** When the Member says "reconstituting," is she looking at appointing an entirely new board?

**Ms. Barrett:** Yes, this board, as was the case with several other boards, was felt to be too cumbersome and probably needed to be streamlined. We have subsequently asked for names from various organizations. I will have to bring that back again. This does not come under this general rubric. It comes under Office of the Fire Commissioner. So they would have that detail specifically.

We have received names from eight or nine, I believe, areas of recommendations. We will be acting on those recommendations and appointing new building standards for it fairly soon.

\* (17:50)

**Mr. Schuler:** How are these particular individuals appointed? Is it by recommendation from various groups? Is it a ministerial appointment? For instance, we have seen several boards. It seems to be a practice in the Department of Labour that there seems to be a balance. There are two different groups that make recommendations to the Minister. How is this board put together? How is it appointed?

**Ms. Barrett:** The various stakeholder groups, if I can use that phrase, were asked to make recommendations to the Minister as to names to bring forward to sit on the Building Standards Board. In many cases there were several names submitted, so it is up to the Minister to make a

determination as to which of those names will be appointed. As I said, I can get some information later on as to the various areas that the new board will represent. But it is a balance. There are members from labour. There are members from the disabled community, I believe architects from the insurance area, the Manitoba building association, engineers. Anyone who is interested and who has got expertise in the area of building standards will be on that board, but I will get the specifics of all the areas to the Member.

**Mr. Schuler:** Just to that, the list of stakeholders, how did the Department come up with the list of stakeholders?

**Ms. Barrett:** In the case of the Labour Management Review Committee, the Building Standards Board took a look at itself and said, this is unwieldy, we need to have a new structure. They made the determination as to which areas would be represented on the Building Standards Board. We have asked those stakeholders to submit names to us. We will make the final appointments from within each of those categories.

**Mr. Schuler:** Can the Minister tell this House who exactly are the stakeholders involved in this particular board?

**Ms. Barrett:** As I stated in an earlier response to the Member, I will get that information for him. I had off the top of my head some of the stakeholders, but I want to be complete. So that information will be coming, as I stated earlier to the Member.

**Mr. Schuler:** So I guess then, for instance, you would notify the stakeholders that you are looking for new members on the board. Is this generally advertised as well, or is it only the stakeholders that send in recommendations for appointments to the Board?

**Ms. Barrett:** I have sent a letter to the stakeholders as they defined themselves and asked for names to come to me that they would recommend. Out of that they will then do their own looking for good names for the committee. We do not do advertising. I do not know how the various stakeholders determine their recommendations. We have gotten, I think, from virtually

all of the stakeholders more than one recommendation. Then we will pick from that and appoint the new board.

**Mr. Schuler:** Does the Minister have a time line when she sees this to be completed? Does she see this as taking place in the next month? Is this going to be a year-long process? Just on that one, the Minister also mentioned that the previous board had been unwieldy. Who was it that went to the reconstitution? Was that something from the Minister's office or was that the Board themselves who decided it was unwieldy and decided on some changes?

**Ms. Barrett:** Yes, the Building Standards Board in consultation with the Office of the Fire Commissioner and the former, former minister of Labour met and agreed, No. 1, that there needed to be some changes in structure and agreed, No. 2, on who the various stakeholders of the Building Standards Board would be.

**Mr. Schuler:** So it was the former, former minister who started this process with the Office of the Fire Commissioner and the Building Standards Board to start reconstituting. What was that date?

**Ms. Barrett:** I believe it was in the fall of 1998, approximately.

**Mr. Schuler:** That is quite a severe reconstitution if it started in the fall of '98 and here we are in the year 2000. Again, has the Minister got any time line when she see this as being complete?

**Ms. Barrett:** Soon.

**Mr. Schuler:** Would the Minister have anything more definitive than soon or is this one of these in the fullness of time kind of soon?

**Ms. Barrett:** No and yes.

**Mr. Schuler:** Sometimes you wonder, Mr. Chairman, if the Minister would make a better Mandarin than a Minister. She obviously watched those movies well.

**Mr. Chairperson:** Shall the item pass?

**Mr. Schuler:** If it is fine with the Minister to see the clock as reading six. We could get into another line of questioning, but seeing as the clock says a few more minutes—

**Ms. Barrett:** Yes, I am prepared to do that. I am wondering if the Member is prepared now to go into the line items beginning tomorrow afternoon with the Executive Support item. The reason I am asking is I would like to have some sense of staff requirements. What I am saying is I believe that on the org chart, all of the other areas will be covered under each of the specific divisions within the Department.

**Mr. Schuler:** I probably would need a little bit of time yet on the different boards and as soon as we get into the various other areas, I would start from the left and work right, if that helps her any, so that obviously the one on the farthest right would come last. Again, this is all fairly new to myself, so I am not quite sure.

**Ms. Barrett:** I recognize that this is a new process for the Member. The way I look at the Organization Chart is that we have dealt with or will be dealing with all of the boards in the chart unless the Member has other questions on them.

If he has questions on any of those boards, they can also be addressed as we move through the Estimates process, because they all relate to one of these divisions. Unless there is any other specific information, I would suggest that we start from the Executive Support, my office, and then move through.

**Mr. Chairperson:** The time being 6 p.m., committee rise.

Please call in the Speaker.

#### IN SESSION

**Mr. Speaker:** The hour being 6 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Wednesday).

# LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, May 30, 2000

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