



First Session - Thirty-Seventh Legislature

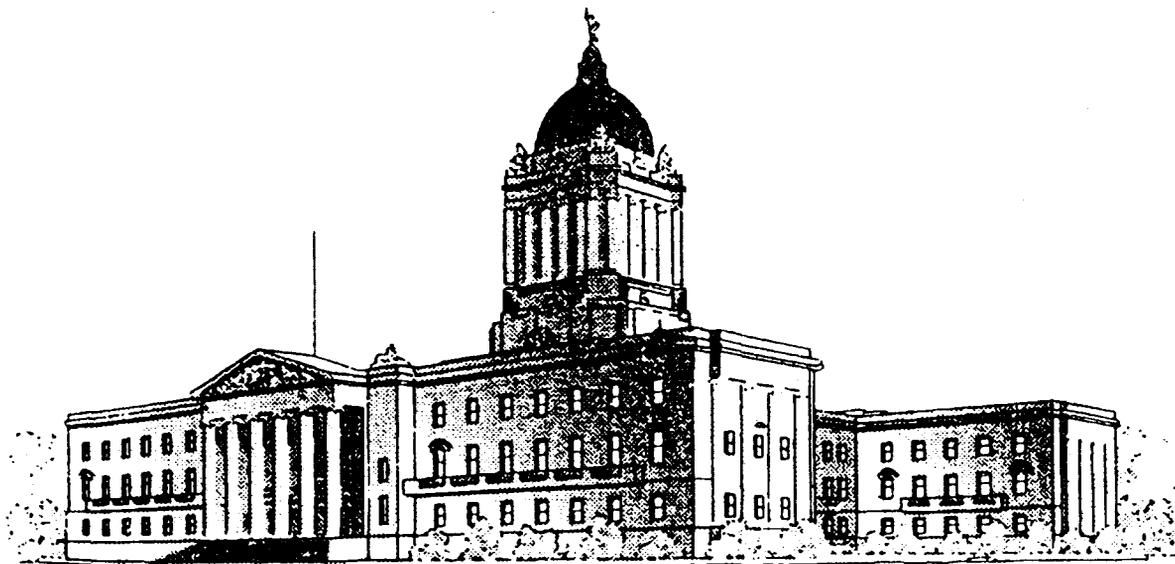
of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Seventh Legislature

Member	Constituency	Political Affiliation
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ALLAN, Nancy	St. Vital	N.D.P.
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ASPER, Linda	Riel	N.D.P.
BARRETT, Becky, Hon.	Inkster	N.D.P.
CALDWELL, Drew, Hon.	Brandon East	N.D.P.
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LATIILIN, Oscar, Hon.	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
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LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, June 6, 2000

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Gaming Licences Plebiscites

Mr. David Faurschou (Portage la Prairie): Mr. Speaker, I beg to present the petition of Lois Forsythe, Jack Forsythe, Grace Hamlin and others praying that the Legislative Assembly of Manitoba urge the Government to hold plebiscites in the affected communities before new gaming licences are issued in the province of Manitoba.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Committee of Supply

Mr. Conrad Santos (Chairperson): Mr. Speaker, the Committee of Supply has adopted certain resolutions, directs me to report the same and asks leave to sit again.

I move, seconded by the Honourable Member for Selkirk (Mr. Dewar), that the report of the Committee be received.

Motion agreed to.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the gallery where we have from Crystal City Elementary School, 11 Grade 4 students under the direction of Mr. Larry Hamilton. This school is located in the constituency of the Honourable Member for Turtle Mountain (Mr. Tweed).

Also, we have from Sandy Bay School 27 Grade 9 students under the direction of Mr. John

Paramor. This school is located in the constituency of the Honourable Member for Ste. Rose (Mr. Cummings).

Also in the gallery we have from Walter Whyte School 17 Grade 9 students under the direction of Mr. Rob Simpson. This school is located in the constituency of the Honourable Member for Selkirk (Mr. Dewar).

Also, from Calvin Christian School 39 Grade 9 students under the direction of Mr. Ken Symanski. This school is located in the constituency of the Honourable Member for River East (Mrs. Mitchelson).

We have from Christ the King School 23 Grade 5 students under the direction of Mrs. Shirley Gendron. This school is located in the constituency of the Honourable Member for St. Vital (Ms. Allan).

Also, students from the Second Start program in the St. James-Assiniboia School Division under the direction of Jeff Chartrand and Susan Barron. This school is located in the constituency of the Honourable Member for St. James (Ms. Korzeniowski).

Also, we have in the gallery Chief Denis Pache and councillors of Dakota Tipi First Nations.

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

* (13:35)

ORAL QUESTION PERIOD

Treherne Hospital Summer Closure

Mrs. Bonnie Mitchelson (Interim Leader of the Official Opposition): During the election campaign, Today's NDP promised to immediately open 100 new hospital beds. That was on October 26. Then again on October 27,

Today's NDP promised more doctors, more nurses and more services for rural Manitobans.

Mr. Speaker, we have seen time and time again that their promises around health care have been broken. It appears the First Minister, instead of opening hospital beds is not only closing hospital beds but he is closing whole hospitals.

My question for the First Minister is: What does he say to the residents of Treherne who are seeing their hospital closed this summer because of a shortage of nurses and another NDP broken promise around health care?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, I welcome the opportunity of again, as is often done in this case, correcting the misstatements and the inaccuracies of the Interim Leader of the Official Opposition with some of the inaccuracies that have been placed on the record.

I think a couple of things to bear in mind: the 10 years of Tory nurse cutbacks and slashing and the closing of 1400 hospital beds in the province of Manitoba have made it a very difficult task, but notwithstanding that we came into office, and I am proud to say that the CIHI report, a national independent report, indicated that Manitoba had done better in terms of the hallway situation than any other jurisdiction in the country.

I ask members opposite to reflect on the fact that who was it that closed the largest hospital in the history of Manitoba only two years ago with nary a word, with the stroke of a pen, the Misericordia Hospital? So I suggest, Mr. Speaker, that members correct their questions.

Some Honourable Members: Oh, oh.

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 Honourable Minister

has overextended his time. I believe it is time for another question.

Mr. Speaker: On the same point of order?

Mr. Chomiak: Mr. Speaker, I thought it was incumbent upon me not only to answer the question but to correct the inaccuracies that were very present in the question raised by the Member opposite.

Mr. Speaker: The Honourable Official Opposition House Leader does have a point of order. I would like to remind the Honourable Minister that according to *Beauchesne's* Citation 417: Answers to questions should be as brief as possible.

Nursing Profession Recruitment/Retention Strategy

Mrs. Bonnie Mitchelson (Interim Leader of the Official Opposition): Mr. Speaker, the only person in this Chamber that is confused and misleading is the Minister of Health who time and time again does not take any responsibility for the promises that he made during the election campaign. Again, during the election campaign, the Minister of Health promised to hire 100 nurses immediately, and more than six months later, he announced his five-point plan with a so-called comprehensive approach to fixing the nursing shortage in Manitoba.

My question to the Minister of Health is: Will he now admit that this five-point plan has seen the nursing shortage in the province of Manitoba go from 700 to 1100, as confirmed by the Manitoba Nurses' Union and that it has seen a hospital close?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, I will not confirm that. In fact, I will indicate the 10 years of the Tory nursing shortage that these members put in place, that was not addressed, with no nursing plan, and I would appreciate, it would be very helpful for all—

* (13:40)

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 Honourable Minister has already answered the question by saying he would not confirm the shortages. I believe he does not have to enter into debate.

Mr. Speaker: The Honourable Minister of Health, on the same point of order.

Mr. Chomiak: Mr. Speaker, again, I must indicate that, though the Member posed a question, there was a preamble. It was inaccurate again, and it is incumbent upon members to bring proper information to this Chamber.

Mr. Speaker: Order. On the point of order raised, I would like to take this opportunity to remind ministers that *Beauchesne's* Citation 417 says that the answers should not provoke debate.

* * *

Mr. Speaker: The Honourable Minister of Health, please conclude your comments.

Mr. Chomiak: Yes, thank you, Mr. Speaker.

One of the things that I attempted to do when I was the Health critic was to utilize the Government figures with respect to nursing shortages, and we utilized the same methodology and approach with regard to the nursing figures that we are using now. It would be helpful if members opposite would support the five-point nursing plan, which was the first comprehensive approach to nursing that has been done in this jurisdiction in over a decade.

We have Connie Curran on one hand, a comprehensive plan on the other hand. I ask Manitobans to choose.

Health Care Facilities Rural Manitoba

Mrs. Bonnie Mitchelson (Interim Leader of the Official Opposition): Mr. Speaker, I would

question a comprehensive plan that has led to over 400 nurses more lacking within our system as a result of that comprehensive plan. It is clear that the NDP has not lived up to any of its election promises to fix our health care system.

My question for the Minister of Health is: Given that we have a report commissioned by Today's NDP Government by Gordon Webster that talks about reviewing the whole system of hospitals in rural Manitoba, will the Minister of Health now admit that this is the first step in his plan to close rural hospitals and create a two-tiered system for people in rural Manitoba?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, it is interesting that the Member who sat around the Cabinet table when a report was commissioned by that Cabinet to review the situation of hospitals in rural and northern Manitoba, is the very member who sat around that table when they set up some terms of references, somehow trying to look at all of those hospitals whether or not they could remain with H's on the highway.

It is amazing that the Member would have the gall, or even the ability, to stand up in this House and accuse this government of closing hospitals. It is incredible, particularly in light of the fact that it was members opposite who closed the largest hospital in the history of Manitoba.

Point of Order

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

We as the Opposition are here to get answers not to enter into debate. If the Minister could answer the questions, we would be happy with that.

* (13:45)

Mr. Speaker: Order. On the point of order raised, the Member was getting close to the time that I have allowed for answers to questions, but

I would like to take this opportunity, again, to remind all ministers of *Beauchesne's* Citation 417: Answers to questions should be as brief as possible.

Treherne Hospital Summer Closure

Mr. Denis Rocan (Carman): Mr. Speaker, as I look at members opposite, I would have never thought that the time would come that the most pressing issue that concerns Manitobans would be present here today. As I look across and I see members applauding the Minister of Health for his actions, or his inability to try and explain to the people in rural Manitoba what is happening to them today, I cannot believe, for one moment, that this individual, a man who I have great respect for, will stand here—[*interjection*]

On that part, excuse me. For these individuals who are trying here right now, *Beauchesne's* 410: "The primary purpose of the Question Period is the seeking of information and calling the Government to account. The greatest possible freedom should be given to Members consistent with the other rules and practices."

This is the most important issue that we have had to deal with. Now, on behalf of my constituents, I would like to ask perhaps, if the Government had kept its promises to hire more nurses immediately and to convert part-time positions to full-time positions, there would be more nurses working in Manitoba today, and the Treherne hospital would not have to close its doors for two weeks this summer.

Mr. Speaker, can the Minister of Health explain what alternatives are in place for local residents who may need access to health care services during the Treherne hospital closure, if you would, please, Sir?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, I have a good deal of respect for the Member opposite, but perhaps he could talk to his member, who tried to weave a closure into some overall policy that was adopted by members opposite, and I think he should have a conversation with the Member for River East (Mrs. Mitchelson), with respect—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Chomiak: Thank you, Mr. Speaker. As we indicated when we came to office, the most pressing urgent problem was the whole human resource sector that had been neglected in this province for a decade. We put in place a five-point nursing plan. I have received statistics that indicate, since we have been in office, there are more full-time nurses in every single category than when members opposite were in office.

Is this good enough? No. That is why we have a long-term, five-point plan in which we intend to turn the situation around. But in eight months, we could not undo the effects that had been put in place by firing the thousand nurses, closing 1400 beds, and generally downgrading professions over the past decade.

Health Care Facilities Rural Manitoba

Mr. Denis Rocan (Carman): Mr. Speaker, I do not want to enter into a debate with the Minister of Health. Will the Minister of Health please advise the House if the closure of the Treherne hospital is his government's first step to implementing the recent proposal which, if implemented, will ultimately lead to the closure of several of the rural Manitoba hospitals?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, I want to indicate that the proposal that I believe the Member is referencing was a report that was commissioned, a report that terms of reference were put together by members opposite with respect to minimal hospital standards outside of Winnipeg. That report, I have not received the final copy of yet. If the members are referencing—[*interjection*]

Mr. Speaker: Order.

Point of Order

Mrs. Bonnie Mitchelson (Interim Leader of the Official Opposition): Again, the Minister of Health appears to be quite confused. I would like to clarify in his mind, so that he can answer the question, that the report that we are referring to

that talks about possible closures of rural hospitals is a report that was commissioned by the Minister of Health, and it is the Webster report.

Mr. Speaker: Order. The Honourable Minister of Health, on the same point of order.

* (13:50)

Mr. Chomiak: Mr. Speaker, I suggest that the Member does not have a point of order. In fact, the members, because they are having trouble composing their question and getting some kind of rationale behind it, are seeking to explain something that they could have clearly done within the course of their question. I suggest that they get their act together with respect to referring to what they are referring to.

The Member did not refer to a report. The Member opposite referred to a report about closing hospitals, and the only one I know about that suggests that was commissioned by members opposite.

Mr. Speaker: Order. The Honourable Member does not have a point of order. It is a dispute over the facts.

* * *

Mr. Chomiak: Mr. Speaker, as I was saying in my response to the question, if the Member is referring to the Webster report, which made a whole series of recommendations, we farmed those recommendations around for advice and comment from all the regions, rather than was past practice, taking report in, not releasing it to the public and then implementing secret recommendations. In fact, some of those recommendations we will not accept.

Treherne Hospital Summer Closure

Mr. Denis Rocan (Carman): Once again, to the same minister: Could he explain to Manitobans how his five-point plan is helping people in Treherne who are being told not to get sick for two weeks this summer because, if they do, their hospital will not open its doors for them? There was an ad taken out in the *Treherne Times* this

morning where it says that the Tiger Hills Medical Associates, the lab and the imaging department in the personal care home will remain open. Residents of the PCH will not be affected by this closure, so it says. Just for your information, Sir, there are two doctors on call from Treherne—excuse me.

Mr. Speaker: Order.

Point of Order

Hon. Gord Mackintosh (Government House Leader): The Member is continuing with I guess what would be called a postamble. The question has already been posed. *Beauchesne's* Citation 410 says that supplementary questions require no preamble. Thank you.

Mr. Speaker: The Honourable Member for Carman, on the same point of order.

Mr. Rocan: Mr. Speaker, I would like for the Honourable Government House Leader, who indeed might have a point, and that will be for you to rule, Sir, but take into account 409(4): "It ought to be on an important matter, and not be frivolous."; 409(5): "The matter ought to be of some urgency. There must be some present value in seeking the information during the Question Period rather than through the Order . . ."

Mr. Speaker, this is a very important issue to rural Manitobans in Treherne. I mean, we have seniors, we have young people, we have homecomings. So I submit to you, Sir, I submit to the Speaker, it is a very important issue, and I am asking for a little bit of leniency in the rules of this House to bring forward the most important issue that this Minister of Health has had to deal with.

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

Mr. Mackintosh: The rebuttal by the Member is, I think, unprecedented in this House. He was using a point of order to make a political debate. I ask that you call him to order. I ask that you rule his question out of order.

Mr. Speaker: Order. On the point of order raised to the preamble, I would like to take this moment to advise all members that *Beauchesne's* Citation 409(2) advises that a supplementary question should not require a preamble.

* * *

Mr. Speaker: I would like the Honourable Member to put his question. You have put your question?

The Honourable Member for Carman, on a new point of order.

*(13:55)

Point of Order

Mr. Denis Rocan (Carman): In my response to the Government House Leader's point of order, Sir, I simply ask for leniency in putting my question to the Minister of Health because it was the most important issue that he has had to deal with in this session. I am asking for a little bit of leniency to put forward the facts that I believe the Minister does not have access to.

Mr. Speaker: Order, please. On the point of order raised, I am giving the Honourable Member the opportunity to put his question.

* * *

Mr. Rocan: I would like to thank you very much, Mr. Speaker. Once again to this Minister of Health: Could he explain to Manitobans how his five-point plan is helping the people in Treherne who are being told not to get sick for the two weeks this summer because if they do, Sir, their hospital doors will not be open. For his information, the hospitals that they are being sent to, Glenboro which has a 10-bed hospital—

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

Point of Order

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, I ask you to rule, please, on whether this postamble that he is continuing exactly the same as the first time, his question

had already been posed, he has now been allowed to put it again. He is adding a sentence after his question. He is abusing the rules. I ask you to call him to order.

Mr. Speaker: The Member for Carman, on the same point of order.

Mr. Rocan: On the same point of order, Mr. Speaker, if I am abusing the rules, I will withdraw and apologize to the House for that.

Mr. Speaker: I thank the Honourable Member for Carman. The question has been put.

Hon. Dave Chomiak (Minister of Health): Mr. Speaker—

An Honourable Member: You did not rule on the point of order.

Mr. Speaker: On the point of order raised, the Honourable Member has already stated, so that takes care of the point of order.

* * *

Mr. Speaker: The Honourable Minister of Health, to answer the question.

Mr. Chomiak: Mr. Speaker, clearly the most fundamental issue facing Manitobans when we came to office was the dire strait of health care.

Some Honourable Members: Oh, oh.

Mr. Chomiak: Mr. Speaker, if members want to ask the question, they could have the decency to listen to the response.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Chomiak: Thank you, Mr. Speaker. That is why we put in place a physician-recruitment plan, a nurses plan, a five-point plan to try to deal with the serious shortages that were evident when we came into office.

We realize that it is a serious difficulty because of the lack of nurses, but we cannot, in eight months, fix a legacy of shortages and ill-

treatment of nurses that has occurred over the past decade. We are doing everything in our efforts, not only in Treherne, and we are working with them to do that, but other rural centres and the city of Winnipeg to deal with the serious staffing shortages, not just of nurses but of doctors, of radiotechnologists, radiotherapists, X-ray technicians, of every one of the professions that was allowed to lapse and where people were laid off over the past decade. We cannot turn it around overnight, but we have put in place a manageable plan to try to address the critical areas in the immediate term which we have tried to do, and we have a long-term plan to address this shortage so people have access to health care.

* (14:00)

First Nations Casinos Operations Management

Mr. Mervin Tweed (Turtle Mountain): Mr. Speaker, in the Manitoba First Nations Casino Project Selection Committee report, I note that, of the five proposals, no operations management participant is based in the province of Manitoba. This government appears to be turning over the management of First Nations gambling to out-of-province interests.

My question is: Can the minister of gambling tell this House what kind of commitment in terms of length of contract these firms have made to run the proposed casinos?

Hon. Ron Lemieux (Minister charged with the administration of The Gaming Control Act): Mr. Speaker, I thank the Member for the question. I just want to state that we accept the report and the conditional recommendations from Mr. Freedman and Mr. Nadeau. We certainly look forward to the proponents on their journey along this path to addressing all the conditions for success. This journey is going to be a long one; it is not an easy process for many of them. We look forward to their working hard to attain that.

Mr. Tweed: I thank the Minister for the answer, I think. Can the Minister advise what percentage of net profit is going to these out-of-province operation management participants?

Mr. Lemieux: We are certainly very proud of the fact that First Nations people will be attaining the majority of the profits from the casino projects once they become up and running if there are any that meet those conditions for success, and certainly we know that First Nations people are looking forward to the economic benefits and the jobs created from the casino projects. Members opposite seem to want to raise continually about gaming and gambling, but yet they were the ones who introduced the Bostrom report and they wanted to go ahead with this. Now, have they changed their tune, all of a sudden? They do not want First Nations people to get jobs, to have economic development and so on.

Mr. Tweed: Is the Minister of gambling satisfied with the abilities of these operations management participants?

Mr. Lemieux: I am the Minister responsible for the Gaming Commission, just to clarify that point. But I just want to state that First Nations people should have been brought along into this process a long time ago with regard to casinos, and certainly we are very proud of the fact that we have brought this process into place. We certainly look forward to giving the First Nations people an opportunity to reach all the conditions for success that face them. So we just say to First Nations people that we wish them luck on this journey. It is going to be a difficult one, and it is certainly not going to be just around the corner.

First Nations Casinos Audits

Mr. Darren Praznik (Lac du Bonnet): Mr. Speaker, First Nations people and the people of Manitoba need more than just the Minister's good wishes and wish for luck. The Minister has had three very straightforward questions on technical detail which he has refused again to come clean and tell the people of Manitoba.

I ask the Premier (Mr. Doer), who is ultimately responsible, if the Premier, in the interests of openness and accountability in this issue, will commit today to ensure that all financial aspects of these five casinos are audited by the Provincial Auditor of Manitoba?

Hon. Ron Lemieux (Minister charged with the administration of The Gaming Control Act): Mr. Speaker, it is certainly do as I say, not do as I—never mind. I guess what I want to say here to the Member opposite is this. They looked at the casinos on Regent and McPhillips, and we have seen what has turned up there with respect to the money spent and so on.

Certainly members on this side in opposition at that time asked a lot of questions with regard to the expansion of gaming and so on. Not a single answer came across from members opposite. They have a lot of gall to start asking—

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

Point of Order

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

It does not take gall to ask these questions; it takes something else to answer them.

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

Hon. Gord Mackintosh (Government House Leader): That was a bit cryptic, Mr. Speaker, but just in answer to that one, the question was, the answer was brief, it was to the point. It did not provoke debate. They just feel provoked because they are throwing stones from their glass house, as I said yesterday. The answer was in order.

Mr. Speaker: Order. On the point of order raised, the time that I am allowing for answers has not been exceeded. The Honourable Minister, to please continue to answer the questions. There was not a point of order.

* * *

Mr. Speaker: The Honourable Minister of Consumer and Corporate Affairs, to please continue to answer the question.

Mr. Lemieux: Thank you, Mr. Speaker. Any successful proponent will have to enter into an agreement with the Lotteries Corporation, and that Lotteries Corporation is very, very competent to be able to look at the operations of those casinos.

Mr. Praznik: Mr. Speaker, these questions are the kinds of questions that First Nations people want to have answered about accountability, Manitobans want.

I want to ask the Premier, who is responsible ultimately for these casinos in Manitoba, if he will follow the advice of the Provincial Auditor, former Provincial Auditor and current acting Provincial Auditor in Saskatchewan who have called upon their Gaming Commission to have value-for-money audits of the end use of the dollars. We want to know if there is going to be public accountability on how those dollars are spent in First Nations communities. Is the Premier prepared to give that commitment to First Nations people, not their leaders, their people?

Hon. Gary Doer (Premier): Mr. Speaker, the Member opposite knows that the audited rules of Manitoba under their stewardship did not require in law value-for-money audits in this province, so 11 years members opposite, through three different Finance ministers, did not amend the section of the financial accountability acts of this province.

Having said that, the issue of management fees is an issue that must be dealt with as one of the conditions prior to a licence being issued in the best interests of the province, the people and the community, and it will be dealt with. We know it is an area that if a "management company" is taking too much of a percentage, it would be unacceptable to the people in a community. The Minister will be dealing with that as one of the conditions. Secondly, any money—*[interjection]* Well, unlike members opposite that withheld \$170 million of capital overspending, we will be fully accountable.

Mr. Praznik: Mr. Speaker, I am glad that the First Minister has pledged to be fully accountable, because if he goes and looks at his neighbours in Saskatchewan and he looks at the

Auditor's report on Saskatchewan Indian Gaming, he will find that there are needs to improve accountability. So I ask him again: Will he commit today to the people of Manitoba, to the First Nations people of Manitoba, that the proceeds of this gaming will be audited with a value-for-money audit to make sure we do not have a human resource development scandal happen in Manitoba? Will he make that commitment?

Mr. Doer: Mr. Speaker, I would love to have a value-for-money audit on SmartHealth, on frozen food, on the unfunded liability of \$170 million. I think it is important, and we certainly, in implementing the Bostrom report which members opposite commissioned and the Bostrom report that spoke to the great economic advantages, the great social risks and the great opportunity for revenues to be shared in communities for economic development—we know in Saskatchewan that a thousand Aboriginal people have been hired in casinos, breaking the cycle of dependency in some of those communities, building independence, building employment. But a licence issued by the Province of Manitoba, through the Minister, has to have conditions, and one of those conditions will obviously be that the money, the revenues benefit the people of those communities, and we will make sure we have accountability to make sure that happens.

First Nations Casinos Legislative Amendments

Mr. Jack Reimer (Southdale): Yesterday the First Minister acknowledged that there are a number of conditions that are placed on the recommendations of the casino selection committee. In fact, on page 26, it is referred to quite a few times in his comments yesterday.

Some Honourable Members: Oh, oh.

* (14:10)

Mr. Reimer: I am glad that there is applause because this will fit right in with the question which I quote: Amendments to existing legislation to ensure that the implementation of the successful proposals is facilitated. Therefore, Mr. Speaker, I ask the Premier: Does he agree that legislative changes are needed to ensure that

the casino process is transparent and protects not only the proponents but also all of Manitobans?

Hon. Ron Lemieux (Minister charged with the administration of The Gaming Control Act): We have just received the report, and we are certainly looking through it and taking the opportunity to do so, unlike members opposite, you get a report and then you only release it a few months later and then actually comment on it seven months later. In less than 24 hours we released the report and made it public. We are very proud of being an open government. We are very proud of the fact that we received the report, and we certainly made it public.

Mr. Reimer: I find this very passing strange. In the report it states that legislative changes are recommended. I am asking the Premier (Mr. Doer): Will he tell this House whether legislative changes will be introduced in regard to the casinos, their allocations, their transparency and the accountability of the dollars to the proponents and to Manitobans? Will there be legislative changes brought in?

Mr. Lemieux: Just to reiterate again, we just received the report. We are certainly going through it just as others are going through it. We are reading it carefully and certainly we will consider anything that is needed.

Mr. Reimer: This is certainly an exercise in wind and rabbit traps here because they have the report, they have read the report, now they are saying they are studying the report. I wonder whether the First Nations are in the same type of confusion. No wonder they do not know whether they are going to get casinos.

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

Point of Order

Hon. Gord Mackintosh (Government House Leader): I wonder if we could ask the Member if he could formulate a question before he rises? *Beauchesne's* Citation 410 says supplementary questions require no preamble.

Mr. Speaker: On the point of order raised, the Honourable Member does have a point of order. *Beauchesne's* Citation 409(2) advises that a

supplementary question should not require a preamble. I ask the Honourable Member to please put his question.

* * *

Mr. Reimer: Thank you, Mr. Speaker. Will the Premier (Mr. Doer), given the knowledge that there is need for legislative changes, be delaying the creation of the First Nations casinos until such time as the necessary legislation has been brought forward?

Mr. Lemieux: We are certainly pleased to accept the report. It does not mean approve the report, and certainly it says Manitoba may wish to consider amendments. So we are taking a look at this report. We have just received it. We are looking through the issues that may have arisen or may arise and certainly, as it states, may wish to consider amendments to the existing legislation.

First Nations Casinos Alternate Sites

Hon. Jon Gerrard (River Heights): Mr. Speaker, the Minister of Aboriginal and Northern Affairs (Mr. Robinson) has a duty to protect the interests of Aboriginal people, and yet we have seen a circumstance in the last few days where the Premier who Friday opened the door to a casino in Headingley has now slammed it shut. The Premier said yesterday: Headingley now in my view does not meet the conditions, period.

My question is for the Minister of Aboriginal and Northern Affairs. Why did the Minister fail to protect First Nations' interests by ensuring a process for selection of the casino sites in which what happened we had approved applications which failed to meet the basic conditions.

Hon. Gary Doer (Premier): Mr. Speaker, the Member for River Heights quotes what I said. I was quoted on Friday and what I was quoted as saying yesterday: We said that all proposals must meet the conditions. We were asked specifically about Headingley, quoted on Friday, quoted again yesterday, and I feel the statements are very consistent.

Mr. Gerrard: My supplementary is to the Minister of Aboriginal and Northern Affairs and his responsibility for community economic development. To what extent are approved applications dependent on the site mentioned in the application? Could, for example, the Swan Lake Band build their casino in partnership with another First Nation community in Dakota Tipi or Buffalo Point communities?

Hon. Eric Robinson (Minister of Aboriginal and Northern Affairs): I want to assure the Member that we did this very carefully. We did this in partnership with the Assembly of Manitoba Chiefs and with the thought in mind of what the Bostrom report indicated that we need to address housing, unemployment, poverty in Manitoba First Nations communities. I believe that we have done that. We have achieved that. The first step was, of course, accepting the recommendations by the selection committee which we have adopted in principle by this government. Secondly, we are going to get to work on the implementation process of these casinos, and there is a lot of work to be done.

Mr. Gerrard: My supplementary to the Minister of Aboriginal and Northern Affairs. My question is simply: Is an applicant which has been accepted in the process free to move to an alternate site if they can make that case?

Mr. Robinson: Mr. Speaker, the Government has accepted in principle the recommendations of the selection committee. All I ask of all members of this House, let us give First Nations people an opportunity to prove themselves.

First Nations Casinos Economic Impact

Mr. John Loewen (Fort Whyte): Mr. Speaker, in Saturday's *Free Press* a spokesperson for the Minister of Consumer and Corporate Affairs (Mr. Lemieux) acknowledged that this NDP Government has not had any studies to determine the economic impact that these five additional casinos will have on Crown gambling revenue. I would like to ask this Minister, the Minister of Consumer and Corporate Affairs: Given that Crown gambling revenue has levelled off during the last few years and has actually decreased in the third quarter of this year, will

commit and explain to this House why his government has not studied the economic impact and the loss of revenue that will be affected by adding five new casinos?

Hon. Diane McGifford (Minister charged with the administration of The Manitoba Lotteries Corporation Act): Mr. Speaker, surely a sign of open government is when two ministers want to answer the same question.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Ms. McGifford: Mr. Speaker, as I assured the Member yesterday, the biggest threat to casino revenues in this province, what most puts casino revenues at jeopardy in this province are: (a) a \$70-million overrun in expansion; (b) a long-term debt growing from \$55 million to \$170 million, with no plan for repayment, inherited from this former government; and (c)–

An Honourable Member: Sit down if you do not have an answer.

Mr. Speaker: Order, order. The Honourable 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* Citation 417: "Answers to questions should be as brief as possible, deal with the matter raised and should not provoke debate." Clearly, the Honourable Minister raced to her feet just to provoke debate.

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

Hon. Gord Mackintosh (Government House Leader): On the same point of order, Mr. Speaker. The Minister was certainly answering the question. The question was about lottery revenues flowing to the province as a result of the administration of Lotteries in the province. That is exactly what the Minister was answering.

Also, Mr. Speaker, I ask you to draw the Member for Carman (Mr. Rocan) to order. His

abusive behaviour to the Minister is uncalled for. It is out of character. I do not know what his problem is, but I ask that you remind the Member to show respect to the Honourable Member who is answering the question.

Mr. Speaker: The Honourable Member for Carman, on the same point of order.

* (14:20)

Mr. Denis Rocan (Carman): On the same point of order, Mr. Speaker. I would like to refer to *Beauchesne's* 416(1): "A Minister may decline to answer a question without stating the reason for refusing, and insistence on an answer is out of order." I did not ask her to put her question. I said sit down because you do not have the answer. I knew I would be out of order by asking or insisting on an answer, and I knew she did not have it.

Mr. Speaker: Order, order. On the point of order raised, when answers to questions sometimes differ from what the person expects, this time I will rule that this is a dispute over the facts. I would like to just ask all members for a little bit of patience. I know there are strong convictions on both sides. Just have a little patience.

* * *

Mr. Speaker: I would like the Honourable Member to please conclude her answer.

Ms. McGifford: Mr. Speaker, I made my (a) and (b) points. My (c) point is again a reference to the previous administration's management of Lotteries. I just wanted to point out that 11 years of cavalier management, which ended on January 7, 2000, have really harmed the revenues from Lotteries as well.

Mr. Loewen: Mr. Speaker, my question is to the Minister responsible for Lotteries.

I would ask the Minister if she agrees or disagrees with the legislation, the Bill that was introduced, Bill 203, into this House by her NDP party called The Lotteries Accountability and Consequential Amendments Act. Would she not agree with this bill that was introduced that calls

for a study to examine the social costs and the economic impact costs before expansion of gambling, before, as they have doubled, doubled gambling in this province? Does she not agree that there should be a study on the social costs and the economic costs to this province, and this bill that they introduced, in particular, points to aboriginal gaming and points to the effect, the social and economic impact on children in rural Manitoba?

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

Point of Order

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, I was trying to discern a question there. *Beauchesne's* Citation 410 says supplementary questions require no preamble. I heard a lot of ambling. I did not quite hear a question, but certainly if there was a question, it was surrounded by preambles, midambles, and postambles. Would you please ask the Member that, when he puts a supplementary question, it requires no preamble. Thank you.

Mr. Speaker: Order. On the point of order raised by the Honourable Government House Leader, *Beauchesne's* Citation 409(2) advises that a supplementary question should not require a preamble.

* * *

Mr. Speaker: The Honourable Member, please put your question.

Mr. Loewen: Thank you, Mr. Speaker. My question is simple, to the Minister: Does she agree with the articles in Bill 203 that was introduced by her party when in opposition to have an economic impact study and a study on social costs prior to doubling and prior to increasing gambling in the province of Manitoba?

Ms. McGifford: I will attempt to answer that rather labyrinthine and confusing question. But I think the answer is that the study that the Member opposite asked for has already been done. In fact, it was the Bostrom report commissioned by his government, the First

Nations Gaming Policy Review Report submitted October 15, 1997. I might also add, while I am on my feet, that, as the members opposite know, this government supports First Nations people in their economic development and in their desire for gainful employment. That is our position, fairness.

Mr. Speaker: Time for Oral Questions has expired.

MEMBERS' STATEMENTS

Pembina Constituency Events

Mr. Peter Dyck (Pembina): As is often the case, I spent last Friday in my constituency. I had the opportunity to spend time in both Winkler and Morden, both of which had exciting events going on. I want to say a few words about both of them here today.

In the morning I was pleased to attend the Rural Provincial Track and Field Championship being hosted by Winkler's Garden Valley Collegiate. The field of competitors was made up of over 1000 high school athletes from across rural Manitoba. The hard work, sportsmanship and excellence displayed by these young athletes was most impressive, and I was honoured to present the first round of gold medals. Students from the Pembina constituency did very well, with the Garden Valley team winning both the senior and junior girls' competitions and placing second in the junior boys' competition. Congratulations to all those athletes who competed, and I wish them all the best of luck. A special congratulations to Lenore Friesen from Garden Valley for being named Junior Girls' Athlete of the Meet.

After taking in some of the events at the track meet, I travelled to Morden to attend the 4-H rally being held there. The activities opened with a parade and later featured 4-H judging in a host of different categories. Judged events ranged from seamstress work to cattle competitions. It was a lot of fun for both those who participated and those who attended. I commend the 4-H organizers for the great event and for their generous contributions to the community. Once again, congratulations to all winners.

Both of these events were highlights of my constituency, and I thank the people of both Winkler and Morden for their enthusiasm and dedication to community activities such as these. Thank you.

Second Start Program

Ms. Bonnie Korzeniowski (St. James): I would like to commend the Second Start Alternative Education Program at Sturgeon Creek Collegiate in the St. James school division. Second Start is for students who want to complete their education but find that financial straits, personal circumstances, a strong streak of independence, or any of a myriad of other factors make the traditional intensively paced school year difficult or impossible.

Second Start gives teenagers the flexibility of earning their high school credits at their own pace as the circumstances permit. Flexibility is also built into Second Start's attendance policy, allowing students to do much of their studying independently at home, should they choose. The teachers work with them in small groups, rather than a structured classroom setting.

There are many other features of the program, which acknowledge the distinctiveness of students enrolled in it. For instance, it offers computer-assisted instruction in math and English, a seminar on skills for independent living, weekly access to a social worker and a community health nurse and the use of kitchen facilities.

Second Start is more than just another way to complete high school. Many of these students would have, for lack of a decent alternative, been headed towards the margins of society. By choosing Second Start, they are giving themselves the prospects of a reasonable livelihood and stable social ties.

There are some singular individuals in this program, and I congratulate them on their efforts to get back on track with their studies, in spite of the obstacles. I would like to mention just one of them, Janet Beauchamp [*phonetic*] who won an award in a competition for devising and writing a business plan. Before the Second Start

Program opened up, she had been out of school for three years.

It also takes some very special people to teach in the program, and I would like to pay tribute to them: Jeff Chartrand, who heads up Second Start, Susan Barron, Yubi Gill, Warren Nightengale and Jan Carley.

Second Start Program, both its staff and students, certainly deserve support and encouragement in their ongoing development and future success. Thank you.

Winnipeg International Air Show

Mrs. Louise Dacquay (Seine River): Mr. Speaker, tens of thousands of Manitobans enjoyed the spectacular sights and sounds of the Sixth Annual Winnipeg International Air Show over this past weekend. Manitobans young and old attended the event at the Winnipeg International Airport. Visitors were able to get a first-hand look at scores of aircraft from Canadian and British fighter jets to the gigantic U.S. military cargo planes.

The Air Show is very much a hands-on experience, allowing visitors to actually touch these amazing machines they usually would only see from a distance. It is estimated that over 50 000 people took in the sunny weather by visiting the Air Show to watch the flying demonstrations and stunts, including the heart-racing flying of the famed Snowbirds, Canada's precision military flying team.

* (14:30)

The Snowbirds are one of the biggest attractions in North America, and this was their first visit to Manitoba since 1997. They certainly did not disappoint, wowing the crowd with their precise formation flying and their daring aerial exploits.

I would like to congratulate Mr. Barry Lynds, the show director, his brother, Darrell, who is a constituent of mine, their families and the volunteer force of 400 people who make the Winnipeg International Air Show a success year after year. Thank you, Mr. Speaker.

Leadership Circle Program

Mr. Doug Martindale (Burrows): Mr. Speaker, I welcome the opportunity today to recognize the successful Rotary Leadership Circle program. The program will operate again this summer with \$35,000 in funding by the province through the Winnipeg Development Agreement.

The Leadership Circle initiative targets at-risk youth between the ages of 10 and 14 for a six-week period each summer. The program provides participants with summer work experience and positive community activities. Leaders receive a small stipend for their participation in community beautification projects, volunteer outings and work at their local drop-in centre.

Through participation in these activities, youth develop a sense of pride in both their community and themselves. They also receive a modest amount of money to purchase items deemed a luxury in many inner city households. A bit of economic freedom allows these individuals to purchase items like school supplies or running shoes.

The Leadership Circle program began as a 10-week pilot project in the summer of 1996. It was designed and implemented through a unique partnership of the Rotary Club of Winnipeg, the Winnipeg Coalition of Drop-In Centres and the United Way. Today 12 centres, including Winnipeg Native Alliance, The Winnipeg Boys and Girls Club and a number of other organizations deliver the program in inner city neighbourhoods. I applaud the dedication shown by these groups in providing opportunities for at-risk youth in the city.

Apprenticeship Graduates

Mr. Leonard Derkach (Russell): Mr. Speaker, I rise today to congratulate the highest achieving apprentices who were recently acknowledged at an awards ceremony. The 35 new journeypersons were recognized for attaining the highest marks in their trade and acquired the on-the-job skills required to finish their final level of apprenticeship training. Graduates in each trade were selected for the awards based on the on-the-job performance, examination results and

by recommendations from their apprenticeship employer and technical instructor. Apprenticeship programs consist of two to five years of on-the-job training combined with technical in-school training.

Within Manitoba there are more than 4000 apprentices who are enrolled in 51 designated trades. Approximately 500 Manitobans graduate each year with journeyperson certification and enter Manitoba's workforce. The apprenticeship program is a valuable asset to Manitoba and to our young people who develop valuable work skills. Skilled employees create a qualified workforce that meets the employment needs of industry and business throughout our province.

I would like to congratulate all Manitobans who are currently enrolled in the apprenticeship program, those who are graduating and especially this year's top apprentices who received highest achievement awards in their trade. Thank you very much, Mr. Speaker.

CORRIGENDUM

Vol. L No. 38B - 1:30 p.m., Thursday, June 1, 2000, page 1923, under READING AND RECEIVING PETITIONS Winnipeg Police Athletic Clubs, the last three paragraphs of the petition should read:

THAT the Winnipeg Police Athletic Clubs provide an excellent example of communities partnering with government, schools and law enforcement to provide a safe place for youth to go: and

THAT many parents throughout Winnipeg are very concerned that the Government of Manitoba may choose to close the Winnipeg Police Athletic Clubs.

WHEREFORE YOUR PETITIONERS HUMBLY PRAY THAT the Legislative Assembly of Manitoba request that the Minister of Justice 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.

ORDERS OF THE DAY

Hon. Gord Mackintosh (Government House Leader): I move, seconded by the Minister of Highways and Government Services (Mr. Ashton), 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.

Mr. Speaker: Mr. Deputy Speaker, please take the Chair.

COMMITTEE OF SUPPLY (Concurrent Sections)

FINANCE

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 considering item 7.11.(b)(1) Sinking Fund Investments on page 85 of the Estimates, (\$334,200,000). Shall the item pass?

Mr. Eric Stefanson (Kirkfield Park): I will maybe just seize the opportunity while some staff is still here as to whether or not the Minister has any information to table today relative to the number of issues that he took as notice and indicated he would be providing us with feedback.

Hon. Greg Selinger (Minister of Finance): Just the document, the original speaking notes at the opening session.

Mr. Stefanson: I am wondering, Mr. Chairman, if the Minister could give me an approximate date when we can expect the response to most of the questions that he took as notice.

Mr. Selinger: We should be able to provide that material later on in this month. Staff are working on it, and when it comes available, I will be tabling it with you.

Mr. Stefanson: Could we then agree that we would expect to have most if not all of that information no later than—if we could agree on some date, certainly before the end of the month or a date something like June 25 or thereabouts?

Mr. Selinger: We will make our best efforts to do that, and we will try to get it to you as soon as we can.

Mr. Stefanson: Could we agree that I would have a response at least to all of it, and if the Minister is unable to provide the information, that he could provide me with an explanation as to why he is unable to do so?

Mr. Selinger: Like I said, as soon as I have had a chance to review the material and have received it all, I will get it out to you, and I will try to do it by the end of the month.

Mr. Stefanson: Is the Minister in a position to provide any further update today on where he is at with his proposed amendments to the balanced budget legislation?

Mr. Selinger: A Cabinet submission has been prepared, and as soon as Cabinet has had a chance to deal with it, then we will move from there to make it available and table it in the Legislature. So it is getting to a stage where we can start talking about it.

Mr. Stefanson: Is it expected that that submission will be dealt with in Cabinet this week on Wednesday?

Mr. Selinger: That is at the control of the chair of the Cabinet meeting. We will see how it goes and I will let you know.

Mr. Stefanson: Is it the Minister's hope and expectation that it can be dealt with as early as this week?

Mr. Selinger: Once again, my previous answer stands. The agenda is controlled by the First Minister (Mr. Doer), and we will see how it goes in terms of how he wants to structure the agenda.

Mr. Stefanson: Just so I am clear, then, Mr. Chairman, the Minister is saying that he has submitted a Cabinet submission on the proposed balanced budget legislative amendments, and it is up to the Premier as to whether or not it is dealt with this Wednesday.

Mr. Selinger: No, I am not saying that. I am saying a Cabinet submission is close to being completed, if not completed, and it is up to the First Minister to decide when he wants to put it on the agenda.

* (14:50)

Mr. Stefanson: So, then, just to clarify what I thought the Minister said earlier that the submission was completed, he is now saying it is not complete. If so, when does he expect to have his submission completed?

Mr. Selinger: As I said, a Cabinet submission has been prepared, and it will be at the call of the First Minister who chairs the Cabinet meetings as to when he wants to deal with it.

Mr. Stefanson: So, then, just to clarify it, Mr. Chairman, a Cabinet submission has been completed, and it is now up to—I guess I am saying what I said earlier, that a Cabinet submission has been completed and it has been submitted, and he is saying that it is up to the Premier (Mr. Doer) whether or not it is on the agenda as early as this Wednesday.

Mr. Selinger: I am saying we have completed a Cabinet submission. It will be at the call of the First Minister whether he wishes to place it on the agenda.

Mr. Stefanson: I think we just said the same thing, Mr. Chairman. What I would like to confirm is the timing from the Minister's perspective. Does he anticipate that the issues around the balanced budget legislation will require amendments to be introduced in this legislative session, and does he have a fixed time line as to when they have to be dealt with?

Mr. Selinger: Once again, the Budget Address referenced that, and I answered that question previously. It will be up to the call of the Chair of Cabinet as to when he wants to move it on to the agenda, along with all the other items that are being dealt with.

Mr. Stefanson: With all due respect, the answer was never clear on this issue. I am not going to go back over all of the questions I asked the Minister before. We were asking some specific questions as to whether or not legislative amendments were required as a result of his budget. We did not get a high degree of clarity around the timing of those legislative amendments. He did acknowledge that the pension liability issue required a legislative amendment, that there might be other amendments relative to transparency issues and so on. What I am trying to get at is the timing of those legislative amendments and when he feels

the legislation has to be introduced and, more importantly, when it has to be dealt with.

Mr. Selinger: Once again, those timing issues are at the will and pleasure of Cabinet. The First Minister has the decision as to when he wishes to place items on the agenda. I cannot pre-empt that process by staking out exactly how it will unfold until it has been dealt with at that level.

Mr. Stefanson: I am not asking for that process to be pre-empted. I am just trying to determine if there is a requirement, as a result of the Budget for certain amendments. Then there might well be required time lines to put those in effect, and that is what I am trying to get some clarity on from the Minister.

Mr. Selinger: Once again, I wish I could give more clarity on the specific time frame, with respect to the pension liability issue, in particular, but that is not possible until there has been a thorough discussion by Cabinet and a decision by the Premier that he wants to move that on to the agenda in a way that it can be dealt with.

Mr. Stefanson: Mr. Chairman, I think we are prepared to move these along.

Mr. Chairperson: We will return to 11. Public Debt (Statutory). We will read these into the record: (b) Less: Interest and Other Charges to be received from: (1) Sinking Fund Investment: (\$334,200,000); (2) Manitoba Hydro (\$498,231,400); (3) Manitoba Housing and Renewal Corporation (\$37,143,200); (4) Manitoba Agricultural Credit Corporation (\$20,945,500); (5) Other Government Agencies (\$11,789,800); (6) Other Loans and Investments (\$69,648,700).

Public Debt (Statutory) (\$474,475,000).

The last item to be considered for the Estimates of the Department of Finance is I. (a) Minister's Salary. At this point we request that the Minister's staff leave the table for the consideration of this item.

7.1. Administration and Finance (a) Minister's Salary \$27,300.

Mr. Stefanson: Mr. Chairman, I have a number of questions and comments in this area, but I think some other members do as well. I realize we are at the point where the Minister's staff has left, so in some cases the Minister might be able

to respond, in some cases, if it is a new question, he might need to take parts of it as notice. I believe the Member from Portage la Prairie has a question, and I think some other members might, before I ask my concluding question.

Mr. David Faurshou (Portage la Prairie): In regard to the financing of last year's Pan American Games, there were significant monies advanced in regard to that particular undertaking. The April 22nd *Free Press* reported that there have been significant monies that have been reported to be left over, if I might use that term, from that particular sporting event. My understanding is that the monies that are in a surplus position after the Games were concluded—would the Minister elaborate as to the percentages, as to the allocation of those monies and essentially who is responsible for the distribution or overall responsibility if those monies are to remain in a trust fund or a legacy account?

Mr. Selinger: I will have to take the specifics of that question as notice, but I believe the Minister responsible for that is the Minister of Sport and Recreation, who, you might have thought, was the Minister of Finance because they were combined responsibilities under the former government. Under this government, the Minister of Sport and Recreation is also the Minister of Health, and so I believe he is responsible for the process of finally allocating that surplus.

Mr. Faurshou: I appreciate the Minister's response, but I do believe that it was 25 percent of the surplus monies was to be returned to the Government, and the government department receiving those monies, according to my understanding, was that of Finance. I stand to be corrected, however. That, I believe, was the original agreement, and I would like the Minister to respond, please.

Mr. Selinger: I will take that as notice and find out the specifics on how the surplus back to the Government was to be dealt with.

Mr. Faurshou: In the balance of the monies, I stand to ask of the Minister of Health responsible for sport.

Mr. Selinger: The Minister of Health is also the Minister of Sport and Recreation, and as I

understand it, he was dealing with the Pan Am surplus.

Mr. Faurshou: The other question I have for the Minister of Finance is in fact on the Revenue document that accompanied the Budget documents which were received and passed May 10. In regard to a question that I posed in the Estimates committee where the Minister of Highways was in attendance, asked that the question was better posed to the Minister of Finance. The Minister of Finance, could he answer as to the actual combination of taxes or specific fuels that are listed in item (d) gasoline tax and in item (i) motive fuel tax, to be very specific as to what fuels, what automobile or particular engine would be using the particular fuels? The reason I ask this question is to find out. Designated transport trucks, are they in motive fuel, using diesel fuel? Are transport trucks in gasoline tax because they are on the roadway? These are the questions that I would like to pose to him.

* (15:00)

Mr. Selinger: Just for clarity, the Member is asking me to give a breakout of (d) gasoline tax and (i) motive fuel tax, as to which vehicles are the revenue sources for those lines. Is that what you are seeking? I will take that as notice, and I will ask our officials to try and clarify that and break that up for you.

Mr. Faurshou: I want to also make certain that the aircraft and locomotive conveyance—I believe in last year's budget the bunker fuels that were taken on by ocean-going vessels out of Churchill were no longer in existence. However, these are the types of breakdown that I would appreciate having in this regard. The reason for my questioning is in fact that the significant motive fuels, which I believe are emanating from the use of fuel for trains passing to and fro within Manitoba, and there is significant expenditure associated with the road network when it comes in contact with the rail network within our province.

Being the Member for Portage la Prairie, where there is the busiest rail yard in not only Manitoba but I mean the nation—more than 70 units come through Portage on a daily basis and, when one does the math on that, on average 3 units of 120-plus cars on a daily basis through Portage la Prairie. There has been cancellation

and now declared surplus the land that the Highways Department, the Government of Manitoba, had purchased for provisions of either overpass or underpasses that would make traffic flow on the Trans-Canada uninterrupted. The reason that these lands have now become surplus is because there is not adequate funding within the Highways budget to accommodate such expenditures. Yet I say to you, sir, as the Minister of Finance, in this regard, if motive fuel taxes are being collected and going into general revenues and their required expenditures under Highways that are directly related to that rail network, the case is very strong that certain allocations of that motive fuel should be directed to the Highways Department for expenditures related to that rail network?

I hope I have not lost the train of thought with the Minister. This is the reason for the line of questioning, and if the Minister has a response, I would certainly appreciate it.

Mr. Selinger: I think I understand the point of view of the Member. I think he is suggesting that there might be some taxes collected through motive fuels that might be available for public works related to those activities, and he wants me to sort of check the sources of those revenues and to see how they are presently allocated and whether they could be dedicated to that purpose. I will take as notice the question to check out the sources of those fuels, taxes and where they go at the moment. We will try to get an idea of that, whether they go into general revenue, whether they are in any way allocated in proportionate terms to infrastructure such as Highways, et cetera.

Mr. Faursehou: I appreciate him looking into that because it is extensive. There are hundreds of thousands and millions in some years that are expended towards traffic control devices at level crossings. There are the new rubberized crossings that are used. These are expenditures directly related to rail traffic, and if we are not getting some of that rail revenue back into the Highways budget, then the comments that are being made, that 98-plus percent of all designated tax revenues are not being spent on that particular designated expenditure.

So that is where I am coming forward, and we in Portage la Prairie asked for some minor repairs and were this year denied by the grant in

aid which is a significant concern to Portage la Prairie residents simply because of the extensive rail traffic. So I appreciate the Minister's response and look forward to receiving it.

Mr. Selinger: I note the Minister of Highways (Mr. Ashton) has joined us on this transportation infrastructure question.

We will take that. We will try to break out what the sources of revenues are for those two lines and get a sense in global terms where that money goes. Of course, you get to see the specific capital allocations in the Highways Department. Once we get that information, I will also provide it to the Minister of Highways, and then one of us will get back to you with the response on that.

Hon. Jon Gerrard (River Heights): I have a question for the Minister first on the issue of pension liabilities. You have put in a sum of \$21 million this year toward covering off pension liabilities, yet, clearly, given the extent of the liabilities, that is only a tiny fraction of what one would expect given the size of the accumulative liabilities. I just wonder if you could explain what your further plans are going to be to look after this area.

Mr. Selinger: As the Member might know, the pension liabilities stopped being paid around 1961. At that time, other priorities were considered to be more pressing, one of which was the Red River Floodway which I think has proven to be a strong investment.

The \$21 million would be part of a long-term plan to address the pension liability. In the first instance, it would cover off new employees, teachers and civil servants, which we estimate their pension liability coming into the system to be in the order of \$4 million, and then the remaining \$17 million would be dedicated toward the existing unfunded liability. There was some actuarial work done. That is still being fine-tuned, but the idea would be to retire that liability over the next 33 years. That is the idea. It took 39 years to get there. We would like to retire it roughly in that time frame. More details will be available on that once the proper due diligence is done on the actuarial studies.

I note that other provinces have longer plans, such as Québec. They have a 50-year plan

to address it. What is important is that we start biting into it and take those steps. It cannot all be dealt with in, say, three or four years without extreme problems in other areas of the Budget.

The other thing I would note is that the bond raters appreciate the fact that this is being addressed and think it is a wise move on our part to do that. So we think we have taken a solid first step, and then we will go forward with a long-term plan.

Mr. Gerrard: You mentioned the \$4 million. That is to cover this year's liability, I presume, and the rest is the previous unfunded liability. The unfunded liability which, as I recall, is in the order of \$2 billion, it would seem that \$17 million would take a lot more than 33 years to get there.

Mr. Selinger: What can I say? I do not want to sound like a bank commercial, but it is called the power of compounding interest and the kind of investments that would be made. We would be directing our officials to invest that money through the Civil Service Superannuation Fund and/or the TRAF, the retirement fund for teachers, into addressing that.

The experience of those funds has been quite good in terms of their return on investment. The preliminary projections that I saw indicated that we might be able to come to a resolution of that issue in the period of about 33 years.

Now, that might change a couple of years on either side, hopefully on the good side, not necessarily the bad side, but the point is that it is a problem that has built up over 39 years, and it is a problem that will probably take roughly the same magnitude of order of time to address, hopefully less than the time it took to build up, and by putting this first down payment down, it is a step in the right direction. As I get further information, I would be happy to share it with the Member for River Heights, so that he can get a better understanding of the detail of that.

*(15:10)

Mr. Gerrard: You brought up the TRAF, the retired teachers. They clearly have an issue this year, that they feel that they are not going to get

in their retirement pension an increase which is consistent with the cost of living. I wondered if you were going to address this and whether this was dealt with in the Budget and allowed for in the Budget.

Mr. Selinger: I know that issue is being studied as to what can be done to address the—I believe the Member is referring to the indexation of retirement benefits for existing members who are already retired. I know that issue is being studied, and when it is resolved, there will be an announcement forthcoming, most likely through the Minister of Education (Mr. Caldwell) who is responsible for that area.

Mr. Gerrard: The next area that I would like to ask about is the area of environmental liabilities. The first question would be has the province conducted an inventory of what are existing or potential environmental liabilities?

Mr. Selinger: I think that question is properly the purview of the Minister of Conservation (Mr. Lathlin). If he wishes, we could try to get that information from that department, but as I look down at the other end of the room I am certain that my officials in Finance are not equipped to answer that question.

Mr. Gerrard: The reason that I ask you that question and I ask that question here is that, just like pension liabilities and understanding what the numbers are, it would seem to me that a Minister of Finance, if he is going to account for the situation of the Province from a financial perspective, should have a handle on what the potential financial costs of environmental liabilities are.

Mr. Selinger: I appreciate that you think I should know all the costs for all these exposures. In some cases, those costs have not yet been quantified, for example, orphan mine sites. Some of the costs are not clear there.

I think I share with the Member a concern that we get a handle on what these exposures are and that there be, once again, a plan to address that, even if it is a long-term plan. But the legislative and statutory responsibility for that specific area rests with another minister. As that minister zeroes in on those issues through his

officials who have the technical expertise to do that kind of evaluation, then the cost numbers start emerging. We certainly would consider them at Treasury Board and at Cabinet before we allocated resources that way or made provisions to deal with that.

All I can say for certain is that our officials do not have that technical expertise to evaluate that in terms of the assessment that is required to look at the exposure in these cases.

Mr. Gerrard: I would explore that just a little bit more. I think, whether one is talking about governments or companies, that environmental liabilities are an important assessment of where one stands at the moment. Certainly with what is happening in terms of the hog industry, what is happening with concerns about Lake Winnipeg and so on and so forth, getting a handle on what the financial implications of government actions are is going to be important for the long run. I would hope that you at least would be ready to make the commitment to look at this seriously, what the financial potential implications are over the course of the coming year.

Mr. Selinger: Once again, I have an interest, as I think the Member has, in what potential exposures we have on the environmental side and what potential costs they might require the Province to incur, particularly in the case of cleanup. So I have no problem in pursuing that with the Minister of Conservation and environment, but it is properly his responsibility to assess that with his officials. So I would hope the Member would direct his question there during that minister's Estimates. That is not to put pressure on him like the Minister of Highways seems to have done with me in his diversion of his question on railway crossings and related infrastructure. But the reality is that is the proper place to do it, because there is a technical requirement there in terms of the expertise brought to bear to make these assessments.

With respect to potential downstream liabilities, I think those are important as well. I know the ministers of Agriculture and Intergovernmental Affairs and of environment and Conservation are looking at a livestock management land use strategy to try to get in

front of those issues before these issues become liabilities with dollars attached to them to prevent them, because that obviously is the cheapest way to solve this problem, to prevent it up front. I know that is important. I believe there might even be an announcement today by the Minister of Agriculture (Ms. Wowchuk) along with her colleagues in that regard in terms of a livestock management strategy that would also have some clear implications for the environmental exposure or liabilities that might be incurred in the future.

Mr. Gerrard: Just to close on this particular question by making the point that, just like the pension liabilities end up on the Minister of Finance, this is something I think, even though it may fall under another department, the bottom line is it is pretty important for the Minister of Finance to be on top of it.

I would ask now about one more area that has the cost implications for major spending on the Red River system to make sure that Winnipeg is adequately protected. What I would ask is, given the size of the numbers that have been floating around, whether the Minister has given this any attention or any planning at this point.

Mr. Selinger: Once again the provincial government has received a report I believe from the International Joint Commission with a couple of scenarios for enhancing protection for the city of Winnipeg, one of them being expansion of the Red River Floodway, the other being the possibility of a dike which would hold the water back but would have negative implications for communities south of the dike. We would favour a solution I believe that had the least amount of negative implications for any community in Manitoba.

We made a strategic investment in the Budget this year. We have identified some resources to address increasing the effectiveness of the inlet to the Red River Floodway, hopefully cost shared with other levels of government, particularly the federal government. I know there have been some discussions there, not by myself directly, but through the other ministers and the First Minister's office. That investment could generate up to a 10% increase

in the capacity of the floodway for a modest amount of dollars. So we wanted to move on that quickly while we assess the costs and the ways and means to look at a longer term solution which would increase the capacity of the floodway to allow for that hundred-year threat or threshold to be addressed.

It is a daunting challenge. The numbers are huge, in the order of half a billion dollars and up. Obviously those dollars would be spread over a certain number of years. If we look at how the original Red River Floodway was financed when it was undertaken by Duff Roblin and his government, there was, I believe, a 60-40 cost sharing with the federal government on that. We would certainly be interested in their coming to the table to partner with us on any long-term potential for improving the capacity of that resource to protect Winnipeggers and the assets that are within the city of Winnipeg. I believe I have heard a figure where those assets could be valued at somewhere up to \$18 billion.

So it is an important issue that requires ongoing planning and discussion, but I can assure you that this government is not closing the door on what could be done there. We are looking at reasonable ways of how that can be addressed.

* (15:20)

Mr. Gerrard: Just to bring that full circle, we talked about pension liabilities earlier on. You mentioned that in '61 the pension liabilities payment was stopped at the time that the Red River Floodway was put in. I would just ask you to put on the record what your view this time would be as to whether you would again consider stopping looking after pension liabilities, whether in fact you would make sure that they continue to be paid while you are dealing with whatever improvements have to be made if it is a several hundred million dollar payment.

Mr. Selinger: I am not sure that we could make a trade-off this time between those two issues. The conditions are different. In the '60s it was a relatively young civil service. The pension liabilities were downstream. There were pretty optimistic projections about growth of the

economy over the ensuing 30-some years. We are in a different situation now. We have a relatively mature civil service with many retirements coming up in the next few years just on the demographics alone with the baby boomers. The pressures are real and pressing in that area and are growing on an annual basis. On the other hand, there is a significant resource in place to protect the city of Winnipeg, an investment there that was made many years ago that needs to be enhanced and improved. It is most likely the case that both issues would have to be addressed in some reasonable fashion, because both issues could have serious implications for the Government of Manitoba and obviously the people of Manitoba.

Mr. Gerrard: I am not suggesting that you trade them off. Rather, I was looking for reassurance that this time around you would not make that trade-off, because it would seem to me pretty important that the pension liabilities not be left outstanding.

Mr. Selinger: I think I have answered that by saying I do not think we can trade those two off against each other this time. We would have to find more effective ways to address both. The ways are to acquire resources. Other ways are to extend time lines. But in the main, both of them cannot be ignored, and we have to find some practical way to move forward on both fronts.

Mr. Gerrard: That completes my questions.

Mr. John Loewen (Fort Whyte): Mr. Chairman, I would like to go back to the issue of delinking. The Minister was kind enough to give us the bullets he had for the introductory comments. I would just like to make sure we are clear. Some of that on page 5 indicates that legislation will be introduced in the current session to implement this new personal income tax system to the benefit of all Manitobans.

I guess my question would be to him. Is he in agreement that what he attempted to do was to adjust the tax system that was in place prior to his budget on May 9? Did he attempt to adjust that for the benefit of all Manitobans with this budget?

Mr. Selinger: Yes.

Mr. Loewen: Mr. Chairman, it also indicates in this document the introduction of, and I am quoting, across-the-board tax reductions through enhanced nonrefundable tax credits and adjustable tax brackets. Again, I would ask the Minister: Is he suggesting that he is providing in his budget across-the-board tax reductions for individuals as opposed to their situation on May 9?

Mr. Selinger: Yes. It is clearly the case that people will be paying less taxes under our new system.

Mr. Loewen: On the following page the statement is made that the legislation will provide meaningful tax relief for Manitobans. Again, does that apply to what was in place on May 9 as opposed to what came into effect as a result of the budget on May 10?

Mr. Selinger: We do intend to provide meaningful tax relief to Manitobans. I think the Member may have been mistaken in his assumptions around May 9. The delinking decision was made in principle in December with the notice requirements of the federal government. Our objective was to provide tax relief this year through the commitments we made and next year and the year after that. The year 2001 tax relief is in the order of \$68 million. The year after that our commitment is \$34 million on the income tax side. I think I have mentioned several times what we committed and followed through to on this year \$40 million, January 1, on the income tax side; \$24-25 million on the property tax credit; \$10-million tax benefits through base changes initiated by the federal government and of course a small-business tax reduction as well.

Mr. Loewen: Mr. Chairman, I appreciate the fact that the Minister has mentioned on numerous occasions that they made the decision to delink prior to December but, having made the decision to delink at some subsequent point, they made the decision to introduce new rates, new income tax rates, new income tax brackets to the people of Manitoba. They did that on May 10. It would be nice. Unfortunately, it is not the case that from January 1 to May 9 there was not a lack of a tax regime. There was a tax regime in place. Manitobans were paying tax from January

1 to May 9 based on legislation, based on the previous government's budget for 1999-2000, based on the federal government's budget for '99-2000.

Again the Minister has confirmed that in his statement he is indicating that all Manitobans will benefit from this new tax system as a result of his budget. I would just like him to clarify. Is he referring to they will benefit from where they were on May 9?

Mr. Selinger: Once again, I think I have explained to the Member on more than one occasion that we brought in several significant tax breaks this year starting January 1, supplemented with the property tax reduction announced in the Budget on May 10. We also brought in a small-business tax reduction on January 1.

In the May 10 budget, we passed through an additional \$10 million in base rate changes, and, of course, we have made commitments to offer further tax relief in the last quarter of this budget year, starting January 1, 2001, which would carry through for the balance of the calendar year of 2001 and then additional tax relief in calendar year 2002, so all in, we have made a significant move on income tax reduction that we did not run on in the election, that we did not promise in the election. We have gone beyond the election commitments significantly in what we are offering Manitobans and delivering on what we said we would do.

Mr. Loewen: Just for clarification and I guess I will have to take a little different approach to this question because the Minister I think seems to be unwilling to answer what is a fairly straightforward question.

On page 4 of this document, he talks about the 2000-2001 tax credit program. Just for clarification because he has used a number of \$26 million repeatedly throughout the period we have been in this committee, in this document it says it is \$23.9 million. I realize they are rough numbers. Is there a difference in there that I am missing somewhere?

Mr. Selinger: No, I do not think so. It was an approximate number I was giving. The number

here seems to be overly precise, \$23.9 million. It is in the order of \$24 million, \$25 million.

The point is the commitment was made in the election. It was followed through on, and actually many Manitobans have already seen the benefit on their property tax bills which they have received this spring.

Mr. Loewen: Mr. Chairman, I would ask the Minister, I am reading from a Manitoba Government news release dated February 25, 2000, three days before the federal budget, and this is prepared by the Government of Manitoba. The final statement is, and I will quote: Selinger said Manitobans will receive the full benefit of any federal tax reductions announced in the February 28th federal budget. The Minister also said he expects to announce further details in the 2000 Manitoba Budget Address.

Does the Minister believe that is accurate?

Mr. Selinger: Yes, I do. Any changes that the federal government made in terms of their taxation to Canadians we have respected, and we have, in addition, passed on tax relief that we had promised.

* (15:30)

Mr. Loewen: Well, I would remind the Minister that they have no choice but to respect what the federal government decides to do with their tax situation, so when he promises the people of Manitoba in a government news release regarding the federal budget and regarding tax, that they will receive the full benefit as a Manitoban, I would expect and I believe most Manitobans would certainly believe that they would receive on a pro-rata basis the full benefit of any changes that were made at the federal level, and, correspondingly, any reduction in tax at the federal level would be reflected by a 47% Manitoba rate being reduced correspondingly in Manitoba.

I would ask the Minister if, in fact, this happened.

Mr. Selinger: I think the facts are clear in this situation. We passed on what changes the federal government made in terms of their rates.

Obviously, we did not intend or pretend that we had control over that. In addition, we passed on \$10 million in base rate changes, and then, of course, we passed on the tax reductions of January 1 which I have enunciated earlier, \$40 million on the personal income tax side, \$5 million to \$6 million on the small-business side and then, of course, our property tax reduction which was announced in the Budget.

Mr. Loewen: Again, just for clarification, maybe he can just speak to this figure. There were estimates provided by the federal government that the effect of the tax relief they were providing in their budget to Manitobans at the existing system on February 28, when they announced their budget, would be approximately \$30 million. Does the Minister concur with that figure?

Mr. Selinger: The total changes made by the federal government for the 2000 tax year, as I recall, the implications for Manitobans were, I believe, of all the changes they made—and I had a number and I would have to check this because I do not have it with me at the moment, but I believe the total benefits to Manitobans on the changes made by the federal government were in the order of around \$60 million, whereas the total relief offered by the Manitoba Government exceeded that, and that in the order of over \$70 million.

To put that in perspective, Manitoba which is a smaller jurisdiction with a smaller revenue base was offering more total tax relief than the federal government was for the 2000 taxation year, and I believe I put that in perspective when I had that discussed with me on the day the federal budget came down.

Mr. Loewen: I guess I would just like to clarify some numbers that the Minister has been using, for my edification. He has indicated that in his budget he has provided Manitobans with \$75 million worth of tax relief this year, and I believe the figures he has used are \$40 million as a result of reducing the provincial rate from 48.5 percent to 47 percent that was called for in the 1999-2000 budget. He has used the number \$26 million. We will not split hairs between \$23.9 million and \$26 million, but roughly \$26 million in terms of property tax relief and \$10 million of

federal tax relief. I mean, that \$75-76 million, are those the numbers he is referring to when he uses the figure \$75 million?

Mr. Selinger: Yes, the number of \$75 million includes the \$40-million income tax reduction that was implemented January 1. It also includes the \$10 million as a result of changes in the federal budget, base rate changes for \$50 million, and the approximate, and we will split the difference, \$25 million in property tax credits for a figure of about \$75 million.

The information I have here is that the reductions, federal taxes, will reduce in the year 2000 in the magnitude of \$60 million. So the point I was trying to make was that the tax relief offered in the 2000 taxation year by the provincial government exceeded by \$15 million the taxation relief offered Manitobans in that same taxation year offered by the federal government.

Mr. Loewen: I thank the Minister for that information. I would express to him that I guess that is where our perception of reality changes quite dramatically. My understanding from previous statements that the Minister has made while in government and during their election campaign, certainly I think he has admitted on the public record that he has attempted to keep these commitments. I will go through them one by one. Is it right that he committed to Manitobans that his government would allow the reduction in the personal income tax rate in Manitoba to drop from 48.5 percent to 47 percent in the 1999-2000 budget? Would he agree that that would provide \$40 million in tax relief to the people of Manitoba?

Mr. Selinger: Yes. We followed through on the decision to reduce personal income taxes in the order of \$40 million starting January 1, and that has been done.

Mr. Loewen: I think we can easily agree on this one, that the Minister and his government have promised the people of Manitoba a \$75 increase in the property tax credit. For the purposes of this discussion, I think we can agree that the cost to the provincial Treasury of that promise is \$25 million.

Mr. Selinger: Yes.

Mr. Loewen: Then I guess the number that I am having trouble with is when I go to his, and I refer back once again to the Manitoba government news release which talks about income tax simplification beginning a two-year process, as well as the decision by the Government to delink the tax system one year early. It, as I have said before, says specifically in this government press release that the Finance Minister, Mr. Selinger, said Manitobans will receive the full benefit of any federal tax reductions announced in the February 28 federal budget. Had nothing happened, had there not been a provincial budget, would the Minister agree that that number would have been roughly \$30 million?

Mr. Selinger: The total relief offered in the 2000 tax year includes measures introduced in previous budgets as well as the budget of February 28. So the total reduction in federal tax relief, the estimate that I have here in my briefing notes, is \$60 million for the taxation year 2000, including changes that were made in the February budget. Now, that is less than the total relief that the Government of Manitoba is offering people in that taxation year of \$75 million. The additional \$10 million is the base rate changes, which we passed through. So the \$25 million, \$40 million and \$10 million gives you the \$75 million. Then the commitments made by the federal government that affect the taxation year of 2000 totalled \$60 million.

Mr. Loewen: Am I to understand the Minister—is he telling us that if he had not introduced this budget, if we had simply relied on the tax reductions that were provided in the federal budget of February 28 and nothing had happened after that, that as a result of that federal budget, Manitobans would have received \$60 million in provincial income tax relief as a result of that budget?

Mr. Selinger: No, I am not saying that. I am saying that the federal relief was valued at \$60 million for that taxation year. The relief that we are offering sums to about \$75 million.

Mr. Loewen: Could the Minister then tell me how much of that \$60 million in relief provided

by the federal government in their budget could be attributed to provincial income taxes?

Mr. Selinger: None of the federal relief can be attributed to provincial income taxes. It is exclusively reductions in federal taxation to Manitobans.

Mr. Loewen: Well, what I am attempting to clarify with the Minister is the situation prior to his budget. Certainly at that point, when Manitobans paid as a base provincial tax 47 percent of their basic federal tax, certainly the Minister must realize that if the federal government reduced its basic federal tax, which it did in its budget of February 28, Manitobans would receive 47 percent corresponding relief in their provincial income tax had he done nothing. Is that accurate?

Mr. Selinger: No, it is not, because the delinking decision was taken in principle prior to Christmastime. The 2000 taxation year was a transition year that was supposed to be revenue-neutral. Within that revenue-neutral transition year, all the commitments made on taxation relief to the tune of \$75 million, not counting small business taxation relief, were followed up on and delivered to Manitobans.

Mr. Loewen: Well, is the Minister telling us that when he delinked, when he made the decision and his government made the decision to delink the tax system and they had—I appreciate the fact that they had a notice period to the federal government that they were going to take that step at the same time, was this provincial government required to notify the federal government what the new rates would be?

Mr. Selinger: There was a requirement to notify them of the rates. It was not exactly on the date when the delinking decision was made. It was a decision in principle, but the spirit of it was to do it in a revenue-neutral way, and that was followed up on, including the reductions agreed to in the '99-2000 budget. So the point I am trying to make—and it is an important one because the federal government, which has much more fiscal capacity and far greater surpluses than we do, offers Manitobans \$60 million worth of tax relief this year. Our total tax relief to

individuals sums to \$75 million. In a sense, we made a greater effort to reduce taxes than even the federal government did in their budget.

* (15:40)

Mr. Loewen: Well, Mr. Chairman, I am finding this very, very discomfoting. The Minister took an oath on October 5 to serve the people of Manitoba and his new capacity. I certainly have every reason to believe that the Minister is doing his best to uphold that oath. He has made a number of statements and commitments to Manitobans both prior to the taking of that oath, and subsequently he has backed those statements up in press releases and in statements in the House. I have to remind the Minister that as Minister of Finance he has a very, very special relationship with the people of Manitoba. It is incumbent upon him to, at all times, fully explain to the people of Manitoba exactly what steps he has taken particularly as it relates to his budget and particularly because the Minister has such overwhelming powers, particularly the power to tax. I think it is absolutely essential that not only in the House but in this committee and at all times the people of Manitoba understand fully what is happening to them with regard to taxation and certainly with regard to expenditure as well, primarily these overwhelming powers of taxing individuals.

So again I would just want to clarify these statements. I think it is very important that the Minister be perfectly clear on the record exactly what this budget means to people of Manitoba. Therefore, I would ask him once again whether, as a result of his budget on May 10—and it was on May 10 that the people of this Province were notified that the tax rates were changing. I would ask the Minister whether he can say confidently that he passed on the full benefit of the changes that were announced in the federal budget on February 28 as they stood on May 9. Therefore any reduction by the federal government of their tax structure would automatically result in a corresponding approximately 47% reduction in Manitobans' income tax. Can the Minister state clearly and succinctly for this committee that he took the action which he described in his news release, in his government's news release of February 25 to pass on the full benefit of those reductions in the federal budget to Manitobans?

Mr. Selinger: First of all, I think I need to correct the Member. Of course, when people take an oath, they take it seriously. I know we all do. The Minister of Finance alone does not have overwhelming powers. It is a parliamentary democracy system where Cabinet makes final decisions, and, of course, legislation is passed in the Legislature by the majority will of the House. So it is not a one-person dictatorship by any means, and I would never want it to be that way. We are supposed to be a servant of the people of Manitoba in our ministerial responsibilities, and it is a collegial model, the Cabinet model, where decisions are made collectively by the 15 men and women, in this case, at the table who make those decisions. Then, of course, those decisions have to be sanctioned by the House, the Legislature. I think we need to bear that in mind, the way the decision-making process works and not exaggerate the powers of any one individual minister in a way that might reflect more of a Republican model. I do not think that is the case in the British parliamentary system.

Secondly, all federal tax reductions to their rates, Manitobans will receive the full benefit of them. The decision to delink was made well in advance of the budget. I ask the Member to consider the following hypothetical situation. If the federal government would have increased the taxes, I suggest to you that the Member from Fort Whyte would have been screaming that I should not be passing on those tax increases to Manitobans. He would have been very adamant about that. That is completely understandable. The decision to delink was one made in principle by the previous government.

I think the Member for Kirkfield Park identified it was identified in the '98 taxation budget document. That decision was something that the new government had to come to grips with when they were elected and try to do that in a reasonable fashion with advice from the people who had worked under the previous government. That decision was followed up on with that advice, and the delinking decision was made as required by the federal government through notice prior to Christmastime and followed through on now. The total tax relief offered by the federal government on their taxation is in the order of \$60 million for the 2000 taxation year.

Our relief, not counting small business taxation, is in the order of \$75 million. We believe we have made a significant effort when the federal government has far greater fiscal capacity. We have gone beyond what they have offered, and we have followed through on that.

Mr. Loewen: Mr. Chairman, anybody would have to have had their head in the sand to even contemplate the hypothetical situation which the Minister brought forward. Even if that did happen, he can be assured we would have been screaming for tax relief, given the situation that exists, not only in Manitoba but across the country. Ignoring that hypothetical situation, because it is so far off the wall that it does not really even warrant comment. I would remind the Minister that all I am trying to ask him is to clarify for the record exactly what commitments he has kept and not kept to the people of Manitoba in his budget.

Certainly, he has made three commitments to the people of Manitoba. Those three commitments—had he not introduced his budget on May 10, the two issues would have been taken care of if all he had done in his budget of May 10 would be to increase the property tax credit by \$75 and provide tax relief of \$25 million. The total tax relief that the people in the province could have expected would have been \$95 million. Instead, he has offered \$75 million, so I would ask the Minister quite bluntly: Which of those three commitments did he decide not to keep?

* (15:50)

Mr. Selinger: We kept all the commitments that we made in the election. In addition, we passed on \$10 million worth of base rate changes that we had no commitment to for the 2000 taxation year. In addition, we passed on \$102 million over the taxation years of 2001-2002 that we had not promised in the election. So we went well beyond what we promised to deliver, more tax relief to Manitobans, as we brought on line a new tax on taxable income system. I think that is very clear.

Mr. Loewen: The Minister has confirmed that his intention—I would like to emphasize intention, and it goes back to his speaking notes

of this budget—was to provide tax relief to implement this new personal income tax system to the benefit of all Manitobans.

I think one area that is particularly concerning to me is, having four children—I certainly admit that through some hard work and a lot of good luck, I have been very fortunate to be able to, with a bunch of terrific people, build a very significant business in this province that employed over a thousand people across Canada, a small business that was started in the province of Manitoba in 1968. One of the, certainly, feelings of pride that I have about my association with that organization is that we are able to provide, with a head office in Winnipeg, a lot of employment to a lot of bright, young people for Manitoba. I can assure the Minister that those people stood up to anybody across the country in terms of their work ethic, in terms of their intelligence, in terms of their ability to help us provide a service to our customers and to help us build a business, which I think everybody in Manitoba can have some pride in the fact that that business grew up here.

I am particularly disturbed that, when I look at the numbers, the actual numbers, I find that any individual, any single individual, and I will stick to single individuals, when I do the analysis, it clearly shows that, even at the \$30,000 level, we have, as a result of this budget, people paying higher provincial income taxes than they would have had the Minister done nothing. These numbers show clearly that any individual earning over \$42,000, even with the benefit of the \$75 tax reduction that the Minister has provided—and I would remind him that a lot of these single people, because of their circumstances, may not qualify for that \$75 tax relief, but even that, if they are successful in earning over \$42,000, they are paying more tax as a result of his budget than they would have paid had he done nothing, had he not brought this budget down.

I would ask the Minister: How can he draw the conclusion that the Budget he has introduced has provided income tax relief to the benefit of all Manitobans, knowing full well that people who are earning that type of income, \$40,000 and above, are in fact paying more provincial tax as a result of his budget and, in fact, paying

more tax, period, as a result of his budget? How does he reconcile those two facts?

Mr. Selinger: First of all, I would like to thank the Member for commenting on the business experience he has had. I agree with him. I think that business did make, and hopefully will continue to make, a big contribution to Manitoba, even though it is under different ownership right now. *[interjection]* That is another story. But the reality is that it did make a significant contribution, and we would like to see more businesses like that grow and spawn themselves in Manitoba, particularly in what they call the new economy. I recognize that that company in many respects was in the forefront in developing the new economic activity in Manitoba with the automated payroll and the work they did on computers. So I do not have any problem sharing with the Member his pride in that accomplishment, along with other members of his family and many other members in that firm, some of whom I knew.

Now, with respect to this, I mean the decision to pass on the income tax reduction on January 1, one-quarter of that came out of last year's budget, three-quarters of that come out of this year's budget. We followed through on that. That is worth \$30 million right there in this fiscal year and \$40 million in this taxation year. So our budget followed through on that. I would hope that the Member would recognize that in his calculations. Right there that allows tax relief over last year.

In addition, we passed on \$10 million in the base rate changes announced in the federal budget. By the way, that tax policy was made in Ottawa without consultation with the provinces, when it went up, when it went down. I remind the Member, over many years it went up, and there was no certainty one way or another what they were going to do in that budget right up until the end. I suspect the Minister of Finance himself was making decisions late in the day on what he was going to do in that budget. From the information we had, several things were moving with respect to that budget, moving parts on both the expenditure and the tax side.

As well, we passed on the property tax credit that we had indicated we would follow

through on, and we passed on the reduction in small business taxation rates that we indicated we would move on. So all of those things together add up to significant relief in our first budget.

In addition to that, in the last quarter of this budget year we made commitments to a quarter of \$68-million tax relief, which would be the first quarter of the next taxation year of 2001. So there are significant improvements in this budget in terms of taxation relief offered to Manitobans, which, as the Member suggested if we would have done nothing, would not have accrued to Manitobans.

Mr. Loewen: Well, I do not want to belabour this point. Obviously we have a significant difference of opinion on this issue. I am not debating with the Minister, and I am not questioning whether he and his government passed along \$40 million of tax relief. If he wants to say it is \$30 million this year as a result of reducing the rate to 47 percent, I am not debating that at all. Manitobans appreciate the fact that, at the time, given the circumstances, his government continued with a commitment to reduce the rate.

What I am disturbed about is that the Minister has made three commitments to Manitobans. He committed to them to reduce that rate to 47 percent, he committed to allow the full benefit of the federal tax relief to Manitobans and he committed to property tax relief. If he had simply stuck to those three commitments, Manitobans would have seen tax relief in the order of \$95 million, \$96 million in this year. They do not see that tax relief now.

I can appreciate that things were changing on the fly, and there were a lot of decisions that had to be made regarding delinking, and everybody knows, and certainly I am the first to admit, that mistakes get made in those types of pressure-packed situations. I firmly believe that the error is not in making a mistake, the error is not in admitting to it and fixing it.

In fact, if the Minister had come out in his budget and said we are unable to pass along the full benefit of the tax relief to Manitobans from the federal government because we cannot afford

the revenue loss or we need more money to spend on health or we need more money to spend on education, I would not have had as serious a problem with that as I have with this government continuing to try and tow the party line that they have met all three of their commitments, when it is obvious to anybody who does the numbers and who knows the numbers that they have not.

So I guess my question to the Minister would be: Would this be an opportune time for him to admit to Manitobans that, in fact, they were not able because of their need to spend money in certain areas to pass on the full benefit of the federal tax relief that was brought to Manitobans as a result of the federal budget on February 28? Will he admit to Manitobans that is in fact the case, and let everybody just get on with life knowing the full facts?

Mr. Selinger: I understand why the Member is frustrated because I am also frustrated by the misunderstanding that seems to be continuing to be shared on the other side of the table here. The decision to offer the \$40-million tax relief was made to go forward on January 1, based on a base rate established by the previous government. There was no indication or no communication or no in any way—a tax policy was not made in a codetermined way with the Government of Manitoba.

We said we would give a \$40-million decrease in personal income taxes starting January 1. We did. We said we would give a property tax credit relief. We did. We went beyond that in offering \$10 million in base rate changes, not promised, but followed through anyway, a \$10-million bonus if you will. Then we went on and went beyond that, and in the last quarter of this budget, in the first quarter of the next taxation year, we offered additional relief, the first tranche, the first quarter of the \$68 million. I will just quickly do the numbers on that. That is an additional \$17 million of relief in the first quarter of the year 2001, and the last quarter of our budget, something not promised or required in terms of the mandate that we were elected on.

So, we offered pretty significant relief, well beyond what we had promised during the

election, and we think that we made our best efforts to do that, given the circumstances that we came into government with. Those circumstances included significant over-expenditures that went beyond what had been budgeted for in the '99-2000 year.

Mr. Loewen: Well, in closing my questioning, I would just like to remind the Minister that in fact he did not have to do anything to provide the tax relief, the \$40 million that he talked about, as a result of the rate reduction because that was already in place. If he had done anything, it would have been to reverse that, so that is not an issue. That was passed in the previous budget, passed unanimously in the House by both parties. If he had not done anything, there would have been a further \$30 million in tax relief provided by the federal government as a result of their budget in provincial income tax.

In fact, the only step that he needed to take to fulfill the one commitment that he made to the people of Manitoba during the election campaign would be to increase the property tax credit by \$75. If he simply had done that one thing, it is obvious, from the numbers, that Manitobans would have been better off today than they are as the result of his budget.

*(16:00)

In closing, just a quick question to the Minister. He must have seen some analysis prior to his budget announcement that indicated to him that Manitobans would be paying more taxes in some cases, in a great many cases, after his budget than they were before. I cannot imagine that his Department of Finance did not make him aware of that information. I would ask him if he took an opportunity to get a legal opinion on section 10.2 of Chapter B5, The Balanced Budget, Debt Repayment and Taxpayer Protection Act. Does he have a legal opinion advising him whether, because of his change in taxation laws, he has in fact violated this legislation?

Mr. Selinger: Just a couple of points. We did have to take action to follow through on the tax reductions. We had to provide for it within our budget, which we did. So that was significant, and it was followed through on.

In terms of the analysis, all the analysis I received showed that we were reducing taxes year over year and that we were reducing taxes further as we go forward. I just remind the Member again, all the other provincial budgets were rolling out during that period, one of them within a week of ours.

As we were going through the process, I asked them to focus specifically on making sure families got tax relief. We designed the system with the family tax reduction to ensure that. We gave more credit for children, we gave more credit for family units or individuals looking after people with disabilities and we provide more credits for charitable donations. So we think we made some significant progress in addressing the responsibilities that families have to their offspring and to their communities with the design that we brought in.

On the balanced budget legislation, my department officials inform me that we were in compliance with it in all the changes that we made.

Mr. Stefanson: I want to ask the Minister—going back, he has made a couple of comments about the significant overexpenditures in some areas of government. Of course, reviewing his budget, brought down on May 10, we see that any additional expenditures incurred in '99-2000 appear to have been built into his expenditures going forward. In fact, in some areas like health care I believe there was an additional \$130 million or \$135 million.

Going back to the time when they created the deficit scare in Manitoba, which I do not think served our economy or served Manitobans well at all, the Minister of Finance, along with the leader of his party, suggested they were going to take some steps to deal with expenditure controls, and so on. Back on November 26, his leader suggested that one of the things they were going to do to control expenditures was, and I quote—I know the Minister of Finance sometimes is sceptical about what the media might have in print, but I quote a quote attributed to his leader that says: We have sent out instructions to all departments. All nonessential positions are frozen, is what was said.

Subsequent to that, information came to light that, from December 1 to March 1, some 354 people were hired. I would ask the Minister two things: Were all of those 354 people determined to be essential, in his views and in the view of his government, and what is that number as of today, going from December 1 up until June 6?

Mr. Selinger: The Member for Kirkfield Park mentions that much of the overbudgeted health care expenditure has been absorbed in our budget. I think that is accurate. I think we did have to absorb that. We did not feel that many of those programs could be rescinded or stopped in midstream once they came onboard. There were high expectations from Manitobans that those programs be followed through with, and so we did.

The deficit scare, I think the implication of the Member is that somehow we created that to try and scare Manitobans. I do not think that was the case at all. At the time that the preliminary information came out from the financial review, it looked like expenditures would exceed revenues, based on the budget passed in '99-2000. We were fortunate in that we got significant increases in transfer payments, more than half of which were prior year's adjustments. As soon as those became available to us, we announced them and let people know how that would reconcile the Budget for this year. So we were blessed by having that additional revenue through the transfer payments.

I am glad that the outcome was that we were able to balance the Budget this year. I think that provided great comfort to everybody.

In terms of expenditure controls, we did implement expenditure controls through the ministers in the departments. We asked them not to go and make any unnecessary expenditures. The Member is correct. I am sceptical about the way things are quoted in the media. They are often inaccurate, either to the positive or to the negative of the individual member being quoted, including the Premier, and I am sure that will continue to be the case. I mean I have seen no increase in reliability or accuracy. I am not saying the media deliberately tries to distort the stuff except on certain occasions that I have

experienced since I have been here. Most of the time they try to be accurate. Sometimes they try to create the news, and they draw members of the Opposition in on that activity, and it remains fascinating how that unfolds. But I do not think that is the normal mode of operation. It may have happened in the past, but I do not think that is the normal mode of operation. So I cannot comment on what the media quoted the Premier as saying. That would really be a leap of faith on my part, whether it was accurate or not.

On the specifics of the hirings up to now, I will take that as notice and we will get that information to him. We asked every department not to make any unessential hirings but where front line positions or service to the public would be compromised, we said those positions could be filled, and I think departments tried to respect that in the way they managed their services and moved forward.

There were two categories, exempt and nonexempt positions, and the exempt ones were allowed to provide front line services or essential services or important services to Manitobans, and those jobs were filled because they could compromise the programs that Manitobans had come to expect that they were going to receive. So I will take the specifics on the numbers as notice and try to get that back to the Member.

Mr. Stefanson: Mr. Chairman, I found it interesting the Minister suggests that the Opposition is in activities to create the news with the media.

An Honourable Member: Well, sometimes that happens.

Mr. Stefanson: I am wondering if he is confusing the Government being in the activity to do that. But, as well, the Minister suggests that the overexpenditures in Health created high expectations on the part of Manitobans, but surely if they have built them into their budgets, they see value in the programs that are being provided. Otherwise I am assuming they would not have been built into the year 2000 budget.

He has indicated he will provide current numbers with the number of positions filled since December 1 of last year up until the

current point in time, June 6. Of those 354 positions that were filled up until March 1—some of those positions were research assistants, clerks, administrative secretaries, curriculum consultants, home economists, media specialists, and so on, just to name a few—does the Minister include all of those positions in his definition of essential positions?

Mr. Selinger: Each department was the one that suggested which positions they thought had to be filled to provide services that were deemed important, and that was considered by each department and then reviewed by Treasury Board as the exempt ones came forward for consideration. Judgments were made to continue to provide services and at the same time balance the budget which was really the objective of the exercise. We were able to balance the budget and continue to provide services to Manitobans and that was the outcome that we had strived to achieve. We were fortunate in being able to achieve it.

Mr. Stefanson: Again, the Minister has made a point on a few occasions to talk about commitments and talk about credibility and so on, and here we have his government, his premier, his leader and I believe himself, indicating that instructions were sent to all departments that all nonessential positions are frozen. If that was the case, and positions such as the ones I have already named were filled, I am asking the Minister: Does he consider all of those positions then essential positions? I am assuming he must. He has just indicated that they have come through Treasury Board for approval. Those positions were filled, so therefore positions like I have indicated from research assistants to clerks to administrative secretaries, media specialists and so on were determined to be essential positions by this minister and his government.

* (16:10)

Mr. Selinger: Once again, the positions were broken out into what were considered exempt and nonexempt, and departments gave their recommendations on that. Treasury Board reviewed that at the officials level and concurred or did not concur, and then the departments were allowed to go ahead with jobs that they thought

provided important services to Manitobans, to fill those jobs. Other ones, such as senior officials, were reviewed on a case-by-case basis, and we made judgments about whether or not those senior positions had to be filled in order to provide the essential management controls and guidance to the programs that were under the jurisdiction of that specific position. This was all with a view to ensuring that we balanced the budget and offered the mix of services that Manitobans had come to expect, including in health care.

And, yes, of course, if you include a program going forward, you think it is an important program and many of them were start-ups or expansions that would have been very difficult to discontinue, so they had to be addressed and they were in the Budget.

Mr. Stefanson: So the position taken by the Premier and by the Minister of Finance and his government that all nonessential positions are frozen was never undertaken. I am assuming that to be the case and that those were merely words, they were not actions because, as the Minister has just outlined, they went through a different process and filled a number of positions that I am assuming he is indicating were not essential positions. Mr. Chairman, is that accurate?

Mr. Selinger: No, that is not accurate. Once again, departments gave us their opinion on which positions they thought had to be filled and which they thought could wait until the end of the Budget year and be considered as part of the new budget. We responded accordingly to try to find the right balance there, and the ultimate goal was again to balance the budget, which we were able to achieve.

Mr. Stefanson: Maybe to come at this a different way, the Minister can outline for us positions that he considered and Treasury Board considered essential.

Mr. Selinger: Well, positions that provided direct services to Manitobans, including positions that received communications into departments, and sometimes in those cases that would be people that were answering telephones or dealing with the public directly. In my department I wanted to make sure that, for

example, people in the Taxation Division had at least the staff they needed to carry out their functions. So I would support positions being addressed there with the retirements that are going on in the Taxation Division. I wanted them not to fall too far behind there, be able to move forward on that. Other departments have different priorities that they thought were relevant to the mandate they were delivering on, and so they asked us to consider moving forward on those jobs.

Mr. Stefanson: Based on the Minister's comments about media and media relations, does he consider media specialists essential positions within government?

Mr. Selinger: Well, once again that specific one, I am not sure exactly which position that member is referring to. I would have to take that specifics under advisement and see what role they played and what function they were providing to government. I am not clear on that exact specifics of that position you are mentioning.

Mr. Stefanson: Well, Mr. Chairman, any of the media positions within government, does the Minister consider those essential?

Mr. Selinger: The ones that were filled, I would have to take a look at the specifics and determine whether or not the role they were playing was an important one at the time the position was filled, but I do not have the specifics in front of me. If there is a specific position, I would be happy to take it as notice and take a look at it.

Mr. Stefanson: Mr. Chairman, I want to spend a few minutes on taxes, and I encourage the Minister at some point in time to get a summary of taxation reductions over the last 10 or 12 years in the province of Manitoba. I think even he will be impressed with the significant number of reductions, of nature of the reductions and the quantum of the reductions over a whole range of areas from '88 to '99, totalling some \$444 million in terms of ongoing reductions as well as a number of targeted one-time reductions in key areas, like the new small business, tax holiday, the mineral exploration incentive, oil and gas production, rate reductions, manufacturing investment tax credit and so on.

I raise that, and I know I should help the Member for Transcona (Mr. Reid) and read all of these into the record, but I will not bother at this particular time. More importantly, my point is that I think it is one important aspect of being competitive with other jurisdictions in Canada, and more importantly, for Canada to be competitive as a nation is the whole area of taxes. I am concerned with the limited nature of any meaningful tax reductions in this budget other than the flowing through of tax reductions that were introduced in the past as a result of the 1999-2000 budget. I am even more concerned going forward because, even though we have asked the Minister on a number of occasions whether or not he has been provided with comparisons of the personal income taxes of Manitoba with other provincial jurisdictions not only in the year 2000 but going forward and if he has not received it—I am assuming he has received it—I encourage him to undertake to get that information from his official.

What concerns me is when I relate what I see happening in other jurisdictions, particularly a neighbouring province like Saskatchewan, where at virtually every income level and every family situation to go out over the next two years, instead of paying more personal income taxes than Manitoba as they do today, those individuals will be paying less personal income tax than is currently the case in the province of Manitoba. I relate all of that to his medium-term plan on page 27 of his budget document and I know on occasion he has alluded to the fact that they might look at this issue again as they go forward during this mandate of government.

I look at this medium-term plan and what the Minister is showing in this summary going out to the years 20003 and 2004 is that basically any growth in revenue is going to be spent through increased program expenditures, and if you look at the residual that is left, the Minister is left with very modest surpluses and that is at the same time that he is dipping into the savings account, the stabilization account over that entire period of time. So I am wondering how the Minister intends to accomplish any future personal income tax reductions when his own medium-term plan shows that he has very limited if any capacity to do that and he has already made the decision to increase program

spending basically at the rate of all of his increased revenue.

Mr. Selinger: I thank the Member for the question. I think it is important to note in the comparator that was provided to us for Saskatchewan that their total costs year over year increased more than they did in Manitoba. When I compare the '99-2000 budget, their costs went up approximately \$702; our total costs went up \$667.

When people talk about what is happening with income taxes in other provinces they seem to leave out the other increases that those members of those provinces are experiencing: increases in other provincial levies; increases in other costs, including utility costs, auto insurance, electricity costs, telephone costs. All of those things are important to the bottom line to a citizen and our costs year over year from '99 to 2000 went up less than all the other western provinces and significantly less than they went up in Ontario, where they went up over \$2,000, approximately \$2,035.

So that is why I am sure the previous minister had this comparison table in his budget and that is why we have continued this practice because it gives a more complete picture of what a citizen is experiencing in terms of their cost of living on basic essential services that they are receiving.

* (16:20)

With respect to the medium-term plan, the previous government in their medium-term plan was able to show more, larger surpluses, but it appears from the experience we have had in '99-2000 that the program expenditure projections were quite unrealistic. They were quite a bit lower than what they have in fact turned out to be.

I think the Member has said to me that those overexpenditures must have been important because, after all, we did incorporate them into our budget. I am assuming they were important to the previous government or they would not have made them in the first place. So I think we can both agree that those expenditures were

important, and they exceeded the projections indicated in the Budget here.

The growth in expenditure is extremely modest. It actually goes down in the year 2000-2001 from the '99-2000 year. So their surpluses were generated on the basis of unrealistic expenditure patterns that have not proven to be the case in real terms.

In our medium-term plan, we have tried to be more realistic on the expenditure side, reflecting the reality that we came into government confronting and what we see in terms of the pressures going forward, while at the same time reducing our reliance on the Fiscal Stabilization Fund. We have reduced it over 50 percent compared to last year's budget, and we would like to increase it every year going forward. So we are trying to make significant progress there.

In addition, we have, on the net revenue expenditure line in our medium-term plan, gone from a \$105-million negative number of sustainable revenues over sustainable programs before interfund transfers to a \$16-million-plus figure which grows over the following years.

So we think we have made a significant improvement in the financial health in the projections we have made and the Budget we brought down by reducing the reliance on the Fiscal Stabilization Fund and at the same time increasing our commitment to debt and pension repayment, that overall liability, by the \$21 million. We have tried to be prudent and realistic in our assumptions. Of course, the tax reductions that we promised this year have been built into this projection and will be realized by Manitobans.

Mr. Stefanson: Mr. Chairman, it is interesting, every time we ask about competitiveness and the need to remain competitive on a go-forward basis—I am sure that is something that the Minister of Industry, Trade and Mines (Ms. Mihychuk) recognizes is the need for Manitoba to be competitive, not only with our other jurisdictions but other parts of the world—every time we ask about this, the Minister attempts to justify his inaction in this area, both in the

current budget year and even more importantly going forward.

I take it by his answer that, really, he has very little if any intention of considering further personal income tax reductions over the next three to four years. He has not shown any capacity to do that in his medium-term plan, and the kind of answer that he has just provided us shows no willingness or no interest in looking at it. When we discussed the Lower Tax Commission report the other day, we received unsatisfactory answers in that whole area in terms of the suggestions made by that three-person committee to the Minister and to this government in terms of taxes. As I say, every time we asked about this issue, we receive further justification for not addressing the issue. I think that is totally unacceptable.

I will ask the Minister one more time: Does he have any intentions to start outlining a medium-term plan as it relates to personal income taxes in the province of Manitoba, and does he believe that he has any capacity over the next three to four years to further reduce personal income taxes in the province of Manitoba?

Mr. Selinger: In response to the Member for Kirkfield Park, I do not think offering \$102 million of personal income tax relief over and above what we promised in the election could be described by anybody except the most sceptical as inaction. So I think we have gone well beyond what we promised in the mandate we received from the people of Manitoba.

With respect to the Lower Tax Commission, the Member has not indicated to me whether he supported the recommendations of that commission. Did that mean he would support increases in taxes to lower income Manitobans? Would he support an increase in the sales tax base and rate in Manitoba? None of those things have been indicated to us. We thought those were problematic, those two kinds of issues resulting from those recommendations. They were not easily absorbed without some significant dislocation for Manitobans. We have seen that happening in other jurisdictions where they did not have enormous surpluses, where they have had to make overall adjustments.

The Member also mentioned that he had made several million dollars worth of tax reductions over the years of the previous government but there was no mention of any offsets in terms of broadening the sales tax base or increases in any other fees or user charges. I wondered if those had been factored into his number that he provided us? Was there a net number there that might indicate where we stood after that period of government, the net number on increases versus decreases and what that would be?

In terms of the medium-term plan, we have tried to provide a realistic medium-term plan that acknowledges the realistic expenditures that were incurred as we came into government and expenditures that were deemed necessary as we go forward. We have built into our medium-term plan the tax reductions that we have projected out over the next two years. So we have made a commitment to tax reductions over the next two years, and we are optimistic that the economy will continue to be a positive in terms of its growth. When we see that materialize then we will see what elbow room we have to both live up to all the election commitments we made and offer additional tax relief to Manitobans.

Mr. Stefanson: Mr. Chairman, it is interesting the Minister refers to \$102 million of tax reductions. He should acknowledge that \$48 million of those tax reductions were outlined and introduced in the 1999-2000 budget. On the personal income tax reduction, the legislation was passed by the Legislature, even though his party moved an amendment that the second reduction in personal taxes of 1.5 percentage points would not have taken place in the year 2000. So all he is doing is reflecting the financial impact in his budget, but the decision had been made. The legislation was passed.

I find it interesting how he distances himself from the Lower Tax Commission report. Yet his colleagues and his government are quick to endorse another report called the Bostrom report, which they have stood up day in and day out and indicated that they accepted, and they acted upon, and so on. So, on the one hand, they take a report that was commissioned, produced, and they endorse it, accept it, accept the recommendations and move forward. They have

another report that is basically collecting dust in the Minister's office.

He asked me a question, and I will answer his question. On a net basis over that same 12-year period, the net annual reduction in total taxes is about \$247.1 million, but over and above that there were additional temporary program reductions having a cumulative effect of another \$138.4 million. So if you combine the net with the one-time reductions over that period of time, you are at about \$380 million, \$390 million in combined net reductions to Manitobans.

I want to go back to my question, because what concerns me most of all is the lack of a plan when it comes to taxes in the province of Manitoba. The Minister says that they have now outlined their commitments over the next two years, and we have had an opportunity to compare those commitments to some other jurisdictions like Ontario and like Saskatchewan.

What is going to happen over those two years is instead of Saskatchewan paying higher personal income taxes than us, than Manitoba—at literally every income and family level—they are going to be paying lower income taxes. Of course, Ontario was lower and will remain lower to the tune of about 66 percent. On top of that, by the year 2003, Mr. Chairman, Manitoba's top marginal rate will be 17.5 percent, Saskatchewan's will be 15 percent, and Ontario will be 14.7 percent.

What concerns me is the lack of concern on the part of this minister and his government to seriously address this issue in a meaningful way, to lay out a plan over the next three to four years and to keep Manitoba competitive. When I look at his medium-term plan, unfortunately, even if he decided he wanted to today, he does not appear to have any capacity to do it. So, first of all, it is not a priority of this government to address personal income taxes. Even if it was, they have not left themselves any capacity to address that in any meaningful way. So that is definitely a concern of our party. My overriding concern is that the Minister does not seem the slightest bit concerned about it and just continues to justify having made Manitoba the highest taxed province in Canada for personal

income taxes for middle-income families, Mr. Chairman.

Mr. Selinger: I did not detect a question there. I detected a statement that was being made again, and I will try to respond to that statement. It is fascinating to me that the Member focuses on a single item, when it is his table that we used called The Manitoba Advantage in the text of the budget document that includes all the provincial levies, as well as additional living costs, some of which are government generated in terms of utilities and auto insurance in some other jurisdictions.

It is important to note that even though other provinces have made decisions on income taxes, they have also increased user fees dramatically, in many cases, and they have also broadened their sales tax quite significantly in other cases. So, for example, if you look at Saskatchewan, year over year, their cost of living went up \$702 which was in excess of Manitoba's cost of living increase, the lowest in the West, far lower than Ontario of \$667.

The cost of living in Ontario went up over \$2,035. It is quite dramatic. So they do have a problem, and their increase in personal income taxes is not addressing that problem. They are getting offsets in terms of revenues from other levies that they are bringing in and other costs are going up that impact on the bottom line of a family's ability to live and have an affordable lifestyle in those other jurisdictions. Manitoba remains one of the most affordable jurisdictions in the country to live in, and that is really important.

When you compare Manitoba's—

Some Honourable Members: Oh, oh.

* (16:30)

Mr. Chairperson: Could you just be a little quieter? Thank you.

Mr. Selinger: When you compare Manitoba's cost-of-living increase '99 over 2000 of \$667, even to Alberta which has the reputation for being a low-tax haven, their cost of living went up over \$1,000. So Manitobans are doing pretty

well comparatively on cost of living compared to other provinces. We do not necessarily do it the way other provinces do it. I mean, we have not had an increase in hydro rates for several years. The cost of operating an automobile is among the lowest in Canada, if not the lowest, among the lowest in North America. So there are things we have done.

I do not think the Member is suggesting that we increase any of these other fees that the Government could bring in. I do not think the Member has been definitive on whether he supports an increase in the sales tax, as recommended in one of the scenarios from the Lower Tax Commission. We did not think that was a prudent measure to take to increase the sales tax, so we did not. But we did think that we had to offer more income tax relief to Manitobans, and we wanted to focus that on families which is why we designed the new system to do that.

We went ahead with \$102 million of increased income tax reductions starting in the taxation year 2001, the last quarter of this budget year, which was something not promised in the election, something that we had no obligation to do, but we went beyond our electoral mandate to do that. Where we can go beyond our electoral mandate in the future, both on taxation issues and cost-of-living issues and also on enhancing and strengthening programs that Manitobans value, we will try to do that. That is the commitment we made, to try and go beyond what we promised but, at a minimum, deliver on the promises that we made.

Mr. Stefanson: I am glad the Member refers to the charts on pages D14 and D15 in his budget document. As he is well aware, when you look at a family of four earning \$60,000, a middle-income family, this budget document shows that the provincial income taxes paid by that family will be the highest in all of Canada.

If he does the comparison with the same chart that has existed in budgets for many years in Manitoba—it goes back to the 1999 budget table showing the exact same information—he will see that Manitoba was the fourth highest province in all of Canada. We would argue that that was unacceptable. That was a ranking and a

position that we should be striving to continually improve upon and not to make worse.

What I want to ask the Minister is, he brought down his budget on May 10. When did he first become aware that the decisions he was making in the lead-up to his budget were going to create a situation where Manitoba would have the highest personal income taxes in all of Canada for middle-income families?

Mr. Selinger: Well, once again, the Member has several times today said that the tax reductions offered in the 2000 tax year were the tax reductions initiated by the former government. Then he distances himself from the impact of those tax reductions in terms of the relative position of that family unit compared to other provinces. So I kind of feel that he is trying to have it both ways on that one. He wants to claim the credit for the tax reduction but not the responsibility for how that tax reduction impacts in relative terms to other jurisdictions.

The information that is in this table was only available in its complete form after the Ontario budget was brought down, which was just a week before our budget was brought down. Well in advance of having this information, I had directed my officials to redesign the tax system to offer relief to families. I think we will see the benefits of that relief as we move forward over the next couple of years.

It is clear to me that the previous government's commitment on tax reductions was different from what was occurring in other provinces and had a differential impact, which is expressed in this table here. It was a difficult position, I think, for the former government, given the pressures they were under on the program side and revenue side. It is a difficult position for us, but we will make our best efforts to move forward on that. That is why we offered the additional \$102 million in personal income tax relief this year. We did not have any dramatic increase in user charges. We did not have any dramatic increases in sales taxes, which are a cause of great consternation in neighbouring provinces and are causing a lot of grief down there. We tried to have a responsible approach to taxation that would improve the situation of Manitobans.

Mr. Stefanson: Mr. Chairman, the Minister talks about taking responsibility. That is what I want him to do with his May 10 budget because, by bringing in personal income tax reductions in the '99-2000 budget, we did bring these taxes down at all of these income levels. But when he brought down his budget on May 10 he had an opportunity to further reduce personal income taxes in Manitoba in the year 2000, in the year we are in right now, in the year that this chart does the comparisons for. That is the fundamental issue, that other provinces were making meaningful personal income tax reductions, other provinces that delinked in the year 2000 flowed through the equivalent impact of the reductions that would have flowed by remaining a part of the combined system with the federal government.

It was only here in Manitoba that we did not receive meaningful personal income tax reductions. As a result of that, we went from the fourth highest personal income tax levels for middle-income families to the highest in Canada. So he had an option, he had a choice on May 10, and he chose not to take meaningful action to address personal income rates. He can give us his reasoning and so on why he chose not to do that, but obviously that was a choice that he made along with his colleagues, as he has already indicated, in terms of the conclusion of his year 2000 budget.

I will ask him: Why did he make that choice? Is he not concerned about our ranking on personal income taxes within Canada? Does he not see personal income taxes as an issue that needs to be addressed not only in Manitoba but indeed right across Canada?

Mr. Selinger: Once again, we did reduce income taxes beyond what we had promised in the election. We reduced them year over year. That was the important trend to continue, to reduce them year over year. The comparison of the '99 Manitoba Advantage tax table with the 2000 tax table shows a reduction in taxes. It also shows that the cost of living went up less than in any other jurisdiction in the west and Ontario. That is significant. So other provinces may have been reducing income taxes, but they were also contributing to an overall increase in the cost of living, which was greater than the case in

Manitoba. I think that is part of the equation that has to be considered.

The other point is that the Member suggests to me that I should have made even more aggressive reductions in taxes for the 2000 tax year, but he does not suggest which programs should have not been funded in order to allow that to happen. I am not aware of any of the programs that we have brought in that he thinks are frivolous or unnecessary. I do not see him speaking against the health care programs we brought in or the additional programs we brought in for post-secondary students, the tuition fee reduction or the reintroduction of bursaries to allow students to be able to go to post-secondary education.

So it just seems to me that the Member is focussing on this one issue without suggesting how he would have achieved that with other program reductions and ignoring the fact that our cost of living went up less than in other comparable jurisdictions. It seems to be a very narrow approach that does not take into account the total impact on Manitobans as evidenced in the tables that he produced himself and we inherited and reproduced in our first taxation year.

Mr. Stefanson: I am really curious here, Mr. Chairman: Is the Minister of Finance telling us today that he is satisfied that he has made Manitoba the highest taxed province for personal income taxes for middle-income families? And does he intend to leave us in that kind of a ranking on a national basis going forward? Is that his plan going forward?

Mr. Selinger: Our objective is to make Manitoba one of the best places to live in terms of services and affordability. We would like to continue that trend across the board. We think our first budget has addressed the urgent priorities that Manitobans elected us on. In addition to that, we have offered income tax relief and relief to post-secondary—*[interjection]* Well, we followed through on the property tax relief as well. We had announced that and followed through on that.

* (16:40)

In addition, we offered relief to post-secondary students, so more people would get an education and be able to make a stronger contribution to the economy. We know that our participation rates in post-secondary education were low in Manitoba compared to jurisdictions, and we wanted to increase them. We have done them. We know that student debt loads were forcing some people to drop out of school or not contemplate even going to post-secondary education.

So we followed through on that, on the tuition fee reduction. We also followed through with a bursary program that had not been seen in Manitoba since 1993. So, you know, we tried to bring forward a total program that would build the future of this province and offer hope for young people and, at the same time, keep us among the most affordable jurisdictions in the country.

Mr. Stefanson: So I take it part of the Minister's plans for building the future of this province is to have us pay the highest personal income taxes in all of Canada at middle-income levels. Is that his plan?

Mr. Selinger: No. I think the Member might have ignored my last response. Our plan is to make Manitoba one of the most affordable jurisdictions. That requires us to address all provincial levies. I am sure if I would have raised any other provincial levies this year; I would have had lots of feedback from the members opposite about that, about what a horrible thing that was. The cost of living with respect to auto insurance and electricity, we remain among the most affordable jurisdictions in the country on utility costs. We made significant improvements on the property tax side, which is part of the cost of living.

We have made a multipronged approach to affordability in Manitoba, and at the same time we have tried to improve the services that Manitobans wanted, because it is an entire family and an entire individual who lives in the community. There are many places in the world that have no taxation, but they are not desirable places to live in terms of the quality of life. I do not think we want to get into a situation where, on a global basis, we are always driving

ourselves to the bottom of the order on a single criterion, without looking at the other quality-of-life indicators in a community.

There are many quality-of-life indicators that make Manitoba an attractive place to be, which is why our net migration is going up, not down. We are seeing more people come to Manitoba on a net basis than we have seen in many years. So many people are deciding that Manitoba is a good place to live.

Mr. Stefanson: I think, Mr. Chairman, that we would agree that you should look at the total picture. But, having said that, I do not think that is ever any justification for us having the highest personal income taxes in all of Canada. As I have already outlined to the Minister, and I am sure he has seen this information, although we have never had that confirmed through this process, comparing us to other provinces going forward. What concerns me is his lack of concern about our ranking on personal income taxes. Just last year we were the fourth highest in Canada, and in one budget, in his very first budget, his defining budget of his government, of his mandate, overnight he made Manitoba the highest taxed province in Canada for middle-income families. I am not sure if that was ever the case in our past history. It certainly has not been the case in Manitoba in the last 12 years, that our position and our ranking continued to improve.

As we have discussed before, you do not have a choice when it comes to paying personal income taxes. You have to pay them by law. People do pay their taxes. Surely, he must be at least somewhat concerned about our level of personal income tax relative to other provincial jurisdictions. Just the province of Saskatchewan alone, and I will not read all the examples because they have gone through some of these examples over the course of the last few days in Estimates, Mr. Chairman.

But, if you go through literally every income level, every family situation—I will pick a family of four earning \$40,000 in 1999. That family was paying \$500 less than our neighbouring province, the province of Saskatchewan, on personal income taxes. Next year, as a result of his budget, compared to a Saskatchewan budget,

that same family will be paying \$120 more. It is a swing of \$620 in basically one year's period of time.

I am just trying to get a sense from this minister: As part of his total package that he keeps coming back at, he seems to be using that as justification for having the highest personal income taxes in Canada, instead of recognizing the ongoing need to address that in a meaningful way. I think he missed the boat in this budget. What concerns me even more is that, going forward, there is no indication, no plan, no commitment, no concern about addressing personal income taxes on a go-forward basis. That is what I am trying to get a sense from him on behalf of our party and all Manitobans. Is that an issue that he intends to address in a meaningful way over the next three or four years, Mr. Chairman.

Mr. Selinger: I think the Member opposite has a tendency to lapse into overgeneralization on occasion by saying we have the highest personal income taxes in Canada. That is a sweeping and encompassing statement that includes all family units, and I am sure the Member would agree with me, even looking at the tables published in the budget book, that that is not the case at many other income levels. He does refer to one family unit of four at 60,000 where his statement comes a little closer to reality but ignores the total cost of living factor as well. So I would hope that he would qualify his statement when he makes that broad generalization. Second, our budget made a multipronged approach on—

Mr. Chairperson: Excuse me. Order, please. Just a little quieter so that we can hear the speaker. Thank you.

Mr. Selinger: Our budget made a multipronged approach on addressing the priorities of Manitobans both on the program side, both on the tax relief side, both on the affordability side for post-secondary education. The Member also seems to suggest that income taxes, there is no choice in that, but other charges, there is a choice.

I do not think there is a realistic choice for people. They do have to pay utility costs. They do have to pay transportation costs. Those other

living costs are a fact of life in any community: housing costs; health premiums are required in other jurisdictions; gasoline taxes are required in other jurisdictions; retail sales taxes are required in other jurisdictions when people buy essential goods and services.

So, you know, the reality is that that distinction I think is somewhat overdrawn, and I think the Member continuously ignores the fact that when he talks about a swing in taxation rates, that in other jurisdictions other taxes and levies that they have to pay have gone up. They have gone up in a way that has increased their overall cost of living greater than it has been increased in Manitoba.

So, if an individual is making a choice based on cost of living where they want to live, they would choose Manitoba. That would still be the best place to be because their cost of living would have gone up less here than anywhere else. I think that has to be borne in mind when we make these kinds of judgments.

Mr. Stefanson: Well, it is interesting, Mr. Chairman, the Minister accuses me of overgeneralization, and then he proceeds to do just that. He fails to recognize that when it comes to retail sales tax, individuals have a choice what they buy and what they have to pay the tax against. When it comes to buying a home, individuals have a choice, what value of home they buy. As a result of that, when individuals buy that home, they look at their property taxes and they have a choice what property tax levies they are prepared to take on. So in many of these areas, while these are important comparisons to do, people do have choices.

But they do not when it comes to personal income tax. I think we can agree on that, that people do not have a choice in terms of the taxes they pay in any province. The only choice they have is whether or not they want to go to a different jurisdiction and pay a different level of taxes. I find it interesting that the Minister refers to the family of four at \$60,000, that the statement of highest taxes in Canada gets a little closer to reality. Well, if his budget document is accurate, which I am sure it is, it is not a little closer to reality; it is reality. I mean, the numbers

are laid out in his budget document clear as can be that at that income level and in that family situation, the personal income taxes are the highest in Canada. He has yet to acknowledge what is laid out in black and white in his own budget document, plain and simple, Mr. Chairman.

So I can see we can agree to disagree in terms of the future of Manitoba when it comes to personal income taxes and what should be done and what appears to be a lack of concern on the part of this Minister and this government in this area.

* (16:50)

When I look at this whole issue of taxes, as we just discussed, from middle-income families having the highest personal income taxes in all of Canada as outlined in the budget document on pages D14 and D15, which, as I say, is laid out very clearly in this document, when I look at the whole issue that we have discussed at length, the fact that this minister and this government made a choice to delink from the federal system one year early, I believe with the intention of preserving and protecting revenues, as a result of doing that, they did not flow through the full impact of personal income tax reductions at the provincial level here in Manitoba, and as a result of that, Manitobans are paying higher taxes, higher personal income taxes after May 10, after the introduction of this minister's budget than they would have been paying had we remained part of the federal system for another year and proceeded with delinking next year.

As we have discussed at length, we are losing ground on a go-forward basis. I encourage the Minister if he does not have the information to accumulate the information, look at other jurisdictions, and he will see that we are losing ground to provinces like Saskatchewan and other jurisdictions on a go-forward basis. That has to be a concern for him and his government in terms of our competitiveness and the impact that that will have on our economic future.

Throughout this discussion, we have not had a clear indication of what information the Minister had before him as he made these decisions. We have talked about the

comparisons, the comparative calculations, and I do not think anybody is clear as to what information the Minister actually had in front of him when he made these decisions. We have also pointed out that he brought down the last budget in all of Canada on May 10, and he had an opportunity to see what was happening in many other jurisdictions, in fact, every provincial jurisdiction all across Canada.

We have also pointed out that if you look at his medium-term plan on page 27, he appears to have very limited if any capacity to introduce any meaningful personal income tax reductions on a go-forward basis, Mr. Chairman, and his response in the last short while has shown very little interest or concern to be addressing personal income taxes in any meaningful way on a go-forward basis. As well, if you look at what is going to happen by the year 2003 for top marginal rates comparing us to our two neighbouring provinces, Manitoba is at 17.5 percent, Saskatchewan will be at 15 percent, Ontario will be 14.7 percent.

So if you look at that whole issue relative to the Minister's budget, he has really failed to address personal income taxes both in the immediate and in the medium term in a meaningful and comprehensive way for the benefit of Manitobans and for the benefit of the economic future of Manitoba.

So, therefore, I move, seconded by the Member for Minnedosa (Mr. Gilleshammer), that due to the recognition that some Manitobans will now pay the highest personal income taxes in all of Canada, the Minister of Finance's salary, budget line 7.1.(a), be reduced to the amount of \$165, equivalent to the increased personal income taxes a family of four making \$60,000 will pay this year as a result of the Budget of May 10, 2000.

Motion presented.

Mr. Chairperson: The motion is in order. Shall the motion pass?

An Honourable Member: Yes.

Some Honourable Members: No.

Mr. Selinger: First of all, the family or the Manitobans referenced in that motion had the least increase in the cost of living with respect to comparable jurisdictions. I think that needs to be noted for the record, that their cost of living went up less than in any other comparable jurisdiction to the east or the west, Ontario, Saskatchewan, Alberta, B.C. As a result of that, Manitoba would be the place that a family would want to continue to live in. *[interjection]* Pardon me? These are important points; they have to be responded to. I think that has to go on the record.

Secondly, the idea that there is no plan to change taxes, we went well beyond our election commitments in the tax relief that we committed to provide to Manitobans. Thirdly, the Budget was prepared in seven months, approximately half the time of the previous government, and went beyond the previous government's long-term commitments in terms of tax relief. There was no plan presented in the last budget to move tax relief forward on a sustainable basis. We consider our medium-term plan is certainly more realistic in terms of the expenditure levels that were overexpended in the last budget of the previous government.

The Member seems to continue to attribute motives in terms of what the desires of this government are. I think I have gone on the record very clearly saying that we want to maintain Manitoba as one of the most affordable places to live, with one of the best qualities of overall services that people require. I would ask that the Member provide to me the information that he has on marginal tax rates.

Some Honourable Members: Oh, oh.

Mr. Chairperson: Order, please. You will get your turn to speak. We cannot hear the speaker. Mr. Finance Minister, you have the floor.

Mr. Selinger: In terms of the top marginal rates, I would ask that the Member provide the information he has on that. That does not square with the information I have on a go-forward basis on marginal tax rates. It is important to note that for this year our top marginal tax rate is the third lowest. We remain very competitive in that regard. In addition, our tax relief going forward offers a significant tax relief to families

and extends significant tax relief to middle-income families. That is why we brought in the family tax reduction.

As well, I think we have made other improvements in the financial health of the Province of Manitoba. We have reduced the reliance on the Fiscal Stabilization Fund by more than 50 percent. We have, in addition, for the first time ever, addressed the liabilities of the province on a comprehensive basis by starting to address the pension liability, never before having been addressed with any sort of long-term sustainable plan.

Also, for the first time ever, we have taken control over Health capital and reduced the cost of Health capital borrowing by at least 30 basis points by bringing it under the Treasury, which will save Manitobans money on the costs of Health capital renewal.

As well, for the first time in well over a decade, we have brought in a new tax system, which eliminates the flat tax on incomes over \$30,000. As well, we have eliminated the surtax mechanism, and that will provide significant benefits to Manitobans, which have not been mentioned by the Member in his criticism of our budget. Those are significant improvements.

As well, we have increased the non-refundable tax credits by 39 percent for the basic personal tax credit, 39 percent for the equivalent to a spouse tax credit, 39 percent for the infirm dependants credit, a 39% increase in the value of the caregiver credit, a 39% increase in the value of the disability credit, as well as a 35% increase in the medical expenses credit, and charitable donations are going to see an increase in value of 28 percent in terms of what the tax relief will be.

So all of those are significant benefits to Manitobans, and they have been brought forward in our first budget. I think it is one of the more positive budgets that Manitobans have seen in many years, both on the tax relief side and on the program expenditure side. The new family tax reduction that we have introduced extends benefits to middle-income families for the responsibilities of raising children and will improve their situation on a go-forward basis, year over year.

The Member has mentioned none of these things. He has voted against all of these things, which means he has voted against all of these benefits flowing through to Manitobans.

In addition, 15 000 Manitobans will be taken off the tax rolls because of the measures in this budget. That is just on the taxation side.

* (17:00)

At the risk of not going on too long, I want to mention some of the things that we have done on the program expenditure side. The property tax credit is a significant benefit to Manitobans. The reduction in tuition fees for post-secondary students is a significant benefit. The increase in University Operating Grants is the largest they have seen in many a year, which helps post-secondary institutions. The commitments we have made in health care are significant, will provide real tangible benefits to Manitobans with reductions in waiting lists.

So, all of those benefits, including what we have done with respect to neighbourhood renewal to make neighbourhoods safer places for people to live are substantial. I think Manitobans have received this budget extremely well and have told us that they like what we have done in the Budget, the balance that we have struck. We will try to attempt to continue to strike that proper balance for Manitobans as we go forward in the future. Thank you, Mr. Chairman.

Voice Vote

Mr. Chairperson: Is the Committee ready for the question? All those in favour of the motion, please say yea.

Some Honourable Members: Yea

Mr. Chairperson: All those opposed, say nay.

Some Honourable Members: Nay

Mr. Chairperson: In my opinion, the Nays have it.

Formal Vote

Mr. Stefanson: Recorded vote, Mr. Chairman.

Mr. Chairperson: Do you have the support of another person?

Mr. Stefanson: The Member for Fort Whyte (Mr. Loewen).

Mr. Chairperson: A recorded vote has been requested, and the members will now go to the Chamber for a count-out vote. We will recess the Committee.

The Committee recessed at 5:02 p.m.

After Recess

The Committee resumed at 6:03 p.m.

Mr. Chairperson: The hour being 6 p.m., the Committee rises.

LABOUR

* (14:40)

Madam Chairperson (Bonnie Korzeniowski): Consideration of these Estimates left off on page 129 of the Estimates book: Resolution 11.1 Labour Executive (b) Executive Support (1) Salaries and Employee Benefits \$500,100.

It was agreed when this committee met previously in the Chamber that questioning for this department would follow in a global manner with all line items to be passed once the questioning has been completed. Is it the will of the Committee to continue with global questioning? *[Agreed]*

Hon. Becky Barrett (Minister of Labour): Thank you, Madam Chair. Yes, but the concern on global questions is that, if the staff is not here to provide the specific answers, then I would say is not necessarily the most efficient use of the time. I would prepare to, of course, answer global questions but would suggest that at some point we go line by line or department by department.

Mr. Ron Schuler (Springfield): Madam Chairperson, just on that, I think we had sort of agreed to all these points ahead of time. Do you not just have to agree to it right up front? We

agreed that if there were certain areas where there were not staff available simply because the Department does cover a lot of areas, in fact, there are three critics for this particular minister—Labour, Multiculturalism and Workers Compensation Board—we would let the Minister know ahead of time if we were going into a particular area. That had been all agreed to ahead of time, and that was all in Hansard.

Madam Chairperson: I take it that is an agreement. Good. The floor is now open for questions.

Mr. Schuler: Madam Chair, I want to go back into something that we dealt with last Tuesday, and it is of particular concern to myself. I have spent some time looking into it. To say that it has been a very busy week is understated, and just on that point I would like to thank the Minister for her kind statement to the House. I have not seen Hansard today. I do not know why we did not actually get Hansard today. I appreciate that very much, and I know that, as our daughter gets older, we will put that into her keepsake book. She will really appreciate that very much because it is not often when somebody is born that they get their birth recognized in Hansard—

An Honourable Member: In detail.

Mr. Schuler: In detail. I do not think she will appreciate her weight and length being discussed maybe in 20, 30 years, but I think yesterday was fine. I do not consider any problem. Everybody knew she was 7 pounds, 6 ounces anyway.

I want to go back to a question that I asked last Tuesday of the Minister. I asked the Minister what the salary was for Wayne Mault, the Chairman of the Elevator Board, who is a civil servant. I would like to go to page 1758 where I said: "The Chairman being Wayne Mault, what is his salary?" The Minister responded: "The salaries of all civil servants are available through the Public Accounts of the Department of Finance and is accessible that way."

I then asked the Minister again: "So is the Minister not willing to tell this committee what the salary is of this particular individual? . . . 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?" The Minister responded—I will cut a little bit of that out: "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."

I would like to point out to the Minister that some time ago when she was in opposition, and this would be Monday, June 14, 1999, she asked the question: I wish the government all the luck in the world in this. I think it is a very good concept. Having participated for five years at least on the internship hiring committee, I know how students are who are of the calibre that you are looking for, highly advantaged in getting jobs in the market. Sometimes we in the government area have a big challenge in making sure these people are interested in wanting to come. Question: How much are they going to be paid? The Minister at that time, Mr. Radcliffe: In the neighbourhood of \$30,000 to \$31,000 a year.

I would also like to point out to the Minister and bring to her attention that, in fact, last session that we met, which would have been a week ago, I in fact even asked her a question that would be on page 1747, and I asked: "Can she tell us who these six individuals are?" Minister: "Yes. In no particular order," and then she listed them. I then asked: "Could the Minister tell us about the Executive Assistant and the Special Assistant? What are their current salaries?" The Minister answered: "The salary for the Executive Assistant is \$42,400, and for the Special Assistant it is \$44,100."

I would like to also bring to the Minister's attention, twice in Estimates during this current round, and it would be Industry, Trade and Mines Estimates of Tuesday, May 23, 2000, in which Mr. Tweed states: Mr. Chairman, can the Minister tell me how long Mr. Kostyra has been head of the Community Economic Development Committee? The Minister: There was a reorganization of EDC. He has been in the position since February 14. I was going to say

one month, but it is a little longer than that. Mr. Tweed: Can the Minister advise the House of the starting salary of that particular person? The Minister: Mr. Chair, \$3,413 biweekly and overtime.

Another example is Hansard from Education and Training, Thursday, June 1, 2000. Mr. Caldwell, that would be the Minister: The Deputy Minister was seconded from the University of Manitoba, and the majority of that represents the differences in the salary level from the University of Manitoba and his position with the provincial government. Mrs. Smith: Can you tell us what his salary is? The Minister: Oh, top line, \$112,000.

I would like to ask the Minister again—and we are not going to ask everybody's wage; I think we have been fairly clear that it was just some information we were looking for—if we could ask of her if she would reverse her position in light of some of the things that I have brought to her attention and reverse her decision on this particular point.

* (14:50)

Ms. Barrett: No, I stand by my statements of last week in Hansard, and I am prepared to share the salary range of the civil servant that the Member asked about. Every single one of the positions and the names that the Member spoke about in his question were not civil servants; they were Order-in-Council appointments. So I am prepared to share with the Member the salary range which for a Senior Manager 1 is \$60,219 to \$73,987.

Mr. Schuler: The Minister indicated at our last sitting that, in fact, these are public information, and I would have to say to the Minister that this is something that certainly I, and certainly the Opposition in particular, feel that it is important when a question is asked and it is a direct question and I do not think it is telling anything that is not available publicly.

It is probably something that we did over the years—we being the Progressive Conservative Party when we were in government:—These were questions that were posed and they were answered. It is not to embarrass anybody; it is

for information. These are things that are being made public.

Again, I would like to ask the Minister if she would consider reversing her position on this, and we are not asking for an awful lot of information. We are not asking for a lot of individuals. In fact, I would even go so far as if it is something that the Minister would want to table at a later sitting. If there is a problem with that information being brought forward right at this time, we would find that acceptable. But one of the things that this process does allow for is for a certain accountability. I do not think we are asking for anything that is unreasonable. Again I would like to ask the Minister if she would on these occasions be forthcoming, reverse her position and give us that information.

Ms. Barrett: I am not prepared to change my answer from last week. I have shared with the Member the reasons why. The Member can find that information. Mr. Mault, as I have shared with the Member, his salary range, the low end of that salary range is over \$50,000 a year. So his individual salary will be part of Public Accounts, which the Member is more than welcome to access. It is a matter of public record.

I should think that the Member is not necessarily speaking from the highest ground on this issue, since the Member has refused to be accountable for the egregious error that he undertook several weeks ago or a month ago now when he made public the Social Insurance Number of one Mr. Lloyd Schreyer, a man who has served this province and former governments and current governments for almost 30 years and whose most personal information was made public and who has asked the Member for an apology and has not even received the courtesy of an acknowledgement of the correspondence.

So let the Member not talk about accountability. I have answered the Member's question, and it remains the same. That information is a matter of public record. It is easily accessible to the Member. That remains my answer on civil servants' salaries.

Mr. Schuler: If it is all so readily available, I do not understand why the Minister would dig her heels in on this particular point. I think in a sense it is probably not even the issue of who is asking the question. I certainly did not personalize this. I think it is the right of an individual MLA. I do not think it matters from which party or where they come from. That information, certainly something like this, we are not asking for the Government to divulge Cabinet secrets here. We are asking a simple question.

Again I would ask the Minister if she would consider reversing her initial decision and answer the question certainly when it pertains to various individuals what their salary is.

Ms. Barrett: No, I am not prepared to change my answer.

Mr. Schuler: I would bring to the Minister's attention again that on Monday, June 14, 1999, when she was in fact in opposition—and you know, today's opposition is tomorrow's government—in which case she asked: I wish the Government all the luck in the world in this. I think it is a very good concept, having participated for five years, at least on the internship hiring committee. I know how students of the calibre that you are looking for are highly advantaged in getting jobs in the market. Sometimes we in the government area have a big challenge in making sure these people are interested and willing to come.

The question was: How much are they going to be paid? The Minister answered: In the neighbourhood of \$30,000 to \$31,000 a year. In light of her question, will the Minister not reverse her decision and give us the information that was asked for?

Ms. Barrett: As I stated earlier in my response to the Member's first question of today, I have given a range. As the Minister of Labour or the Minister responsible for, I believe, the Civil Service Commission, it was in those Estimates last June, when I asked the question, the Minister of the day gave a range. The individuals that I asked questions about were not civil servants. I have given information about salaries of people who are Order-in-Council appointments. So I have been as consistent as I

can be. I was consistent with what the former minister responded to me in Hansard from last year.

Mr. Schuler: I point out to the Minister that on May 30, 2000, we asked the question: Can she tell us who those six individuals are? We were dealing with one of the areas of her department. She mentioned them. Then I asked the Minister: "Could the Minister tell us about the Executive Assistant and the Special Assistant? What are their current salaries?" The Minister replied: "The salary for the Executive Assistant is \$42,400, and for the Special Assistant it is \$44,100." So she did release some salary ranges. Will she consider reversing her initial decision of a week ago and tell us what the salary is of the particular person?

Ms. Barrett: Madam Chair, the salaries information that I released last week were people who were Order-in-Council appointments. They were not salaries of civil servants. So, as I have said four or five times this afternoon already, I am not prepared to reverse my decision. The Member can ask me this question until six o'clock today or until whenever he chooses to ask me, and the answer will remain the same.

Mr. Marcel Laurendeau (St. Norbert): Madam Chairperson, can the Minister explain to me why it is that she does not want to give the salary of the civil servants?

* (15:00)

Ms. Barrett: The salaries that I have shared with the Member for Springfield (Mr. Schuler) are salaries of people who are political staff. They are people that are Order-in-Council appointments. They come and go with the government of the day.

I have shared with the Member the salary range of the Chair of what we were discussing in the context of the Elevator Board. But the civil servant whose salary is being requested, as I explained on numerous occasions last week to the Member, he got no remuneration in his role as Chair of the Elevator Board. He is a career civil servant. He has been a civil servant for almost 30 years. I have shared with the Member the salary range of the career civil servant.

I feel that this information is not being hidden. It is accessible through the Public Accounts, and if the Member was that interested in it, he can get that material which is available through Public Accounts. The Member may not agree with me on this, but, frankly I do not think it is necessarily the role of this proceedings to share specific salary information of civil servants where that information is publicly available in another area.

I would just tell the Member that he can ask this question any way he wants to, he can ask it, as I said, for as long as he wants to, and the answer will be the same. I am not hiding anything. I just do not think it is appropriate to share that specific information which is readily available to the Member should he choose to investigate it.

Mr. Laurendeau: Madam Chairperson, I do not know where the Minister is getting whether it is appropriate or inappropriate for a member of the Legislature to ask for information which is public information.

If the Minister has the information, which it is clear that she does, that we are dealing with right now in Administration, within the administrative capabilities of her department, does her department have the list of salaries for the civil servants working under her department?

Ms. Barrett: Yes.

Mr. Laurendeau: Then, Madam Minister, I would ask you to table that information that your staff just brought forward, which lists all the positions of the civil servants within your department and their salaries and any other information pertaining to them.

Ms. Barrett: I beg your pardon. Any other information pertaining to them?

Mr. Laurendeau: That is on that list.

Ms. Barrett: I have explained my rationale to the members. As I said, they may not agree with it. It is my decision that because this information is a matter of public record, that it is accessible through Public Accounts.

I will continue to raise this issue. I would also like to inform the members that the salary issue that we are discussing here, just to raise a technicality, was raised as a point of information on the Elevator Board, and there is no salary attached to being Chair of the Elevator Board, as I pointed out to the Member last week.

Mr. Laurendeau: Let me make this perfectly clear. The Minister has in the possession of her department a document which has the civil servants' salaries on it. We have seen that document passed to the Minister. We have seen the Minister look at that document. Will the Minister release that document to us? It is public information.

Ms. Barrett: The Member does not know all of the information that was on that document. The Member did not see that document. The Member is making assumptions about that document. The information that the Member for Springfield (Mr. Schuler) is asking for is available in the Public Accounts through the Department of Finance.

That is my answer. That will remain my answer. I would suggest to the members that the Department of Labour has some very interesting programs and policies, and perhaps there are some questions that the members would like to ask me and the staff about the operations of the Department of Labour that are more meaningful than this line of questioning.

Mr. Laurendeau: There are a lot of lines of questions that we will get into within this department through you, Madam Chair, to the Minister, but at this time, we are on this line of questioning, and I find it highly inappropriate for this minister to refuse to give public information to this committee when requested.

Madam Chairperson, this is highly, highly irregular. At no time have I experienced this type of hiding of information by a minister. Other ministers have been tabling the documents requested, but for some unknown reason, unknown to this committee and unknown to the public, this minister refuses, refuses to give information that is public information that she has at her hands, that her staff is here at this

time, but she refuses to let the people of Manitoba know what it is.

I will ask one last time, Madam Chair, will this Minister give the information that is being requested by the Member for Springfield (Mr. Schuler)?

Ms. Barrett: I will repeat my response again. The information is available in Public Accounts, and I would urge the Member to proceed to investigate the Public Accounts to get that information.

Mr. Schuler: I guess the concern we have, Madam Chairperson, and it should be the concern of this committee—in fact, it should be the concern of this House—is that the whole process is for us as MLAs, for the Opposition—actually, it does not even matter, it can be all MLAs—to come and ask questions and that the questions be answered forthright.

I think we all understand that there are some documents that are sensitive, Cabinet documents that might take some time. There are documents that you may not necessarily get a hold of, but this is information that has been asked for by a committee, and, from what I understand—I am a new MLA to this, but we have a right to ask for this information, and we have a right to get this information.

I would ask the Minister, does she feel comfortable with her making this decision on what an individual is asking for at a committee and the next Minister deciding there is something else that need not be offered? Then, in essence, we are starting to get a committee by what the Minister wants to answer. I do not think she would have ever, ever tolerated that when she was in opposition. I see across from me on this committee three other individuals who are new to this process, the Minister, in fact, being the only one who has been around this table for other budget sessions. I am convinced they would not have tolerated a minister not being forthright or not coming forward with an answer. I believe it is putting a gag on the Committee in that she will not answer.

What happens is we move on, and then the Minister decides there is something else she

chooses not to be forthcoming with and: We can research for that; I do not have to answer that; you can research that; I do not have to answer this; you can research this.

Minister, I would like to point out to you, you were once in opposition. Our research staff is pretty slim. You have been there longer than I have in opposition. You would know what it is like to try to get some research done. This is a way for the Opposition, this is a way for the people of Manitoba to get some information. I do not think we are being out of line, and I do not think we are being unreasonable in what we are asking for. I do not understand why this seems to be a place for the Minister to dig in her heels. I mean, it was a straightforward question. It has been asked many, many times by a lot of people over many years, and the answer was forthcoming.

I think we would set a dangerous precedent here, Madam Minister, if we would start saying, okay, the Minister does not want to answer. She says just go research it yourself. I am not convinced that that is the kind of parliamentary tradition that you want to start to establish. I point out that no matter how long you are in government, there will come a day when you will be in opposition, and you will be asking for this kind of information. You will be asking these kinds of questions. I think, in the interest of this House, in the interest of all members, we should be forthcoming with all information.

* (15:10)

Certainly when my particular party was in office, a lot of difficult questions were asked. A lot of uncomfortable questions were asked, and the ministers were required to answer the question. We are just asking the Minister if she would please reverse her initial response and just come forward with that particular information.

Mr. Scott Smith (Brandon West): I am just wondering if the Minister might want to respond to the question being asked and then my question.

Ms. Barrett: What I am prepared to do for the Member is—I understand that right now he wants the salary of one individual, the Chair of the

Elevator Board, Mr. Wayne Mault. I am prepared to take a list of all the names, all the individuals through the Estimates process that the Member would like salaries for. I will then table that at the end of the Estimates process. We will keep a running tally of it and I will table that information at the end of the Estimates process. If that is acceptable to the Member, that he will ask for specific salary information, and I will table that. I am prepared to table as well the number of positions within each category the salaries paid to those positions without the specific names on them for everyone. But, if he would like to ask for specific information, I am prepared to take a list of that and table it at the end of Estimates.

Mr. Smith: I guess the Member opposite has just struck a question that, I guess, you know, I would like answered as well. I think the Minister answered in part, part of that question. But the Member opposite seems to be very confused and is confusing me. The Minister seems to have answered that civil servants' wages are a matter of public record and can be found as a public record. I know many times I have accessed that information myself. The Minister has mentioned that any of those documents can be found as public record if in fact someone wants to do work like most of us have done in accessing and looking that information up. The Minister has mentioned that she will provide on a specific matter what the Member opposite had asked for. I appreciate that.

Just for clarity, a previous question was asked about a document, that the Minister was not supplying a phantom document that the Minister seems to have answered quite clearly, that in fact a ministerial document may contain a great amount of information not only on the questions being asked by the members on the opposite side, but may contain other information. So the Minister seems to have answered that she will provide that one specific instance to the Member opposite that had asked the question.

I guess that was in most part my question, whether the Minister would provide that. I guess it was answered. The salaries are a matter of public record. I guess I will just ask the Minister that question, as they have on their side just for

clarity, because the confusion of the members opposite has confused me to a point where the phantom document that the members were asking about obviously contains some ministerial information over and above the information that was being asked for. The Member that left here previously in a huff before he heard the answer might want to catch that information as with myself.

The Minister, just could you confirm that you will supply to the Member opposite the specific information that he had asked?

Madam Chairperson: Would you like the Minister to respond before your next question?

Mr. Schuler: Minister, we find that acceptable. Again, we understand that your department has a lot of work. We would find that that would be most acceptable if you would table all of that at the end of this Estimates period. I would appreciate that any questions we might have relating to individuals and their salaries that that could be tabled in one shot. It would not entail that your department then would have to go through all the documents. In the meantime, a list could just be kept, and that could be tabled at the end. That would be perfectly acceptable to myself, and that is the agreement.

Ms. Barrett: So for clarification then, we have one name on the list so far. Thank you.

Mr. Schuler: For the record, that is correct, and then we will just add to it as we go along.

The last time we sat, the Minister was very forthcoming, and I would like to thank her for having walked us through the whole flow chart. We certainly appreciated that very much. It gives certainly us in the Opposition and I think probably all MLAs who took the time to sit in on it a really good opportunity to find out where the Department was or is at this point in time and to ask the Minister some questions on direction where she is going with it. We did talk about starting to get further into the Budget documents. I would like to ask the Minister a couple of questions if I may just on, if she would go to page 7 of the document, it says Department of Labour and historical background.

I am looking for just a little bit of information right there if I may, and the question that I have for the Minister to start off with. Once we have gone through this, then we will go in the process that the Minister had discussed with me last Tuesday. In the historical background, basically the last sentence, it states: Most recently in October 1999, responsibility for Citizenship and Multiculturalism was transferred to the Department of Labour. I just wanted to ask the Minister: Why was Citizenship and Multiculturalism transferred to Labour? What was sort of the rationale for having put it under Labour?

Ms. Barrett: There are several kinds of government activities and divisions, if you will, that have moved over time from one department to another. At one point, for example, the Apprenticeship and Training division that is currently housed in the Department of Education was found in the Department of Labour. It historically and in other jurisdictions moves back and forward. Sometimes it is one place; sometimes it is another. There are other examples where a division or a group of activities can logically fall within one department or another department.

For example, the Citizenship and Multiculturalism division was prior to this House in the Department of Culture, Heritage and what was then known as Citizenship. The rationale for that, I imagine, would have been that there were connections between Multiculturalism and Citizenship and Immigration and Culture. But there are also connections between Citizenship and Multiculturalism and, most particularly, Citizenship and Immigration and Labour. There are employment standards issues that we deal with with new Canadian citizens. There are rights and responsibilities that they as workers have. There are a number of linkages that are maybe not as obvious at the outset but that do have an impact on that division. I had, I think it is, a good mix. It is not a traditional mix, and the question that the Member asks is a very good one, but I do think that what has happened is that, since it has been moved over, there is a synergy that is taking place between the traditional labour kinds of issues, and the citizenship and immigration area. So I feel, actually, very fortunate that that

thinking outside the box, if you will—outside the traditional placement of certain parts of departments—took place in this regard. The Premier, of course, has ultimate responsibility for making those determinations.

* (15:20)

Another situation that happened is that—and this gets a bit complicated, because it is involved in the whole process of how you decide how many ministers there are and what their duties will be. One of the election promises that we made was that we would reduce the size of government, and cost of government, and one of the ways that we were able to do that is reduce the number of ministers from 18 to 15.

In order to do that, you had to put some departments together, so Heritage and Citizenship became Heritage, Tourism and citizenship, so that would have been Citizenship, Heritage, Multiculturalism and Tourism. I imagine the Premier thought that might be kind of an unwieldy department, and so decided to do some creative moving around, and placed it in the Department of Labour. I think that, over the last eight months or so, people in both areas, have found that there are some similarities that they thought might not have existed, and some connections that they are very glad are there.

Mr. Schuler: Just on that one, Minister, were there any cost implications of this transfer?

Ms. Barrett: Not additional costs per se, because that division just moved over completely from one department to another department. They just transferred. There is a transfer of funds from the Culture Department to the Department of Labour, but no additional costs were associated with that transfer. Nobody changed offices or moved. Staff did not move, in that sense, if that is what the Member is saying. Also, I have been informed that immigration—and I did not know this; I should have known this—from 1978 to 1983 there was a department called Labour, Immigration and Employment Services or Labour and Employment Services which included immigration in it. So, again, there has been a reconfiguration over time. So there is past practice for labour and immigration to be in the same department.

Mr. Schuler: I would like to ask the Minister in regard to the mission statement—in there it talks about creative leadership and effective partnerships. I want to sort of deal a little bit with that. Minister, what would you define as an effective partnership?

Ms. Barrett: Well, just briefly, I think a partnership that helps move forward the goals and the vision of the Department, and helps move forward the goals and visions of the partners, and through that means, makes both partners and the whole work more efficiently and effectively. I think there has to be an efficient-effective component there, so that the partners work towards their own goals and also, through that partnership, work towards the overall goals.

Mr. Schuler: Minister, the next question I would like to ask you—[*interjection*] Madam Chair, through you to the Minister—is perhaps a little bit more personal-political than departmental. It does deal with the mission and with your department. It is something that you have probably read about in newspapers. We have heard, from the business community, some of the concerns, and it has to do with the intimate connections between the NDP and the labour movement. That is not a criticism. Certainly, that is something that, historically, has taken place.

Minister, besides the close relationship the labour movement and the NDP have, and I guess that would be with the Minister in this case, what other effective partnerships are necessary to fulfil the mission of the Department? Do you want me to reword that? [*interjection*] We know for instance certainly yourself would have a very effective partnership with labour. What other effective partnerships are necessary to fulfill the mission of the Department which talks about effective partnerships? I guess we are talking about more than just the partnership that you and your party would have with labour.

Ms. Barrett: I hope I answer the question to your satisfaction. If not, let me know, and I will attempt to do better. As I stated in my opening remarks, the Department has several advisory committees that work with the Department of Labour. Membership on those advisory

committees has some Department of Labour representation, but largely it is outside the Department. Two that are specific would be the Advisory Council on Workplace Safety and Health, which includes representatives from various industrial groupings, employer groupings and representation from workers and also some support from the Department; the Labour-Management Review Committee is another partnership that we have, which is a committee that is made up of representatives from the business community, from management, if you will, and representatives from the labour community who provide information and recommendations and advice to the Minister on legislation that the Minister asks them to look at.

So those are two specific linkages that we have. In the area of immigration and multiculturalism, there are a number of groups that are totally outside of government that I meet with periodically to provide me with advice and who come to say we would like you to do this or have you thought about these issues, for example, the international centre that provides much support for immigrants and refugees in this community. We have a number of those kinds of organizations that I have met with, and business organizations as well. The chambers of commerce I have met with; CFIB I have met with. Those are all partnerships, I guess, in the very broadest definition of that word. So I think there are a range of groups that we connect with.

In another area, the Manitoba Safety Council, safety agencies we deal with quite extensively. Again, this is getting off the Department of Labour, but there are connections with the Manitoba Public Insurance Corporation and, again, Workers Compensation. There are a number of partnerships that we have, some of which are structural in nature and some of which are more ad hoc, but all of which are very important.

* (15:30)

Mr. Schuler: Again, Minister, this is not a criticism; it is just a question again. I think we all understand. We have certainly followed it over the years, that you have a close relationship with the labour movement would not come as a

surprise to anybody; but, as the Minister, you have to be seen as an equal partner with both sides. So how do you protect yourself from the criticism that you are the labour's minister? How do you see to it that you keep that mission going of being an effective partner, knowing that you are traditionally very close with the labour movement?

Ms. Barrett: Well, I think I have alluded to the answer in my former answer, which is basically, and I know this is going to sound like a cliché, but my door is virtually always open, well, open to make appointments. I think if I did a study of the groups that I have met with since I became Minister of Labour, one of the smallest number of meetings that I would have held would have been with labour itself.

As I said, I have met with representatives of the construction industry, I have met with representatives of the construction industry workers; I have met with the chambers of commerce; I have met with the Manitoba Heavy Construction Association two or three times since the election has taken place. So I will meet with virtually any group or individual that wants to meet with me on any issue and listen to them.

Again, those structural advisory committees are very important. They have balanced representation. So I think the answer is that it is very important for me to be open to every perspective. The only way I can be open to every perspective is to learn about it and to meet with people who represent the various perspectives. It does not mean that the CFIB is going to see in a positive nature everything that we do as a government in the issue of the Labour Department. Nor does it mean that the Manitoba Federation of Labour will be completely happy with anything that we do. I think the important thing is to be as open to ideas and to people as possible and to provide through that a balanced approach to all of the issues that come forward.

Mr. Schuler: On to the mission statement, in the first sentence, it says "through creative leadership and effective partnerships." What would the Minister consider to be—actually we have been there. Let us drop down one line. I am sorry. It is Guiding Principles. I am so deep in thought with the Minister's answer here.

Guiding Principles, that is, "Consult equally with labour, management and other client groups." Madam Minister, through you, Madam Chair, what would you consider to be equal consultation?

Ms. Barrett: Well, I think, Madam Chair, that I have pretty much answered that question through my response to the earlier question posed by the Member. I think it is making sure that when an organization wants to meet with me or when I feel the need to ask for assistance or advice that there is a sense that that is available to me and also available to organizations.

So I think, frankly, as I have said, that I have consulted widely. I have been available to groups who want to meet with me and let me know what their view is. I think that through again those more formalized processes and advisory committees that that balance is achieved. As I said, I am prepared to discuss virtually any issue with any individual or group who wants to meet with me. I think that is how you, over time, foster the feeling of fairness or the feeling at least of being heard.

As I said, I do not expect that our government's decisions in the area of labour or the area of multiculturalism will meet with universal approval by any group. I do not think anyone expects that of any government action, well, virtually any government action.

We have seen some unanimous resolutions to issues actually coming out of my department since the Government was elected, for which I am very grateful, but basically I think people want to know that they have been heard, whether the end result is what they really, really want or not. I believe that I have provided that ear to people when they wanted to speak with me about issues, and I have also asked people for information and advice as well.

So I believe that we have been balanced in our approach.

Mr. Schuler: Under Guiding Principles again, I have already read the first part: "Consult equally with labour, management"—then there is a part in there—"and other client groups." What would be considered other client groups?

Ms. Barrett: I should have brought my binder that has all of my daily calendars in it, and I could go through it and give an indication. But I will give you a listing of some of the groups that are not specifically labour or management, as narrowly defined.

The Fire Commissioner, his division which we will get into later. There are several groups that I have met with: firefighters, fire departments from around the province. The Association of Manitoba Municipalities, I have dealt with a couple of issues with them; The Manitoba Safety Council, as I spoke of earlier. I have had a couple of meetings with building associations, dealing with standards and safety issues. A number of professional groups: I have met with the chiropractors; I have met with architects, I believe; I have met with engineers. Municipal associations, I think I mentioned.

Pensions is another area that I am responsible for, in addition to other ministers, and I have met with groups who are interested in the Civil Service pension agreement and other pension issues. Construction safety associations; mining safety groups.

Two groups that I have not mentioned before that represent employers—employers, not necessarily management but employers—are the Employers' Task Force which is a group of employers' representatives, and the Manitoba Business Council. I think I referenced the Business Council in discussing the composition of the Labour Management Review Committee, because they are a group that makes appointments to that board as well. So that gives you I think a flavour of the kinds of groups that I have met with.

Mr. Schuler: Just on the whole issue of equality and the effective side of it—and again, this is not a critique. This is more of a concern and wondering how the Minister is dealing with it. At the last NDP convention, roughly 30 resolutions were directly proposed by different labour unions. The NDP has always had intimate connections with the labour movement, and, again, like we said, that is no shock.

This obviously entails regular and detailed interaction and consultation. With this in mind,

how do you reconcile your direct connections to the labour movement with your department's guiding principle to consult equally?

Ms. Barrett: Madam Chair, I believe I have answered that by saying, in several ways and in response to several questions, that the groups and individuals that I have consulted with I think, if you did an analysis, would be weighed far in the non-labour organization categories. Again, as I stated, I have met with a range of groups and have asked for and have taken into account recommendations in a number of areas. So I believe that the activities of myself as minister and of the Department as a whole over the last eight months point out that we have been very fair and balanced and open in our dealings with all partners in this situation.

I think if you checked with the chambers and other business-management-oriented groups, you would find that. I hope that you would find that they would feel that they have had a fair hearing and had access to the Minister whenever they wanted it.

* (15:40)

Mr. Schuler: Perhaps the Minister has answered this next question in part through other questions that have been asked, but I will ask it to the Minister. What efforts have the Department taken to compensate for the obvious or perceived advantage that the labour movement has when it comes to consultation with the Minister's office?

Ms. Barrett: I have answered that question several times. The answer basically is that the reality of the situation is that by all accounts the vast preponderance of meetings and of groups that I have met with since I was made minister, and I have not even talked about the Multicultural part of this thing. I have had numerous meetings with various multicultural groups, individuals and associations, but let us just talk about the more traditional Labour part of the department.

I had far, far, far more meetings with management groups, with safety groups, with groups who were interested in changes to legislation, like the chiropractors and other professional groups, than I have with what the

Member would say would be traditional labour meetings, many, many more. If the perception is there, it is an unfortunate one because it is not borne out in reality.

In reality, the purpose of the Department of Labour is to provide a safe, secure work environment for workers. Through that safe, secure work environment, among other things, that also provides a productive workforce, helps to increase the bottom line for business, helps to establish a good labour-relations climate in the province, which is good for business as well as for labour. My goal, as the Minister of Labour, is to be seen as fair and balanced as is possible.

As I have stated before, nobody will agree completely with what we do in government. That is just the way of it. We will not be going far enough for some groups. We will be going too far for other groups. I venture to say that there is a wide range of opinion within the business community as a whole. Small business people, construction, manufacturing, agricultural business, there is as much diversity, there is a whole lot of diversity in the business community. So, within that group, there is not going to be unanimity as to what we as a government do, either pro or con. So I am just saying to the Member again that I believe that my actions have spoken very clearly to a balance in my approach to the portfolio that I have been entrusted with.

Mr. Schuler: Under Guiding Principles, item 3: "Develop and pursue preventative and public education strategies." Could the Minister tell the Committee what types of public education strategies is the department pursuing?

Ms. Barrett: I think, Madam Chair, that this is one of those areas where it would be more effective to wait until we get to the lines, most particularly Workplace Safety and Health, and Employment Standards, when staff are available from those areas.

Mr. Schuler: Just to have that clear, public education strategies would come under Workplace Safety and Health?

Ms. Barrett: Yes. Workplace Safety and Health has a number of public education initiatives. The

Employment Standards Division does and as well the Office of the Fire Commissioner does a large amount of outreach. Staff will be available that have more direct responsibility for those areas. Traditionally the way the Estimates processes has been undertaken is to deal with specifics as they come up under those particular items in the Estimates book.

Mr. Schuler: To the Minister, would the introduction of labour studies in some form into the secondary school curriculum be part of the public education strategy at the Department?

Ms. Barrett: Many of the specifics, I would appreciate if we could wait until the specific staff is in, but one item that is in the curriculum as a requirement is a course called Skills for Independent Living, which is provided in Grade 11. That was brought in by the former government.

Mr. Schuler: What I will do then is I will leave the rest of the questions to when we get to that particular budget on education. I just have under Guiding Principles there is another line that is called empower staff and recognize that they are the most important resource.

Coming from a business background, I own several retail operations. I always tell my staff, you are selling a \$1,200 item and the person is just kind of wavering, you know, throw in the \$6 worth of candles and clinch the deal. I give you that. Just do it. Do not lose perspective. Oh, do I have the authority to give away \$6 in candles that go with this particular item? I mean, just make the deal. I think that it is important to empower people and with that empowerment of course comes responsibility. So I would be very interested to hear what the Minister has to say in regard to how the department empowers its staff.

Ms. Barrett: I will give you a couple of examples which I am sure are not exhaustive. For example, in the Workplace Safety and Health Division we have a number of health and safety officers who go out and visit and work with individual places of business and employers and workers groups through their place of business. Those Workplace Safety and Health officers are empowered to do a number of things. They do not have a strict statement that

you, you know, if this happens, then you have this as your only response. They have a range of options to deal with.

The same is in the Employment Standards field, where, I mean, in both of those areas you have regulations and you have basic laws that must be followed. But the actual talking with and working with the groups, the client group, if you will—as a social worker that is a favourite expression, as is empowerment—but there are many ways to deal with each individual issue as it comes up. So what we try to do or what management tries to do is to say to staff, here is a range of options, pick the one that best fits the situation.

An example in Workplace Safety and Health, I mentioned this computer program called LINK in the health and safety division that provides an enormous amount of information to the health and safety officers. Well, that program was basically designed by staff in the division. They worked with IBM to implement it, but they were the ones that put in place, that knew, because they worked with the field, with the employment issues and the Workplace Safety and Health issues, what kinds of information were needed and that kind of thing. So they took the lead in that and IBM helped implement it. But the program itself was largely a creature of the staff. We also work with health and safety committees in various workplaces, and there is a range of options again.

* (15:50)

So, of course, it depends on the division you are talking about, but there is a good deal of flexibility provided to staff. Again, recognizing that the bottom line is that employment standards must be met, mechanical and engineering standards must be met, Workplace Safety and Health standards must be met, within that there is a great deal of flexibility. Finally, in the day-to-day operations, branch staff are involved in working groups themselves so that they can come up with ideas and suggestions. So we are working toward, and I am sure it is not completely 100 percent successful, but the idea is that staff who work in a situation every day know more than anyone else about what the

issues are, what the problems are and will be the people who often have the best ideas as to how to solve any challenges that face them.

Mr. Schuler: Often empowerment is a management attitude, Minister. It seems to be how the management at the top allow decisions to be made as you go down the org chart.

How does this attitude of empowerment move down the organizational chart? Basically empowerment is initiative, right? How are they encouraged to take some initiative, to be empowered to do these kinds of things? Certainly you listed some examples and certainly there are a lot more of them where individuals do something that probably is not quite in their job description, is not what they have to do, but they are empowered and they go that extra mile or show some initiative in a certain area. How does that come down from management to the employees that this is something that is clearly the way the department wants to go?

Ms. Barrett: I think two parts, one more general, if I can use this phrase, it is a corporate climate that needs to be established. I think that that starts from the Minister on down. I think if you talk with civil servants in virtually any department, they will tell you that there is a difference over time that you can see in how a department is run or the attitude, based partly on the personality or the ideas of the Minister. So that is a very general thing, then through the Deputy Minister that is actually implemented.

So there is, this is hard to explain, but a general sense that I think departments get as to, is there a sense that the government, the Minister and the supervisors, et cetera, are open to innovation and thinking outside the box? Or is it sort of status quo, let us not rock the boat kind of thing? It comes from on high a little bit.

I think one example of stuff that we as a government or as government, that precedes us, but have done is an annual service excellence awards for innovation and hard work and dedication to finding solutions to problems. This year the Workplace Safety and Health Division has been nominated for two such awards and the

Employment Standards Division for one award. Those kinds of things are some of the things that we try and do. I think on a personal level it is important that staff be recognized for good work that they put in, for extra work that they put in, and just generally it is a good idea to be polite. That is not always the case that happens. As you know, in any organization, especially a big one, sometimes you lose sight of the basic need to just be respectful of people that you work with and people who work for you.

Mr. Schuler: Minister, the only difference between when people are impolite working for a big organization as compared to a little organization is you will find that the public tend to be more vocal about it. In a small organization, they will just simply walk out, but in a big organization, you tend to hear more about it. Certainly what you are talking about is exactly getting to the crux of it.

Then, as Minister, is this something that you really feel strongly about? I mean, it really is a new style of management, right? We have seen a lot of changes taking place in the way we conduct business be it the technology boom, and now we are going into the band-width boom, and a lot of those areas have changed dramatically, but so has management and the way that we deal with our employees.

To the Minister, through the Chair, is this something that you fundamentally believe in as well?

Mr. Stan Struthers, Acting Chairperson, in the Chair

Before you answer that, I would like to welcome our new chair of the Committee. I do not think I have been at a committee where our distinguished colleague has been the Chairman, and I look forward to just a great afternoon with him.

* (16:00)

Ms. Barrett: On the point of the new chair, I would like to advise the Member for Springfield (Mr. Schuler) that if he does not put every single question through the Chair to the Minister, he

will be severely chastised, as he only needs to ask his colleague the critic for Agriculture.

In answer to your question, yes, it is a very important thing. I have not managed a large organization. I have managed a very small organization, really small, like three or four employees. So coming into this kind of a position was very challenging, continues to be very challenging, but particularly what kind of a management style you use. Again, this sounds trite, but I believe it is true, that the best kind of a manager for an individual or the best kind of leadership that can be given is leadership that feels right for you as an individual, so that your personality is reflected in your management style, and if it is a positive reflection, that will have an impact on the organization as a whole.

A government department, even one that is not one of the larger ones, has an enormous amount of complexity to it. It is a very hierarchical organization by the sheer definition of the work that needs to be done, but I think it is also important for a manager to recognize that the people that they work with have ideas and have responsibilities and, again, as I said, deserve basic respect.

So those are the kinds of things that I am trying to implement in my managerial style. I would hope that all my colleagues would have the same kind of feeling about that situation.

Mr. Schuler: Again to the Minister, it probably really does not matter anymore how big the organization is because it is something that is really coming, and in a different field, what a lot of retailers were just horrified at was this hokey business of Wal-Mart having a greeter. Being in retail, I watch the trends very carefully. In fact, it frustrates my family to absolutely no degree. When we go on holidays, I love to go in and look at what new retail things are coming.

Wal-Mart did this and it was the empowerment thing. They did the greeter thing, and it so took Canadian retail by storm. I would suggest to you that if they would have been better prepared—maybe some free advice here—if some of them would have went shopping on holidays and would have seen the kinds of trends that were obviously coming, they would not

have been so sandbagged. The first Wal-Mart store that opened in Canada literally took off. Our businesses should have been much better positioned to have seen that coming, and they were not. That was to their detriment. I would suggest to you that to some degree perhaps that is one of the things that cost Eaton's its business, because they just did not see the trends coming.

I am wondering, Minister, certainly you have your day—though the Chairman, of course, on this—you have your days filled with those duties of Question Period and Estimates and the Department. In the meantime there are other individuals who are seeing to it that the work is being done.

The empowerment of the Department, is this something that, for instance, your Deputy Minister is a strong believer on, your departmental staff? Is it something that you have met with them on and indicated to them that this is something you believe in and that you would like to see within the Department? Are you going to empower your employees to respond?

Ms. Barrett: Very briefly, I do not mean to sound, well, flippant, but if we had not believed in it as a government and as a department, it would not have been in here under the Guiding Principles.

Mr. Schuler: Would it be fair to say that this is a management style that is going to be encouraged within the Department of Labour and the Minister would like to see this moved down the ranks? This empowerment wave is something that you see being more of a long-term process, the wave?

Ms. Barrett: Yes.

Mr. Schuler: Just on that, do you see any cost implications of it? Is there any cost attached to this kind of management style?

Ms. Barrett: I think, first of all, it is hard to quantify something like empowerment. An example would be that the closer to the problem, the issue, the challenge, that you are where you can make an impact on meeting that challenge or problem, the quicker it is going to be dealt with and probably more efficiently, because the

people who are involved in identifying the problem, if they are the people who are involved in coming up with solutions to that problem rather than people four levels up the chart, they are going to be more able to make suggestions. If they are empowered, if they are truly empowered, they will have some authority and some ability to implement those changes.

So that is just an example. It is something that can save money, but it also provides some intangibles that I think are very important. If people feel that they are respected and valued and have some say in how their job is maybe structured or functions or choices, they are going to be more productive and they are going to come up with solutions to problems quicker than if they are treated as cogs in a wheel and not important and not valued and disposable and throw-awayable.

Mr. Schuler: Moving on to the other part of this, the sentence reads: "Empower staff and recognize that they are our most important resource." How does the Department go about recognizing the importance of its staff as a resource?

Ms. Barrett: I think I have answered that question earlier, as well. One example is we have made three nominations for the service excellence awards, and I think that is pretty good out of a small department, small at least in the number of employees compared to some of the other departments.

I think that, again, putting the decision-making power lower in the org chart, closer to where the issues actually occur, it is not only empowering, but it, by definition, says that we respect you enough to say that you can make some decisions, you can give us some answers, those kinds of things. So I think that it is all part of the same thing.

Mr. Schuler: Having actually worked in the public service as a student—in fact, I was a public servant under her party's last administration. I did some work for Crown Investments as a summer student. It was a great job. In fact, one of your current ADMs was my boss. He was a great individual; I appreciated his professionalism.

* (16:10)

One of the problems that the public service has—and I have also worked for the federal government—is that in private industry if somebody does an outstanding job on a particular project, a bonus can be forthcoming. Private industry can do that. A particular recognition can be brought forward.

I know when I worked for the Department of Regional Industrial Expansion, we spent probably about four weeks or five weeks organizing a tour of the king and queen of Sweden, and a large delegation of business interests had come along, and we literally worked 17, 18 hours a day. That is just the way it worked out. There was no overtime, but I certainly enjoyed it, and at the end, I think the Deputy Minister got a clock from the delegation, and there was a smaller clock, and my boss got some little coasters. The Deputy Minister gave his to the next in line, and I ended up with the little coasters. That was my recognition. That was fine. It was a summer student job and at least I got something out of it.

But the point is how does one recognize that kind of thing with the constriction of this being a public service?

Ms. Barrett: Yes, government is not private enterprise, and most governments do not provide monetary rewards in the form of a bonus or anything like that, even in the form of coasters, and I would expect that the Member maybe still has those coasters as a memory of his good job at a young age. So because we do not have access to those kinds of emollients for our workers, it makes it even more incumbent upon us as managers and I say people in supervisory positions all the way down the line and even co-workers, your peers, to ensure that when a job is well done or a task has been undertaken or a good idea has been handled or you have come through a tough patch, that you recognize that.

You recognize that for your co-workers. You recognize that for the people who have done the job for you. That starts from the top on down, because it goes back to the empowerment, it goes back to the basic respect and it goes back to a recognition that it is public service, and

there is not that same kind of financial reward offered that is, in some cases, not all, in the private sector.

Mr. Schuler: The last time we were together as a committee, the Minister quoted—one of her answers was: "in the fullness of time." I do not know if she had seen the series "Yes, Prime Minister" or "Yes, Minister," and I do not know how much she has watched them or spent time watching them. It is actually quite a fascinating series. In there, they do talk about this particular issue, in that certainly one of the benefits of being a public servant is that it has historically been a guaranteed income on and on, but in private industry you still have this greater recognition for outstanding achievement.

The Minister mentioned one of the ways she recognizes. Is there any other resource that the Minister uses as their—I asked already, I know, bonus program, which I know there is not? Are there recognition dinners? Is there something the Minister personally does, or is that the outstanding achievement award where that would then encompass how the Department goes about recognizing the importance of its staff as a resource?

Madam Chairperson in the Chair

Ms. Barrett: Each division does its own thing, if I may.

Sorry, let me back up. I watched every episode of "Yes, Minister" and almost every episode of "Yes, Prime Minister" and I still wake up in the middle of the night in a cold sweat. Oh, my goodness, that is what they meant.

I must change that. I must tell you that I have had nothing but the finest of support and advice and assistance from the staff in the Department of Labour. "Yes, Minister" actually only has reflected directly on my interactions with some people, who shall remain nameless, who say: Yes, minister, and then I have to chuckle, because I am always reminded of that series, which is a deadly, deadly series, very entertaining.

But, at any rate, in response to your direct question, the divisions and various groups within

the Department have regular or irregular ceremonies to recognize various individuals who have done good work. We also have recognition for people upon retirement, that kind of thing. This Christmas for the first time the Minister and Deputy Minister are going to host a dinner for the staff and hand out awards at that time for the entire department. It will be self-funded.

Just as a conclusion, I think it is incredibly important. People need ceremony. They need a certain kind of ceremony and particularly recognition ceremonies. So whatever we can do to do that on a personal one-to-one basis or more formally is very important. I believe that very strongly and want to work with the Department to ensure that that happens as much as possible.

Mr. Schuler: I think I have watched all the episodes as well. In fact, I have the whole series of "Yes, Prime Minister." The Minister was speaking about her particular department. I did interview a few former ministers of Labour and they all concurred. They felt that there was not one individual there who was not of the highest standard, and I believe in the series, the finest of the public service tradition. That certainly has been the message that has come down from all previous ministers of Labour.

Insofar as recognition goes—and this will basically be the end of this particular series—I did sit on a school board for four years, and probably one of the nicest things, one of the things that was most appreciated, it is called recognition night. In fact, probably the second most favourite event I ever had to go to was recognition night. That is where employees who have decided that they are going to retire or they have moved on to something else are recognized, and it really is a remarkable event where you say to the individuals, who did not get the kind of financial bonuses, who did not get a lot of other things, thank you for your service, and this year I am going to be one of those people recognized because I am no longer with that particular school division.

Just the last question that I would have on that: Is this a very heavy cost implication, or does the Minister even have an idea what the cost would be on the whole recognition side of it?

Ms. Barrett: It is virtually a no-cost situation. The Department of Labour's support for the service excellence awards dinner will be no more than \$1,000, and virtually everything else that is done on any basis to recognize workers is virtually cost-free.

* (16:20)

Mr. Schuler: On the mission statement, how long has the mission statement read exactly as it is on page 7?

Ms. Barrett: Approximately three years.

Mr. Schuler: I am a very big believer in mission statements, so I have a few more questions on that. How was it that the department came up with this particular mission statement? I happen to think that it is a good one. How was it developed?

Ms. Barrett: The mission statement that is currently in effect, or currently in the Estimates, was devised through a committee, a management team, which is under the executive director level. So it is made up of individuals who are under that top echelon, and who report back and forth to the people they work with. It was sort of a compilation of recommendations and ideas that came up from the line staff, if you will, through to the management team, and that has been in place for three years. The mission statement needs to be updated to reflect the addition of the citizenship, multiculturalism and immigration areas into the Department.

Mr. Schuler: That was going to be my next question. Obviously, a mission statement is incredibly important. In fact, it has become one of the buzz words that we have been hearing in management, probably for the last ten years, that organizations that do not have a strong mission, that have not bought into a mission, tend to flounder. It is a fairly strong mission statement, and I commend the public service for that. The question is, the labour part of it, as it is right now: Does the Minister see there being a change in the mission statement, a directional change?

Ms. Barrett: Well, it would be presumptuous of me to really answer that question either as a yes or no, because the process will be, as I have

stated in my earlier response—it will be the new mission statement, which will have to include the new portions that have come over from Culture, Heritage. The mission statement will be developed through consultation with all staff by the management team. It will have to change to reflect the new composition of the Department. Other additions or deletions would be up to the Department as a whole to come up with.

Mr. Schuler: Would the Minister have difficulty that once a new mission statement has been agreed upon—could a copy of that be forwarded to myself as the Labour critic—again, being a very big believer in mission statements?

Ms. Barrett: Certainly, when, in the fullness of time, that is finalized, we will be glad to share it with the Member.

Mr. Schuler: Under Guiding Principles, and there are excellent ones listed, I will just read the first one: "Serve the Manitoba public efficiently, courteously, and effectively." They are excellent as you read through all of them. How long have these guiding principles been in place? Again, it is sort of a continuation of a mission statement. The mission statement sets a direction; the Guiding Principles are—it is almost like the mandate—you have your mission, and then you have a mandate. I was wondering: How long have these been in effect?

Ms. Barrett: Approximately the same length of time as the mission statement.

Mr. Schuler: About 1997, is that right?

Ms. Barrett: Roughly.

Mr. Schuler: Is the Minister, through her department, planning any changes to the guiding principles, other than to reflect the new responsibilities that have been added to the Department of Labour?

Ms. Barrett: I have not given it any thought to date, but I would assume that after the new mission statement is developed that we would take a look at the guiding principles and see if they reflect the new mission statement or if there needed to be additions or changes. I cannot imagine deletions because I think everything

here is quite critical, but that will have to wait until we get the new mission statement.

Mr. Schuler: At that time when the Department has agreed upon any changes on the guiding principles, would the Minister consider passing along a copy of that to myself?

Ms. Barrett: The Minister would consider it at that time.

Mr. Schuler: Would the Minister agree to sending to myself as the Labour critic a copy of the new guiding principles?

Ms. Barrett: Yes.

Mr. Schuler: If the Minister would so agree—I am ready to go onto a new section—a five-minute break, if that is agreeable for the Committee.

Madam Chairperson: Is it the will of the Committee to take a five-minute recess? The committee will take a five-minute recess.

The Committee recessed at 4:28 p.m.

The Committee resumed at 4:35 p.m.

Mr. Schuler: Madam Chairperson, on page 8, one of the things that I would just like to do is ask a few questions about the statutory responsibilities of the Minister of Labour. I would like to ask her on Amusements Act (Part II), what are the exact responsibilities of the Minister under The Amusements Act (Part II)?

Ms. Barrett: This schedule is similar to the organization chart in the sense that it is a summary. I would appreciate if the Member could ask about these statutory responsibilities when we get to the specific areas under which they are responsible, because we have the staff here for the first one or two parts of the Estimates book starting on page 20. So the material that is ahead of page 20 is summary in nature, and in particular the statutory requirements. I would appreciate it if he could ask those questions under the specific areas under whose responsibility they lie.

Mr. Schuler: I actually have no problem with that. If it would so please the Minister, I would like to run through them and just ask where exactly do they fall under that when we get to that part that we know to ask the question. I think the Minister probably can understand more than most in this room, that to be the Opposition critic means you learn by committee, unlike the Minister who has her whole departmental staff to explain where everything fits in. So, if that is fine with the Minister, I just want to know where these actually fit in so that I know to ask the questions, unless she plans on reminding me that I am supposed to ask those questions at that point in time, but I did not think so. Under The Amusements Act (Part II)–

Ms. Barrett: I am sorry to interrupt the Member, but I am wondering if we could go on to another line of questioning, and I will have staff put that information together. Then I can read it out very quickly, rather than in a couple of minutes, because staff has to put that in place. If that is acceptable for the Member, I will get that information to him as soon as I can, as soon as it is put together by the staff.

* (16:40)

Mr. Schuler: That is fine. I would like to ask the Minister—and I do not know if this would be the time, and perhaps she can give us some direction on this. It has to do, and again it is more to find out where this would fit in—with the compensation committee, what is the function of the compensation committee of the Treasury Board, and how does that meld with the Department of Labour?

Ms. Barrett: That currently comes under the Civil Service Commission. If I may conclude—I am sorry, I did not have the full answer. The Civil Service Commission is a separate estimate, and there will be a book tabled for the Civil Service Commission. I believe, if memory serves me correctly, it is at the end of one of those three lists of Estimates. We will not get to that for some distance away.

Mr. Schuler: I feel that was one of those "the fullness of time" answers. Could you just explain that one more time, Minister. Where would this fall under in the Estimates?

Ms. Barrett: It was not meant to be in the fullness of time. Well, in a way, it was. I am minister responsible for a number of areas, some of which come under the Department of Labour Estimates, but there are other sections that I am responsible for, one of which is the Civil Service Commission.

The Civil Service Commission has its own Estimates book and its own time for meeting. If you are the critic for the Civil Service Commission, you and I will get together again, either in this room or in one of the other rooms at the very end of the process. We had the various departments divided into the Chamber and two meeting rooms. The Civil Service Commission is at the tail end of one of those meetings.

Mr. Schuler: It would just be then a global questioning. The Minister does co-chair this committee, is that correct?

Ms. Barrett: I would prefer to answer those questions about the Civil Service Commission, any elements of that, when we get to those Estimates. That is not a part of the Department of Labour at all. It is not a part of this department's Estimates, just as the Manitoba Public Insurance Corporation is not or the Workers Compensation Board is not. The Civil Service Commission is a separate and distinct item, and it is the last item in the Chamber under Estimates.

Mr. Schuler: Seeing as we have sort of got to the point now where we want to go through the Estimates book and relate things over—and as soon as we can find out where the various acts responsible to the Minister, and that is fine, we know that is coming.

Minister's Salary is something that we have already deferred to the end. So I guess then we are going to start on 11.1. (b) and that would be Executive Support.

I would like to ask the Minister: How does the Department determine whether or not its policies and programs are achieving greater fairness, equity and co-operation in the workplace? That comes under Expected Results on page 20.

Ms. Barrett: I will answer that specific question and then I do have the information about where the location of all the statutes are, so we can get back to that. Basically, each division establishes a work plan for the year and that is based on the business plan, which is a department-wide plan for what we want to see in the Department of Labour through the year. That is also framed by and part of the Estimates process, so it is all sort of put together.

We establish a business plan, and we do that through consultation and working with the various divisions. The various divisions have their own work plans that they are responsible for implementing. That all helps to frame the Estimates process that we undertake for a fair portion of the year. Each division monitors that in its own way. The Employment Standards Division will have ways of monitoring how successful they are at achieving their goals and objectives, same thing with Mechanical and Engineering and Workplace Safety and Health. So, the specifics, I think, of the monitoring might be best asked under each division. But that is basically what we do. We start from a departmental perspective and then have the individual divisions with their own work plans.

May I then give the Member the division? Okay. The Amusements Act, Part II is under Mechanical and Engineering or M and E; The Buildings and Mobile Homes Act is Office of the Fire Commissioner; The Construction Industry Wages Act is Employment Standards; The Electricians' Act and The Elevator Act are both Mechanical and Engineering; Employment Services and Employment Standards are under Employment Standards; The Fire Department's Arbitration Act is under Conciliation; The Fires Prevention Act, Part II is under Fire Commissioner; The Gas and Oil Burner Act is under Mechanical and Engineering; The Holocaust Memorial Day Act is under Citizenship; The Labour Relations Act is under the Labour Board; The Multiculturalism Act is under Citizenship; The Department of Labour Act is under General; The Pay Equity Act is under Conciliation; The Pension Benefits Act is under Pensions; The Power Engineers Act is under Mechanical and Engineering. The Remembrance Day Act and The Retail Businesses Holiday Closing Act are under

Employment Standards. The Steam and Pressure Plants Act is under Mechanical and Engineering. The Workers' Compensation Act is under the Workers Compensation Board. The Workplace Safety and Health Act is under Workplace Safety and Health.

Mr. Schuler: I would like to thank the Minister for that. To get back to 11.1.(b), you have got stated Objectives listed: "To develop, implement and oversee departmental policies and programs which are designed to attained, over the long term, the goals set out in the department's vision and mission statement." Is this something that has been changed? Does the Minister see the objectives for this particular area within her department changing in the next year?

Ms. Barrett: No. This is a fairly broadly encompassing objective. The implementation of it would change if the mission statement and the goals, the guiding principles change as we discussed earlier. At this point, the Objectives, I do not see any need to change.

* (16:50)

Mr. Schuler: Back to the Expected Results. I will just read that "the continued development, delivery and maintenance of policies and programs which help to achieve greater fairness, equity and cooperation in the workplace." Is this one of the areas where the Department endeavours to consult equally with labour, management and other client groups?

Ms. Barrett: Yes. "Fairness, equity and cooperation" are all words that, in order for them to be implemented, need a balanced approach and need the support of, as much as possible, all participants, which includes management, labour, employees, employers, as well as departmental staff and advisory groups. So, yes, this does not happen if you do not have good relationships or working relationships with all partners in the goals.

Mr. Schuler: What about policies and programs that are found that do not help to achieve "greater fairness, equity and co-operation in the workplace"?

Ms. Barrett: To my knowledge, there are no programs or policies in the Department of

Labour that do not have as their ultimate goal the achievements of fairness, equity, and co-operation or public safety, which is the other Expected Result.

Mr. Schuler: How do you determine the policies and programs if they in fact do achieve "greater fairness, equity and cooperation in the workplace"?

Ms. Barrett: I think those, generally speaking, each division would take a look at their work plan, and again it will be reflected in statistics, and in numbers of conciliation, numbers of successfully concluded agreements, numbers of what the work of the Labour Board has been, the work of the Workplace Safety and Health Division, Employment Standards. Each division, then, would have its own method of measuring the achievements towards those goals, again reflective of what the work is of the individual division.

Mr. Schuler: To the Minister: If a policy or program is found to no longer be in line with the Expected Results, what is then the process?

Ms. Barrett: Well, I would suggest that is again a very individualized answer. It would depend on if it were a policy issue, we would take a look at changing the policy. If it was a situation that required legislative change, we would make legislated changes. I think that is a part of what the various governments do in Labour, they make changes in legislation.

For example, The Retail Businesses Holiday Closing Act was one of those examples of co-operation among business employers, employees and members of the House where there was discovered to be a loophole in the legislation at the time that would have a potential implication of the tenure and goal of the legislation not being followed.

So once that was identified, we worked together co-operatively to make a change in the legislation so that the policy that that legislation was designed to implement could actually be implemented. So that kind of thing. We take a look at things in legislation. In regulations, we can make regulations; we can make policy changes. Sometimes we make staffing decisions

based on changes in policies or perceived needs. Many ways that we can do to change to be flexible.

Mr. Schuler: I guess, then, it would be a given that the Minister would never introduce legislation or regulations unless they could be shown to be in line with the Expected Results of achieving greater fairness, equity and co-operation in the workplace.

Ms. Barrett: Yes, and I would also add public safety and workers' safety where they would have an impact. Regulations that deal with public safety and that come under many of those, Mechanical and Engineering, pieces of legislation would have that as their goal. Yes, we, as much as is humanly possible, everything we do we would like to be able to justify as fulfilling those goals.

Now, to be fair, not everyone in the province might think that legislative change or regulatory change is actually following those guidelines. Those words are open to interpretation. But my position is that as minister and as a government, we want to, according to what we feel are the goals of fairness and equity, make changes that would reflect what our view of that is. It may not be everyone's view but, yes, we would want to ensure that everything that we did was framed by those goals.

Mr. Schuler: Just moving on to Salaries and Employee Benefits under Professional/Technical. Why the decrease in expenditure on Professional/Technical salaries?

Ms. Barrett: Yes, that position is the support staff for the Cabinet Committee on agencies, boards and commissions. The former government had that position housed in the Department of Municipal Affairs, so that came over to—I am sorry, I stand corrected. It was housed in what was then Industry, Trade and Tourism. That individual's name was Sue Hoplock, and when the Government changed, the individual changed and the location of the Committee on boards and commissions changed to my department, because I am the Chair of the Committee. So that reflects a difference in salary for that individual.

If I may just briefly, tradition has it certainly with the former NDP government—and I believe with the former Progressive Conservative government—there always has been an individual in a process whereby individuals are appointed to boards and commissions, and there is a co-ordinator position. Then there is also a Chair of that process, too. So the Minister who is chairing that process has within their budget this particular item which does not necessarily reflect my role as Minister of Labour or anything, but it is where it is housed. It is another one of those interesting situations that arise.

Mr. Schuler: So to get this straight, that individual then does not fall under Executive Support. Is that minister now part of your political staff? Where is that person now housed?

* (17:00)

Ms. Barrett: The one FTE at \$50,700 works with me. She is the secretary to the Cabinet Committee on agencies, boards and commissions. Because I am the Chair of that committee, that is where her position is. In the former government, the Minister of Industry, Trade and Mines was the Chair of that committee or that process. So it transferred over from that ministry.

Perhaps I am responding to the Member's next question, but the position is filled at a lower classification and at a lower starting salary than the previous incumbent, which is why the change in remuneration there.

Mr. Schuler: Could the Minister just tell me or tell the Committee through you, we have the FTE, that is, a full-time equivalent. I take it wherever there is a one that would mean that there is one individual, or are there two individuals that occupy that job, job share?

Ms. Barrett: If the Member is asking a general question, I will answer generally. If he wants more specifics, I am not quite sure. The FTE category could be made up of one full-time person or some full-time people and some part-time people that add up to eight equivalent. For example, the eight admin support, I believe, includes—sorry they do not. But the eight FTEs

there could be made up of ten or eleven or twelve actual individuals whose hours and days worked adds up to eight.

Mr. Schuler: Then could I ask the Minister why the decrease in expenditure on administrative salary? Administrative Support?

Ms. Barrett: It is a small figure, and it basically reflects a turnover, and when you have turnover, you usually start a person at a lower salary. Often when you have the same full-time equivalent figure and a different dollar amount either up or down, that is what it is reflecting. It is reflecting the same person moving up in the scale or new people coming on who would be lower in the scale. So that is usually what that means.

Mr. Schuler: Just on the managerial side, the Deputy Minister, I take it that is one person. Could you tell me what his actual wage is?

Ms. Barrett: Yes, \$96,000 plus benefits—that normal.

Mr. Schuler: What benefits would come with that position?

Madam Chairperson: Order, please. A recorded vote has been requested in another section of the Committee of Supply. I am therefore recessing this section of the Committee of Supply in order for members to proceed to the Chamber for a formal vote.

The Committee recessed at 5:03 p.m.

The Committee resumed at 5:59 p.m.

Madam Chairperson: The House having risen, Committee rise.

AGRICULTURE AND FOOD

* (14:50)

Mr. Chairperson (Conrad Santos): Would the Committee of Supply please come to order. This section of the Committee of Supply has been dealing with the Estimates of the Department of

Agriculture. Would the Minister's staff now please enter the Chamber. We are on page 27 of the Estimates book.

Resolution 3.3. Manitoba Agricultural Credit Corporation \$6,614,000. Shall this item pass?

Mr. Jack Penner (Emerson): Mr. Chairman, yesterday when we left, or before we left, I indicated to the Chairman that I would review the Hansard very carefully and I would try and determine whether his ruling, that he had indicated that I was not addressing the Chair, was, in fact, correct.

I think if the Chairman of the time would look, he would find that I had started off the response as we normally do, by responding to the Chair, and it is clearly stated that I addressed the Chair in my response to the remarks that the Minister had made.

Mr. Stan Struthers, Acting Chairperson, in the Chair

I indicated yesterday that when we did the review of the remarks made in Hansard, if that was, in fact, true, I would ask for an apology by the Chair. I think the Chair needs to respond to this because I think it is clear, according to Hansard, that we started the response through the Chair and to the Chair.

I would suspect that if the Chair would review—and I mean the Chairman of the Committee—the process of the day, I think he would find that responses by the Minister in direct response to comments made by myself or reference made by myself, in response to that, in answering a question, she said: "After that rant by the Member . . ." and there was no reference to the Chair by the Minister.

There were numerous areas where there was no reference to the Chair by the Minister, and if we want to make a differentiation as to who responds to what and be that specific every time, then I would suggest to the Chair of committees that he should meet with his assistants and make it very clear, very clear, that every response would come through the Chair and that every comment would be made through the Chair.

The only thing that I ask for is equal treatment in this committee. I think every one of the critics in this government deserves exactly the same kind of consideration and every minister, I believe, deserves the same kind of a reference. In this Chamber, we are all equal. I ask only one thing, that we are treated equally in this Chamber, and if there is an allowance for not addressing the Chair by one person, then that should be extended equally to all people. If there is no allowance, then no allowance should be allowed. That is all I ask for.

If the Member will reflect on the final response to the comment made by the Minister in my final comment, and if that was not made through the Chair, then I apologize, but if it was, then I demand an apology from the Chair.

The Acting Chairperson (Mr. Struthers): I thank the Member for Emerson (Mr. Jack Penner) for his advice.

Yesterday I did give the Committee my word that I would review Hansard, and, indeed, I have. Today, it is my opinion, given statements that were made on page 2111 of the Hansard for Monday, June 5, the paragraph on page 2111 on the left-hand side of the page—I will quote the statement that I was responding to when I was in the Chair, a statement made by the Member for Emerson: "Well, Madam Minister, let me assure you of one thing. You step aside, and we will do it. I guarantee you we will do it and do it very quickly. But it will mean your resignation"

In my opinion, that is proof that the Member for Emerson was, in fact, speaking directly to the Minister, which is not the practice of this House. The Member, as I advised yesterday, needs to put his questions through the Chair to the Minister, and the Minister must put her answers back through the Chair to the members of the House. That, as I understand, is the practice of this House.

It is more than practice that we follow here in the House. It is the rules of the House. Clearly, yesterday I asked that all members ensure that they put their questions through the Chair to the Minister and from the Minister back through the Chair to the members asking questions. It seems to me that is very

straightforward and that is advice that we all need to follow while we participate in this House. I do take seriously the Member's suggestion that these rules be applied in a fair and equal manner.

When I was in the Chair, those were the sentences that I had to deal with, and I think that my responsibility is to ensure the rules of the House are followed and that the practices that are used in this Chamber in the committee are adhered to. That would be the ruling, in my opinion.

Mr. Jack Penner: Then I take you back to page 2110 when I started my remarks, and I said: Well, Mr. Chairman, I am quite interested in the language the Minister uses.

Point of Order

Hon. Gord Mackintosh (Government House Leader): On this matter, the Chair has made a ruling referencing the use of the word "you" referring to the Minister. The ruling has been made, and it is a ruling of the committee. To debate a ruling of the Chair would, in my view, be improper and reflects, of course, on the authority of the Chair. So, if the Member does not like a particular ruling, he knows there are avenues available under the rules.

Mr. Chairperson in the Chair

Mr. Jack Penner: Mr. Chairman, seeing that the assistant chairman made a ruling, I am wondering whether the Chairman also wants to make a ruling. I take you back then to page 2108, and I question the lack of a rule in here when Ms. Wowchuk, the Minister, made a response: After that rant and rave by the Member, I will tell him that the people of Manitoba will remember the work that this government has done.

Was that addressed to the Chair, or was it not?

Mr. Mackintosh: Point of order.

Mr. Chairperson: Point of order being made, the Government House Leader.

Mr. Mackintosh: I take this as a point of order. If the Member has a point of order, he should raise it at the time that the matter that is being disputed is being put forward. This was, I understand, a debate in this sitting of Supply yesterday, and the proper time to raise the point of order would have been yesterday.

I will just continue. On the point of order, if the matter of substance is to be discussed, the rules are very clear that in our proceedings references made not directly to a person but rather to another member in the third person, in other words, as rule 35 says: "Every Member desiring to speak shall rise in his or her place and address himself or herself to the Speaker."

* (15:00)

We had a point of order like this in the House, as I recall, and the reason for it is, as I understand it, to defuse what could be rising tensions when individual members start to go after each other. By having the Chair as the funnel, if you will, for debate, matters can take place on the basis of policy and ideas rather than individuals and personalities. But my understanding is that the point of order is not timely, and it should have been raised yesterday. In any event, the substance was dealt with by the Chair earlier.

Mr. Chairperson: Order, please. We are civilized enough to understand the rules. The rules are that there should be no direct confrontation between the Minister and the critic. I am addressing this statement to all members of the committee. They should direct their questions to the Chair and the answers to the Chair. In that way we can function harmoniously in this Chamber. That has been the practice. That is what we are going to do.

Mr. Jack Penner: Mr. Chairman, then, on the same point of order that the Honourable Government House Leader made, in reference to what you have just said and in reference to what he said, are we agreed then that the rules were not properly followed, in both cases?

Mr. Chairperson: To err is human; to forgive, divine. We cannot be perfect ourselves. There are lapses on both sides of the Chamber.

Therefore, one of the rules is that points of order should be raised immediately the moment the event takes place.

Mr. Jack Penner: On the ruling that has just been made then by the Chair, I will challenge the ruling, simply based on the inequity and the unequal treatment of members in this House.

Mr. Chairperson: If the Chair made any ruling, it is that all members should be treated equally. If the Chair made a ruling, it is that we should follow all the rules. If that is being challenged, then that is on the record. Does the Member challenge that ruling?

Mr. Jack Penner: Mr. Chairman, the ruling before by your co-chair was that I had not addressed the Chair in my response to the Minister's response. I challenge that based on what is clearly evident in Hansard when I responded: "Well, Mr. Chairman, I am quite interested in the language," in my opening remarks of the response I made to the Minister.

In the previous remarks the Minister made, on page 2108, I believe it was, it is clearly stated, "After that rant by the Member," without any reference to the Chair, now I ask the Chairman—that is the ruling I challenge, that if one ruling is made for one member of this House, then that same ruling must apply for the other. So I challenge the ruling of the Chair that I was out of order.

Mr. Chairperson: If the ruling of the Chair that the Member for Emerson is challenging was the ruling of the Chair that happened yesterday, this chair now sitting has no jurisdiction, because the rules say that we cannot challenge—*[interjection]*

Maybe it will clarify the matter if the Member for Emerson will clarify which ruling he is challenging.

Mr. Jack Penner: Well, it is very clear that the Chairperson is clearly not understanding the issue. It is very difficult to deal with a governing body that does not understand even the simplest of rules and/or procedures. It is very clear, and it is very evident, that the political agenda sits at this table and treats one member differently than another. We will respect that kind of a

procedural matter from this chair and from this group of co-chairs, and we will play by those rules. But let me assure you, Mr. Chairman, that from now on I will listen very, very carefully to every little response that is made by people at this table.

I will suggest to you, Mr. Chairman, that you also listen very carefully, because I will challenge every response that is not made to the Chair if that is how we want to play the game.

I like the procedure as we had before, that you could joust with each other, that you could even challenge each other because, in my view, that is what debate is all about. Questioning in this Chamber of ministers during an Estimates process should not be restricted in such a manner that it is almost dictatorial in its manner of approach to the relationship between a critic and the Minister. The Chairman should be very careful, I think, in his ruling to ensure that the maximum of information flow can happen between these two bodies, because that is what this process is all about, to find out what the information is.

Yet here I find myself treated differently than the other members of this Legislature. I want to put that clearly on the record. That is the challenge I make to this Chairman, that he has clearly ruled and his co-chair clearly ruled that it is very, very acceptable to treat his government members differently than it is to treat the Opposition. Let us get on with the Estimates.

Mr. Chairperson: What I said applies to all members of the Committee.

* * *

Mr. Chairperson: Let us go on to the Estimates.

3.3. Manitoba Agricultural Credit Corporation \$6,614,000. Shall this item pass?

Mr. Jack Penner: I would like to, Mr. Chairman, ask the Minister whether the young farmers rebate program, and I touched on this yesterday, is in fact already being drafted and/or whether the policies have been set by her government and whether she could clearly

enunciate the policy direction that her government wants to take on this and whether she has any information that she might want to table for the young farmers rebate program. I understand that there are a number of young people at least in our area that are looking at taking over the family farm if there are provisions made within a new program that might make it more amenable for them to stay on the farm.

I wonder whether the Minister is prepared today to at least give us an indication of what their policy direction might be in this area.

Ms. Wowchuk: Mr. Chairman, as I indicated to the Member yesterday, this is a new initiative we are taking forward in recognition that we have an aging farm population, that we have young people who want to get into farming operations. We very much want to play a part in facilitating that because we recognize the importance of the industry and the importance of having young people involved in it. We have begun the preliminary work on the program that is called Project 2000. Details are not available yet. We hope to announce them later on this year, but it is in the development stage right now.

Mr. Jack Penner: I wonder if the Minister can indicate to us whether she is considering a subsidized interest rate that she might be considering to these young people or maybe even a no-interest, very low-interest program that she might be considering for these young farmers.

* (15:10)

Ms. Wowchuk: Mr. Chairman, I know that the Member will agree with me that there are young people that want to get established in the agriculture industry. There are older people, sometimes parents but sometimes just people in the community, who are looking for a way to exit the industry, but they need to be assured that they have some comfort level to their retirement package, and we are looking at all options that we can use to ensure that transition can be facilitated in a way that young people will be able to get started and older people will have an income. The suggestions that he has made will be things that will be taken into consideration,

and more details will be available when the project is finalised.

Mr. Jack Penner: Mr. Chairman, it is clear to me that the Minister—or maybe I should ask that differently. Maybe I could ask you to ask the Minister whether she can clarify her position in regard to whether she might want to answer the question that I just put: whether it is her intent or her government's intent to put in place a low-interest loan program or a no-interest loan program to young farmers that they might in fact be able to take over the farm.

Ms. Wowchuk: Mr. Chairman, again, through you, to the Member, I want to indicate that this is a program, as I have said previously, that is being developed. We are looking at various options that can be used to facilitate the transfer of land. The Member raises the issue of interest rates and certainly the interest rates are one of the big issues that face people who are going into any business, whether it is a manufacturing business or a restaurant business or anybody is buying a business. The interest rates are one that has to be addressed. We want to ensure that young people who are interested in returning to farm operations or want to establish themselves in a rural community where they can become contributors to that community and also production of food which is very important to this province.

We are looking at all of those options, but the member raises a very good point, the fact that interest is one of the issues that has to be addressed, and I would tell the member that in due course we will be announcing details of the program. We have begun to work on it, and we are beginning the process where we are encouraging people to do their estate planning to look at all options to ensure that this business is the right business for them to be getting in as all people should consider as they get into a business venture.

Mr. Jack Penner: Mr. Chairman, would you ask the Minister then whether she is also considering loan guarantees to the aging farm population that is leaving the farm to ensure that they would in fact receive the agreed amount that the young farmer and the leaving farmer would have agreed to? Are they going to

guarantee those loans, or they going to underwrite those loans?

Ms. Wowchuk: I know that the member recognizes this as an important issue and one that has to be addressed. I indicate to you, Mr. Chairman, that it is one that we identified as an area where there should be some work done to ensure that there was a transition and stability for the ageing population and help for the younger people who are getting into the industry. We are working on all those aspects, and when the program is fully designed, the Member will then get full details on the program. The program is not fully designed yet.

Mr. Jack Penner: I am wondering, Mr. Chairman, if this government is, in fact, initiating that kind of a program of low interest, maybe no interest, and guaranteed loans to the young farmers and/or aging farmers leaving the farm, and securities in that matter? Are they also considering those same kinds of provisions for young businessmen in communities that would want to take over their father's business?

Ms. Wowchuk: Mr. Chairman, this department and MACC deals with agricultural issues. I have indicated to the Member that we are looking at a program, Project 2000, which will help young people take over and get established in the business of agriculture. I know that the Member recognizes this is a very important industry, and I think all people in Manitoba recognize agriculture as an important industry.

We also recognize that for healthy rural communities you need families living out there, and I am a very strong supporter of families being involved in the agriculture industry, and that is why we are developing this program. Staff have been looking at various ways that we can implement it and put in place a policy that will facilitate young farmers to get themselves set up and continue to carry on this very important business of agriculture.

Mr. Jack Penner: It is becoming more and more clear that the Government and the Minister have not really given full consideration to—they have announced a program that they I think might want to look at. But it is becoming more and more clear that they have not done any real

work on this, and it is also becoming clear that young farmers who are out there wanting to take over the family farm are going to be left in limbo for some time to come because this Minister clearly has not done her homework.

I would suspect that before you make this kind of announcement, you do a considerable amount of background work and research and make decisions in Cabinet and in caucus to give direction to people developing programs. So I would suspect that there is not much in the wings in the near future. Maybe just before the next election, there might be a program announced, but that might even be too soon.

The question I have, Mr. Chairman, for the Minister, is she has on numerous occasions expressed some real disappointment with the previous government and how it dealt with the livestock issues. She is on record on many occasions criticizing the expansion of the livestock industry and specifically the hog industry. But there is one industry that has grown very dramatically in this province, very quietly, and it was an industry that was virtually extinct. It was the bison industry. I mean, they were virtually extinct in this province, and it has now grown to about 10 000 in number, maybe just under 10 000. But the association informs me it could it could be approaching 10 000.

So are there any special programs that MACC is utilizing and/or is MACC going to continue the loans program? I understand that there was a loans program devised by the previous administration. Are they going to continue the loans program to the bison industry to ensure that there is a proper and ongoing development of that industry?

* (15:20)

Ms. Wowchuk: Mr. Chairman, I just want to go back. The Member covered a few issues in his comments. I would be remiss if I did not comment on them. He indicated that it is clear to him that there has been no work done on our transition program and that he does not expect the program until maybe the next election. Well, I would just tell the Member to be a little patient. We have announced that there will be a program and we have given direction to government on

what our plans are. We are very committed to seeing young people and the farming industry grow and thrive. I would ask him to be just a little patient on that particular issue and then he will see our program in due course.

He also indicated, if I heard his comments right, about my criticism of the expansion of the livestock industry. I would have to ask the Member, Mr. Chairman, to really reconsider those comments and look back at Hansard, because if he looks back at them he will see very clearly in my comments that I have always said that we expect the livestock industry to grow. It is a very important industry in this province, but we must ensure that it grows in a sustainable way. I continue to say exactly what I have always said in opposition. I hope the members opposite would also recognize that these industries are important to Manitoba and that we have to work together with the industry to ensure that our environment is protected and that we also have a sustainable expansion.

Definitely the bison industry is a very important industry in Manitoba, one that is growing. I have to tell the Member that the department meets with the bison industry on a regular basis and discusses issues that are important to them. I have certainly met with the people in the bison industry and talked to them about their concerns. Certainly there has not been any concern by people in the industry with the support that is offered through MACC. People in the bison industry have the option of applying for stocker loans. They have the ability to apply for direct loans but, as with any loan program, they have to be viable operations. When an application is made, the staff that we have at MACC is very competent. They review the applications. If it is a viable operation, they would qualify for loans. The loans that were in place continue to exist because we recognize the importance of this industry and of the whole livestock industry in Manitoba.

Mr. Glen Cummings (Ste. Rose): I would like to ask a question that is related to the financing of beginners in farming but probably not directly related to the staff that the Minister has with her at the moment. But it is equally important in terms of access to land and financing, and that is what direction has the Minister given or does she

intend to give to the Farm Lands Ownership Board, and has there been any change in policy in those who would immigrate to this country being able to access property?

Lest the Minister or anybody else choose to misinterpret the reason I am asking the question, obviously when there are people retiring out there, the value of their property, whether it is being driven up by buyers or whether it is, in fact, able to return the value that they believe they have accumulated over the years, is all relevant to what the market is out there, and that market is affected by policy decisions that government may make in that respect.

So, specifically, can the Minister tell us has she given any direction to this board?

Ms. Wowchuk: Mr. Chairman, I have not had the opportunity to meet with this particular board that the Member raises, but I intend to meet with them in the near future, and at that time we will be discussing the types of issues that he has raised. But there has been no change in policy.

Mr. Cummings: Has the Minister affirmed the appointments of the members on that board?

Ms. Wowchuk: I believe the Member was asking whether or not there have been any changes in the membership of that board, and, yes, there have been changes.

Mr. Cummings: My question was had the Minister affirmed the membership of that board. She has said that she has changed some appointments. If she has changed appointments, has she had any discussions with those appointees about the policy directions she wants them to follow?

Ms. Wowchuk: Mr. Chairman, as I indicated earlier, I have not had the opportunity to meet with this board. I hope to do so in the near future, and when we have that meeting, then we will have discussions on those issues.

Mr. Cummings: Are there any applications currently before this board, and if the Minister does not have the appropriate staff here to answer that, then she is welcome to take it as a notice.

Ms. Wowchuk: Yes, I will take that question as notice and respond when we have the appropriate staff in the Chamber with us.

Mr. Cummings: The Minister says she has not yet met with the Board and therefore has not had a discussion about policy direction, but, historically, there has tended to be a philosophical difference between the party that this Minister represents and some of the thinking of my constituents in terms of farmland ownership, certainly issues that have occurred in my area recently.

Some retiring farmers have been able to retire, because there was opportunity for immigrant farmers to acquire the land, and of course that raises a dual-pronged problem for this minister. On the one hand, she needs to encourage young people to have a succession opportunity in this province. But if she moves to change the policy of any magnitude to restrict opportunities for others to invest in this province, then she will be taking away retirement opportunities for those who want to realize on their investment.

Has she pursued any policy initiatives that she plans to be conveying to this board? She must have given them some instruction if they report to her. Has she given them any policy direction, or is it business as usual?

* (15:30)

Ms. Wowchuk: Mr. Chairman, the Member raises some very important issues. He talks about the transfer of land and the interest of investors coming into the province, and those are all very important issues. We know that there are people from other countries that want to invest in Manitoba. We have not closed any doors to those investors. They are still welcome to come here. We are looking at policies that will help young people with intergenerational transfer of land as another option for people to look at. It is not all of one or all of another.

I think what we have to do as government is provide a variety of options for people. The individuals who are the landowners will then make those decisions as to whether they want to take advantage of the options that are put

forward by this government when we announce the details of Project 2000, or if they want to take advantage of the options that are there right now to seek investors from outside the country to purchase their land. I think that is what the Member is talking about. But certainly, there has been no change in policy.

Mr. Cummings: Well, I hope the Minister will send a copy of this Hansard then to the members of the board, so that we can be assured that there is no change in policy, and until direction comes to change policy that we can expect that board to continue with the policies that have been in practice over the last number of years. I would give the Minister some free advice. Probably it would be prudent not to be making radical changes. It is worth exactly what you are paying for it. But nevertheless, while it is an issue of some minor debate from time to time, this is extremely important to some individuals in this province who are contemplating change and who are contemplating investment.

The Minister does not need to respond if she chooses not to, but I do encourage her to continue along the vein that she has just expressed.

Ms. Wowchuk: Mr. Chairman, I thank the Member for that advice. I expect to meet with the members of the board very soon to talk about various policies. I am sure that the members of the board will have advice that they can share with me on the process that is in place and the policies that are in place. I look forward to those policy discussions with the board.

Mr. Harry Enns (Lakeside): Just to further that issue that my colleague for Ste. Rose raised, as much as I and all of us, in fact, would want to see young Manitobans, Canadians—in that order—reconsider their vocations and then look at agriculture and farming as among their options, we have to acknowledge the simple fact of the matter is that not enough of them are doing it. Perhaps, in response to my colleague from Emerson's questions and the prodding, the Minister will develop a policy that will make it more attractive for young farmers to enter agriculture. We will have to wait and see that.

But I am aware, as the Minister is aware, that the Department of Agriculture has actively participated in various trade missions with different countries throughout the world and, in particular, with some of our European cousins, if you like, in Belgium and Holland, where for reasons of restrictions for the density of populations mixed with livestock populations, there are indeed opportunities for British farmers or Belgian farmers or Dutch farmers to look at Manitoba to join us in the practice of agriculture here in the province of Manitoba. I would like to think that they are welcome, providing that they live up to the regulations with respect to farmland ownership, et cetera.

But I just want to reinforce the point that my colleague makes. It would be a very wrong signal to give to the agricultural community to allow the kinds of philosophical debates that we have had in the past in this Chamber with members of our party with respect to foreign ownership of land. I am prepared to accept her statements and her government's statements at face value that they do want to be helpful in making that generational transfer of old to the young farmers. That program could be seriously impacted, if not proper attention and sensitivity are paid to the matter raised by my colleague from Ste. Rose. It works hand-in-hand, unless Gill here is prepared to make up the difference. If somebody offers a good price of land at \$800, \$900 an acre of land, and it is only going to be restricted to Manitobans who maybe only offer \$500, if somebody offers the difference, why that is in a different set of circumstances.

But I put those few issues on the record, because the issue is an important one that is raised by the Member for Ste. Rose (Mr. Cummings) and should be thought of carefully, particularly by this minister, by the Department, by this government, if they are in fact developing an intergenerational transfer program of farmlands.

Ms. Wowchuk: The Member raises an issue, and I want to tell him that the process that was in place under his administration of trade missions and industry people visiting various countries, particularly in Europe, is the same process that is being followed in the first nine months of this government, that there has been a trade mission

over there. We recognize that there are people who want to invest in farming, as there are people from time to time who want to invest in other industries in Manitoba. We welcome their investments. We also welcome the knowledge that they bring to this province.

So we talk about intergenerational transfer of land. We talk about new people coming to our province. I think that the two processes can complement each other through a project that we will be developing. We hope that we will help with the intergenerational transfer of land and that we also hope that those people who want to come to live in Manitoba will come to live in Manitoba.

Mr. Enns: I want to thank the Minister for that response.

Mr. Chairman, just one quick question of detail to the Minister while she has the MACC staff with her. I wonder if they could provide her with the information as to what is in fact the level of support for the bison industry in terms of loans. I am talking about limits, if we are talking breeding stock, stocker loans. There was an issue with the bison industry for a while that those levels were not realistic to meet the actual market conditions out there. I am appreciative of the fact that in the bison industry the bloom has kind of come off the breeding stock and they have come down, but I would be interested in as much as I do not intend to be in this Chamber forever, and I may wish to diversify into another form of livestock in the future. I may have, and I will declare it, a personal interest in the answer as to how much I could expect if I were to want to buy a breeding herd of bison.

Ms. Wowchuk: Mr. Chairman, the bison industry is an important industry, and the loan programs are still in place. The Member talks about the bloom, the industry, not the breeding stock, that part of the industry sort of levelling out. The Member is right. The meat market for this industry has to be developed, and the Member is aware that there was a processor in place and that processor is going through a bit of difficulty or growing pains, so to speak. We hope that that will be successful because my personal feeling is that we have to see that that next stage of the industry develops, that it is not

only a breeding market that is there, but that it is a meat market that is being developed. There is a lot of interest in the meat, but it certainly has to be developed further.

* (15:40)

There were more people, and, if you look back from 1997, there were 11 loans taken out in 1998. The number of loans went to—there were 14 loans, and last year in 1999-2000 there were only 6 loans that went out under the stocker program. In the direct loans, in 1997-98 there were 14 loans. In 1998-99 there were 10 loans, and those 10 loans were maintained again in 1999-2000. Under the Diversification Loan Program, there has only been one loan in each year.

The limit per animal that can be offered is—and the value is set by MACC. Of course, the maximum level of financing is at 80 percent. So, for bison, breeding heifers, or cows, the maximum financing amount would be \$4,800. For yearlings at 80 percent, it would be \$3,600. For bison heifer calves, at 80 percent, it would be \$2,400. All of these would be through the breeder's stocking program. Under the stocking program, the maximum amount that an individual can borrow is \$175,000. Under the breeder-stocker, for facilities, the loan can go as high as \$325,000. Under the Diversification Loan Program the cap is \$3 million. But certainly the Member raises an issue that we would like to see developed, the meat market side of the industry developed further, and I think that it is very important that that promotion continue.

I was at the Royal Winter Fair where they had the first bison sale, and they had some bison stew and bison burgers. My understanding is that they were not quite sure about how much meat they should prepare for these events, and they were very successful. They sold out very quickly, and they anticipate even more success next year.

So that is one way of getting the public aware of the quality of this meat and the value of it. Certainly at the Western Premiers' Conference that we hosted in Brandon just recently, bison was served at the main event that all the

premiers attended, and it also got excellent reviews on the bison meat.

Mr. Enns: Mr. Chairman, inasmuch as I have a great deal of respect for the Minister, and I always treated her civilly when she was on this side of the House—in fact, on occasions even took her along for airplane rides—I would like to take this opportunity to ask her to intercede on my behalf. If and when MACC gets an application for some bison from me, to get it past those hard-nosed managers at MACC will take some help, and I would like to think that she would be on my side under these circumstances.

Ms. Wowchuk: Mr. Chairman, I have the greatest respect for the Member, and I wish him well in all his agriculture ventures. Should he decide that bison should be placed where he wants to invest and should he decide that he wants to take advantage of one of the excellent programs that are available through MACC, I would certainly encourage him, but he knows that when he was in this chair, he would not have ever interfered in an application, and neither will I.

Mr. Jack Penner: It is always a pleasure to listen to the old pro and how he deals with matters. I think all of us have a great deal of admiration for the former minister and how he is able to present the issues and even ask for the Minister's intervention in his loan application. He does it with tongue-in-cheek, and I think we all truly appreciate that.

I want to, Mr. Chairman, ask the Minister whether the indication by the pork industry, as indicated in an interview on CJOB of Mr. Vaags in regard to the opening up of a new market for hogs in China—Mr. Vaags I think put it into perspective saying that Japan is today—or the vastness of the market in China, I think he put it into perspective when he said that Japan is currently importing 500 000 tonnes of meat products a year from various countries around the world and that the Chinese market requirement will be 9 million tonnes a year starting almost immediately. It appears that Canada, and Manitoba especially, are well positioned to become very significant players in that market based on discussions that the pork industry has had with the Chinese.

Seeing that the Maple Leaf plant is not running at full capacity in Brandon and that we, I understand, have started construction of the plant, of the expansion in Winnipeg—according to the newspapers, the construction has started on that plant—is the Minister prepared to tell us what initiatives she and/or MACC are taking or have taken to encourage the economic involvement in the expansion of that hog industry and whether new programs are being developed to encourage our young people to get into that value-added production and the pork industry and whether she might indicate to her what the new programs are and how people, young people especially, might be encouraged to get into the pork industry?

Ms. Wowchuk: Mr. Chairman, the livestock industry, in particular the pork industry, is very important to Manitoba. There certainly has been discussion on it. I had the opportunity to be at Maple Leaf just recently when they did their official opening and had discussions with the general manager and with members of the McCain family with respect to their shipments of pork into China. I have to tell the Member that I had the opportunity yesterday to meet with the Ambassador of China here in Canada and again had the opportunity to talk about the billion people who live in China and the market opportunities that are there. I think that we have to work to build on the existing markets.

Certainly it was the Canadian Wheat Board that opened markets into China for us many years ago and opened the doors with wheat sales into China. The wheat sales are, I believe, declining some now because China has had two or three years of very good crops of wheat, but they are looking for meat. We are pleased that marketing has begun there. We will continue on those endeavours.

* (15:50)

The Member should know that there is a Team Canada trade mission to China upcoming this year. Our premier (Mr. Doer) will be participating in that trade mission. It is my hope that through our Department we can continue with the trade missions that we have through the Department, promoting the agriculture industry to Asian countries, because they are very

important. To meet the demands of those markets we also have to have producers in the market. Presently, the pork industry is a very large portion of our portfolio; \$35 million is loaned out under the Diversification Loan Program and \$11.3 million in direct loans to producers. The Member asks about new programs. Again, as the Member knows, we have a board that is in place there, and that board, along with the Corporation, will review the programs and look at whether or not there is need to develop new programs.

Mr. Chairman, the total loan portfolio for MACC is \$400 million. Of this, \$45 million is loaned to people in the hog industry, so over 10 percent of that total portfolio is, right now, dedicated to the hog industry. That is a very significant amount, and I anticipate that more work will be done as the whole livestock industry grows in this province.

Mr. Jack Penner: I thank the Minister for that response. In light of the changes in production patterns in the province and the economics—and I think the Minister clearly stated the economics of the grain farm when, simply by matter of production and increased production in other countries—China is one example where it was, I think, assumed a number of years ago, three or four years ago, that China's wheat production would decrease instead of increase because of their land-base limits, and yet, I think the opposite has occurred. However, wheat is a very small element of their total production. I think rice and other commodities are much larger in the production cycle in Japan. Therefore, I think there will be, as according to increased needs in China, opportunities emerge beyond what is currently there, and the Chinese and/or other southeast Asians are especially fond of pork products.

Many of the young people are looking for an opportunity to do something other than straight grain farming, because grain farming is simply not economical at this time. I wonder whether the Minister is going to put in place a program that might encourage our young people to become involved in the pork industry, other than just becoming labourers in the so-called—and I read the document called *Large-Scale Hog Production and Processing: Concerns for*

Manitobans, that the Canadian Centre of Policy Alternatives has published, and *Commissioners' Report on the Citizens' Hearing of Hog Production and Environment*, Brandon, Manitoba, October 1999.

Some of the statements made in this document are a bit disconcerting when one reads them. I wonder whether the Minister might in fact give us an indication that, through her Young Farmer Program 2000 that she is talking about, whether she is considering an initiative that might be an encouraging factor through MACC to encourage young people to get into the pork industry and invest in the pork industry and thereby maintain the family farm.

Ms. Wowchuk: Mr. Chairman, the staff and board of MACC continually review farm programs to see whether they are meeting the needs of producers. Certainly through the Corporation we encourage diversification.

The Member talks about the grain industry. Certainly producers are looking at ways, given the low grain prices, that they can add some value to their grain, or other commodities, looking at ways to diversify. Through the Corporation we certainly encourage that. We have the young farmer rebate program, which is in place and continues to be in place. That is a program that helps producers. We anticipate that when we announce the Project 2000, these programs will complement each other and encourage young people and help them out as they work to establish themselves in the industry.

But certainly, as I indicated, I have not had the opportunity to meet with the new board or the new members and some of the old people who have been on the Board previously. But the Corporation has had discussions with them. I look forward to those recommendations that the Board and the Corporation makes. It is an ongoing process.

The staff at the Corporation listen to producers. We have field reps who are out there. They come up with ideas, Mr. Chairman. Those are brought to the Board and then brought to the Minister. I look forward to ongoing suggestions that staff and board members make to ensure

that we are doing the best job that we can to help young people get started in the industry.

* (16:00)

Mr. Jack Penner: Can the Minister tell me what the maximum amounts of loans currently now to an individual might be? I am not sure whether I asked this question yesterday. What are the maximum allowed amounts of money that a person would be able to borrow? I had not made a note of that.

Ms. Wowchuk: There are several areas where loans are made available to producers. Under the Direct Loan Program, the maximum an individual can get is \$325,000. A corporation can get \$650,000. If a producer was to apply for a stocker loan, he could apply for a maximum of \$175,000. Under the Guaranteed Operating Loan Program, the maximum amount available is \$250,000. Through the Diversification Loan Guarantee, the maximum is \$3 million. So the maximum allowable to a borrower would be \$3,750,000 and to a corporation would be \$4,075,000.

Mr. Jack Penner: Does this mean, then, Mr. Chairman, that a single person could walk in and stack these loans? In other words, he could get an individual loan of \$325,000 plus a stocker loan of \$175,000 plus qualify for the Diversification Loan Program?

Ms. Wowchuk: An individual could qualify by stacking the various loans for an amount of \$3,750,000, but we all have to remember within this, Mr. Chairman, the operations have to be viable. The Corporation reviews each application diligently and is very cautious in lending out money, so there is the ability to borrow that amount of money for an individual if the operations are viable.

Mr. Jack Penner: Mr. Chairman, I was not aware that an individual could actually stack these loans or that a corporation could actually stack these loans. Is this well publicized because I have received some complaints from people that they cannot borrow enough money to build a hog barn or a hog operation as an individual or a group. This would indicate to me that surely MACC is making enough money available to an

individual to build a fairly significant operation at \$3,750,000—would build a fairly nice operation, I would think.

When I look at the three-barn operation that was built right next to my farm just two years ago, I think they were estimating that that operation would cost about \$3.5 million. Whether they actually built it for that, I do not know. This would indicate to me that there is virtually enough money there to allow an individual to embark upon an operation and that MACC is in fact putting forward this kind of money to operations. That is encouraging to hear.

Ms. Wowchuk: I just want to clarify for the Member that the guaranteed operating loan and the diversification loan are guarantees. They are not loans from the Corporation. The Member talked about stacking the loans for a hog operation. He has to realize that if a person qualified for a stocker loan it would have to be used for that purpose. It could not be used to put funds into building an operation, but it could be used for the stock. So there are some detail in there. I do not want to assume that the Corporation is lending that amount to an individual. In two cases it is guaranteeing the loan with the lending facility.

Mr. Jack Penner: I wonder whether the Minister could clarify then for me whether it is her government's desire to get into the borrowing business similar to what Farm Credit Corporations of federal farm lending agency is currently into. I think they have made some major strides in indicating clearly that they are and want to be involved in the agri business lending business, and I wonder whether this Minister's government is in fact wanting to use their lending corporation, MACC, in a similar manner to ensure that farmers in fact have the confidence of their government to do the kind of expansion into livestock that we are seeing currently.

Ms. Wowchuk: The policy of the Corporation has not changed and nor has the mandate. The goal is to work with young farmers, people who are having a bit of difficulty with their finances. I want the Member to know that about two-thirds of our clients are young farmers. I think

that speaks very well for the Corporation, because they are meeting the goal, and that is to help young farmers.

When the Member talks about FCC, FCC is more involved with agribusiness and really in direct competition with lenders. With MACC, the goal of the Corporation is to work in co-operation with our lending institutions to complement the service that they offer and, through our guarantees, leverage money from the lending institutions. It is not the goal of the Corporation to be in competition with the lending institutions. We look at ways that we can complement each other. Certainly through the loan guarantees, there is the ability to leverage money and to help our young producers get established in the industry.

Mr. Jack Penner: The question I asked was: Was the Minister considering or her government considering using MACC as an encouragement tool to the young farm population to encourage them to get into hog production.

* (16:10)

The Minister talks about some of the competing factors. I am wondering if we are serious about meeting the world demands in pork consumption and whether we are seeing the opportunities as Manitobans and if you have taken into consideration the competitive factors of having the lowest peak costs and will have in perpetuity unless somebody tampers with the freight rates. We will have the lowest feed costs virtually in perpetuity in Manitoba. It puts us in a very, very special competitive position to be able to supply a major portion of the needs of, for instance, the Japanese and the Chinese. I am wondering whether the Minister is considering using MACC as a tool to ensure that the money can actually flow to the young farm population and give them some confidence that her government actually means what her government says, that they will stand by the farmers and that they will encourage the maintenance of the family farm and the expansion of the family farm. I mean in numbers. I think this would be, Mr. Chairman, a very significant opportunity for the Minister and her government to demonstrate the sincerity with which they approached the people of this

province during the election campaign. I would ask her whether they are in fact developing a program that would utilize the Government's ability to use MACC as an expansionary tool.

Ms. Wowchuk: Mr. Chairman, when I indicate that two-thirds of the clients at MACC are young farmers, I think that the Corporation is fulfilling that need. Certainly, as the industry expands, and there is need for more supports in the farming community and need for loans, we will consider that, but, as I indicated to the Member, the Corporation is continually reviewing programs. The Board has that responsibility as well, to look at the programs that are available and to make suggestions on new programs. That is an ongoing process.

I know that the staff at the Corporation and the board members recognize that we have low commodity prices and high input costs and farmers are looking at ways to diversify their income. We know that many young people are looking at livestock operations, whether it be hog operations, whether it be feedlot operations, finishing cattle. Certainly the Corporation is looking at things. I see this Corporation as a tool that we are using to help young farmers and will continue to help young farmers. When you see that two-thirds of the clients are young people, you know that that is the focus of the Corporation.

Mr. Jack Penner: Mr. Chairman, I think what the Minister has just said speaks very highly of the previous government and their intent to ensure that the family farm would be maintained. That is simply to encourage young farmers to get into agriculture and to use MACC as an encouragement tool to encourage young farmers to stay on the farm. I think two-thirds of the MACC clientele being young farmers is clearly an indication that the last 12 years of Conservative administration have done a marvellous job of encouraging those young people. That speaks very highly of the Corporation and speaks very highly of the administration, because it does take policy development, it does take direction, and it does take a clearly stated set of principles.

When I look at the principles and the mission statement of MACC, it clearly spells out

to me that wish to be involved in the expansionary mode, not only in the pork industry, but in agricultural in general, such as the bison industry, the other sectors in the agricultural community. I think what needs to happen now is for the Government to recognize that the climate is changing, that the winds of change are out there, that there are some very significant needs being identified in the world market. I am not sure whether she is going to accompany the Premier to China and Southeast Asia in a trade mission but, if she does, then I would sincerely consider that she take her opposition critic with her so that they can both make the case over there for the need to access more product from Manitoba and that we would hold hands and walk down the streets of Main Street, Beijing, and hold up the signs of Manitoba Pork in Beijing, and I say that with tongue in cheek.

But in all sincerity, Mr. Chairman, I truly believe that we must now change direction, and I believe there are some fabulous opportunities in agriculture but it is in a different area than what we have been before and we are breaking new ground. This new millennium will demonstrate clearly that the need for food will be ever greater and to meet the projected increases in population in the world, that says we will probably, by the year 2050 have a third more population than we do today in the world, would demonstrate clearly to me that we must start making provisions to feed that population.

I think Manitoba is very significantly positioned to do that and I would suspect that the Manitoba Agriculture Credit Corporation and their staff recognize that need and they would be quite willing, as I have seen from them before, quite willing to sit down with the Minister and her staff and help the Minister to develop new programs as they see the need out there.

I think the Minister has clearly indicated that she has encouraged her staff to keep their tentacles out there and keep their antennas open to the requirements, and I think that is clearly the route we have to go. There are only a few more questions that I have, and I wonder whether the Minister could indicate to me whether MACC is utilizing a similar program to expand the elk industry in this province, as we are the bison

industry. Are we using the same program for the expansion of that industry in the encouragement of that industry?

* (16:20)

Ms. Wowchuk: Mr. Chairman, the answer is, yes, there are loans available to people in the industry, but the Member has to understand that it is a little different than the bison or the cattle market in that the value that the loan is offered on is on meat value and there is no established meat market in the elk industry. So the loans that are made are to people who are in the elk industry, that have been made have been made on land or the improvements of facilities to establish the operation rather than direct loans for the livestock.

Again, that addresses the issue we raised under the bison industry and that is the need to work on markets. Just as the bison industry has come to a level where they are now looking for markets for their meat, the elk industry I am sure will reach that level where you can have a market price for the meat, and that would change things. But, at the present time, the loans are available for the facilities.

Mr. Jack Penner: Mr. Chairman, I am glad to hear that very similar programs are available to the elk producers that are available to the bison industry. I think the meat industry markets are probably changing significantly in the world. When we travelled to New Zealand this past winter, I was amazed at how many deer farms were established, quite large ones, some of them in New Zealand. I stopped to talk to some of the producers and they were indicating quite an interest by the market in their product. I think there are real opportunities when one sits down to a meal of elk. It is a wonderful meat, probably some of the better wild meat that I have tasted. Once it becomes a domesticated animal, then I think the market might really twig to the quality of the elk meat. So there might be a real opportunity from the meat side of that market.

I agree with what the Ministry has sort of indicated that the specialty market that was deemed to be there might not be as great as in the velvet market and those kind of things as one might have assumed. So, I am glad to hear that,

because I think there is an opportunity there and there might be some opportunities in some of our other wildlife species. I had sat down at the Roseau River Anishinaabe community last week, Saturday, when they invited us for dinner, invited many of the surrounding communities to dinner. They had sat us down to a dinner of moose meat. That was quite tasty. It was well done. They knew how to prepare moose meat. I was wondering if that may be the next wild species that the consumer and the domestic market might be interested in raising.

I think one must always keep an open mind to some of these things, and I think our government has done that and clearly indicated our receptiveness. Not all the ventures have been successful. I think one can look at the emu and the ostrich attempts. There was a bit of euphoria for a period of time and the breeder market, I think, indicated some opportunities that really were not there. That has very adversely affected some people, but new opportunities always have some risks with them.

And that is the area that I sort of want to ask the next question on. Can the Minister tell me how many delinquent loans would MACC currently have, if any?

Ms. Wowchuk: Of course, when you make loans to someone, you hope that every loan will be a success, and that every venture will be a success. Unfortunately, that is not always the case. In real life, there are people who, as good a plan as they put forward, sometimes get into some difficulties that might be out of their control, and sometimes within their control, that results in people not being able to meet their financial obligations. So, for the Member's information, in 1998-99 there were 458 loans in arrears, in the amount of \$4,037,907. In 1999-2000, there were 353 loans in arrears, in the amount of \$3,169,234.

Mr. Jack Penner: What was that?

Mr. Chairperson: The Minister may want to repeat that information.

Mr. Jack Penner: Just that last part.

Ms. Wowchuk: The 1999-2000?

Mr. Jack Penner: Yes.

Ms. Wowchuk: In 1999-2000, there were 353 loans in arrears, in the amount of \$3,169,234.

Mr. Jack Penner: Thank you very much, Mr. Chairman. I appreciate that information. Only one more issue, and that goes back to the disaster in southwest Manitoba and the restoration loans program that was offered through MACC. I understand that the Ministry indicated yesterday, I believe, that the program had been terminated as of last fall—October. Was it?

Ms. Wowchuk: Mr. Chairman, the program terminated July 31, 1999.

* (16:30)

Mr. Jack Penner: Mr. Chairman, the Minister indicates that the program was terminated July 31, 1999, and I accept that. I wonder whether the Minister might reconsider reinstating that program for two reasons. There has been a real concern raised by the International Joint Commission's report, and there were two options that the International Joint Commission laid out before the general public, in meetings in Winnipeg, as well as in Morris, and Emerson in Manitoba, and then, of course, in Grand Forks and Fargo. But the two options that were laid out for flood protection for the city of Winnipeg were, of course, an expanded diversion or a dam at Ste. Agathe.

Many people upstream of Ste. Agathe are now saying: Well, if we had known that, we would have rebuilt our properties to a much higher level than we have. Some people that have not yet entirely diked their operations, or raised their buildings, are asking me whether they should raise their property to the expected level of water increase levels at Emerson, and at Letellier, and St. Jean, and whether they would qualify, or whether they could still utilize the program.

Some have indicated they were high enough, they did not need to, but with the increased water levels that might be indicated by a dam at Ste. Agathe, they will seriously have to consider raising their properties. They were wondering

whether we would reinstate the program to allow us to utilize the MACC loan program.

For the second reason, I think we should seriously consider utilizing that program, and extending it to the southwest part of the province. In providing the same assistance to the farm community, through this program, to allow them to borrow money to put their crops in the ground this year, I think it would have been a perfect vehicle to allow them to gain interest-free access to putting their crop in the ground. I seriously would ask the Minister to give consideration for reinstatement of the program. I know that that is a bit of a diversion away from where we were in the Red River Valley, but the program could be utilized in that manner and therefore give those farmers in the southwest area some relief through that process.

Mr. Stan Struthers, Acting Chairperson, in the Chair

Ms. Wowchuk: Mr. Chairman, I may have erred in my last answer. If the Member was asking about the producer, the Recovery Loan Program, that program ended in July. The flood-proofing program ended in September of '99. The Member has made some suggestions about the flood protection that is required. Although, with the flood-proofing program, the program was administered and bridge-financed through MACC, but it was a program that was conservation and some agriculture in it. So it covers a wide range of issues. The Member raises issues that I am sure will be raised again as we proceed, and decisions are made with respect to the flood protection to the City of Winnipeg and those kinds of things. With respect to the recovery loan that the Member has discussed, certainly those kind of programs are looked at. I want to tell the Member that there are programs in place to MACC, and we had very little requests for reinstatement of another program.

But I take the Member's advice, and we will keep that in consideration. Before we finish this section, the Member asked for some information yesterday that I would like to put on the record, and one of the issues was on the Guaranteed Feeder Association Loan Program. There are three associations which discontinued

operations, and they are: 1144 Livestock Co-op Incorporated that elected to discontinue operations at the end of 1997; the Sandy Hills Cattle Co-op Incorporated; and the members there decided to discontinue operations as a result of the default and loss of assurance funds in 1997-98; and the Vita Feeder Co-op Incorporated discontinued in 1996 and which we had a discussion about yesterday.

I also told the Member that I would provide him some information on the MACC board of directors. As I indicated to the Member yesterday, Mr. Billy Uruski has been appointed as chairman to the board of directors, effective April 19. Mr. Uruski farms with his wife and family members in the R.M. of Fisher. He is a director of the Manitoba Turkey Producers and is a Manitoba director at the Canadian Turkey Marketing Agency.

The Member is well aware that Mr. Uruski also served as the MLA for Interlake and as Minister of Agriculture in this province under the Pawley administration. I believe he may have served in other capacities, as well, but the one I am most familiar with is the portfolio of Agriculture.

* (16:40)

Ms. Sandy Yanick has been appointed as Vice-Chair also on April 19, 2000. Sandy is a substitute teacher and a teacher's aide who operates a mixed farming operation with her husband in the Shoal Lake area. She is also employed on a casual basis as a farm labourer on her brother's farm.

Mr. Joe Eichler was appointed also on April 19, 2000. He is a retired schoolteacher who occasionally does substitute teaching, but his main business since his retirement is farming. He farms with his wife and with his son and their family in the Minitonas area.

Norine Dohan was appointed on April 19, 2000. Norine and her husband run a mixed farming operation and a seed-cleaning business in the Ethelbert area.

Suzanne Yule was appointed on April 27, 1997. Suzanne is involved in the cow-calf

operation and small feedlot operation in Lake Francis. She also drives a school bus and is a councillor-at-large in the R.M. of Woodlands.

Aaron Redekop was appointed on August 27, 1997. Aaron is a retired teacher and a former principal. He is currently involved in a farming operation that produces chickens, grain, oilseeds and hogs. Aaron is president of Madre Farms Ltd. and a principal shareholder in Willow Ridge Pullet Farms Inc. He is also employed as a manager-consultant at Bristol Swine, Sunnybrook Swine, Premium Gilts and Millenni Egg.

Sharon Taylor was appointed on February 17, 1999. Sharon is secretary-treasurer and a shareholder in E. W. Taylor Valley Farms Ltd. in Oak Lake which is a mixed farming operation.

Terry Wareham was appointed on June 24, 1998, and Terry is a farmer in the Newdale area. He is on the council of the R.M. of Strathclair.

So, Mr. Chairman, you can see that we have a wide range of people on this board and coming from a wide background but with a lot of knowledge on the farming industry. I am very confident that this board will work very closely with the corporation and make some very good recommendations. I look forward to meeting with them in the near future to discuss the policies that this government wants to implement.

Mr. Jack Penner: Mr. Chairman, just a note of interest, I find it interesting that the Minister's background is as teacher, and so she has appointed three former teachers and a school bus driver to the MACC board amongst a former politician and two farmers. Sharon Taylor is also a full-time farmer. So, I find it interesting and it is going to be interesting to see what kind of direction they give to MACC. I think it is not at all unusual to bring people into a board setting such as this with expertise in other areas. I think sometimes that can be very useful, bring a new perspective to a board such as this or a corporation.

I know when I was appointed to the MPIC Board, we had a significant financial statement to look at, some significant losses that had been incurred. There was a new team brought on

board, new board brought on and turned the corporation around very dramatically and showed a very substantive, positive statement when I left that board. I say that in all sincerity. Sometimes when you do bring new people in with a new perspective and a different outlook on life, they can change the course of direction.

I congratulate the Minister for having made the kind of changes to the Board that she has. We will look forward to seeing what kind of direction they want to take MACC in. I think we all look forward to seeing MACC being very successful in its attempt to expand the agricultural community. I think you have an exemplary staff at MACC. In all the dealings that I have had with them in the past, they have dealt with the issues very professionally. I give high commendations to the management and staff at MACC. They were very friendly when I walked in their offices. I think that friendliness will be maintained, because I know some of the people there. I think that "Hi, Jack" will not be forgotten. It certainly will not be forgotten in our house. I thank the Minister for bringing the staff in. I thank personally the MACC staff for the wonderful opportunity they have given me whenever I came to Brandon and entered their office complex and the warm welcome that they extended and the professional way that they have dealt with matters. Thanks again.

Ms. Wowchuk: I just want to go back to the Board. I was remiss to let the Member know that Suzanne Yuel, Aaron Redekop, Sharon Taylor and Terry Wareham are appointees by his government. Those are previous appointments that we have carried forward. One of those was also a teacher.

Mr. Chairperson in the Chair

The Member talks about their being retired teachers, but I think that also reflects on the farming community, where we have many, many farmers who have two occupations and farm alongside with their teaching career and then when they retire go back to agriculture. I think they bring a good balance to the Board. I think it is very important when I look at this that we have representation from across the province, people involved in various industries, whether it is poultry or grain farming or cattle farming.

There is a wide range of people. I certainly also look forward to the services they will provide. I believe they are a well-rounded board. They are just getting started. I look forward to working with them. I am sure the corporation will also enjoy having some continuity carry through and some new people. I think that is a good mix to have it that way.

Mr. Jack Penner: Maybe just one further question, if I could ask this directly of Gill Shaw, I would really like to do that, but, no, I am just kidding, Mr. Chairman. I do not want to do that.

I want to ask the Minister whether, in light of the fact that the southernmost part of the province, the Altona area, which is my constituency, and it extends all the way to the Ontario border to the east, similarly, east of the River, in the southeast area of agriculture, we have no MACC offices outside of that area, a very aggressive area. I wondered whether the Minister might consider or MACC might consider establishing an office in the town of Altona at some point in time that would serve that very aggressive and highly diversified area.

Ms. Wowchuk: Mr. Chairman, I want to inform the Member that I recognize the importance of the agriculture industry and the importance of the particular region of the province that he is speaking about. I want to inform the member that in fact MACC has set up a satellite office in Altona just very recently, and that we also have an office in Steinbach to provide services to the people of that region. I hope that the Member will find that that is helpful.

Mr. Jack Penner: Mr. Chairman, I appreciate the response. I was hoping that she would say that MACC is also considering, in light of the success of the satellite office in Altona, that she would indicate that she would move a full-time staffing component into and open a full-time office in the Altona area.

Ms. Wowchuk: Mr. Chairman, I thank the Member for that advice, and we will review, we will watch the activity of that office and review it and hope that through that satellite office we have improved the service to the people in the Altona area. I am sure the people out there in

that region appreciate the extension of that service to that area.

Mr. Jack Penner: Similarly to the southeast part of the province,—I recognize and I realize that the MACC office in Steinbach functions well, and it is a good office, great staff. I compliment them highly. However, Vita is, I believe, some 30 miles, 35 miles from Steinbach, and if I go all the way out to the southeast corner of my province, Middlebrow, that area is some 70 miles from Steinbach. I wonder whether there would be an opportunity to do a similar kind of experiment in the Vita area to set up maybe some satellite office. I do not know what the clientele is like there, whether it would warrant it, but I wonder whether there might be an opportunity to experiment or try opening a satellite office in the Vita area.

* (16:50)

Ms. Wowchuk: I know the Member is trying to provide the best service for his constituency that is possible, and that is what an MLA should do. We would look at that suggestion. But I want to tell the Member that we serve a very large—there are many areas in the province that you would like to have better service in. There are farmers across the province. The Member talks about a distance of, I believe he said, about 70 miles that people would have to drive, and there are other areas. I remind the Member that there is The Pas, where there is not an office, and people have to drive to Swan River for services. It is impossible, Mr. Chairman, to set up offices in every region of the province. We have opened a new satellite office in Altona, and we will continue to look at those things. Hopefully, the livestock industry and the agriculture industry will continue to grow. The demands on the Corporation will continue to grow, and we will continue to serve the farmers of this province. Should there be a need, that is constantly under review. We have a new board; we have a staff that is very cognisant of the needs of the producers. I am sure, as they review this, if they make recommendations in that direction, we will consider their recommendations.

Mr. Larry Maguire (Arthur-Virden): Mr. Chairman, I too would just like to, in regard to regional offices in that area, if I could ask the

Minister whether I am supposed to follow the same format as my critic here or not, but I would ask directly. I do not have the numbers before me, but I did read in some of the reports that there were part-timers becoming full-time personnel. That was more in the crop insurance area, I believe. Is that also happening in regard to MACC as well?

Ms. Wowchuk: Mr. Chairman, within the Agricultural Credit Corporation, we have many people who are term positions on staff. This year, we were able to change eight positions from term to full-time staff at MACC.

Mr. Maguire: We are in the process, Mr. Chairman, thank you. If I could ask the Minister if she could indicate just where they are located.

Ms. Wowchuk: Mr. Chairman, seven of the term positions that have been converted to full time are in the Brandon office. One of them is in Shoal Lake, and that is a floating field representative that has been made permanent. The others, if the Member would like information on what they are: There is a technical accountant, accounting clerk, secretary to the general manager, property clerk and legal support clerks, as well as, a network administrator.

Mr. Maguire: Thank you, Madam Minister. Could you indicate to me, then, if the part-time people were on a contract basis before?

Ms. Wowchuk: The positions were full-time term positions and, over time, it is recognized that these positions are needed on a full-time basis. That is when the decision is made to convert them to full time rather than term position.

Mr. Maguire: Could you indicate to me, Madam Minister, how many offices there are around the province of Manitoba?

Ms. Wowchuk: Mr. Chairman, there are 16 field offices and 6 satellite offices.

Mr. Maguire: Specifically, I have had some enquiries in regard to the office in Melita. It has been brought to my attention that there have been some changes there, and I wonder if they

could indicate to me just what office changes in both facilities and staff have taken place there in the last while.

Ms. Wowchuk: There have been no changes at the facility in Melita. However, two staff people have been moved to Brandon because they are regional staff, and it was felt that they should be providing regional service out of the Brandon office. However, there continues to be full service in Melita with three people there.

Report

Mr. Harry Schellenberg (Chairperson of the section of the Committee of Supply meeting in Room 254): Mr. Chairperson, in the section of the Committee of Supply meeting in Room 254 considering the Estimates of Finance, the Honourable Member for Kirkfield Park (Mr. Stefanson) moved a motion to reduce the Minister's Salary. The motion reads as follows: I move, seconded by the Member for Minnedosa (Mr. Gilleshammer), that due to the recognition that some Manitobans will now pay the highest personal income taxes in all of Canada, the Minister of Finance's salary, budget line 1.(a), be reduced to the amount of \$165, equivalent to the increased personal income taxes a family of four making \$60,000 will pay this year as a result of the Budget of May 10, 2000.

This motion was defeated on a voice vote, and two members requested that a formal vote on this matter be taken.

Formal Vote

Mr. Chairperson: Call in the members.

All sections in Chamber for formal vote

Mr. Chairperson: In the section of the Committee of Supply, meeting in Room 254, considering the Estimates of Finance, the Honourable Member for Kirkfield Park moved a motion to reduce the Minister's salary.

The motion reads as follows: I move, seconded by the Member for Minnedosa (Mr. Gilleshammer), that due to the recognition that some Manitobans will now pay the highest personal income taxes in all of Canada, the Minister of Finance's salary, budget line 1.(a), be reduced to the amount of \$165, equivalent to the

increased personal income taxes a family of four making \$60,000 will pay this year, as a result of the Budget of May 10, 2000.

This motion was defeated on a voice vote, and subsequently two members requested that a formal vote on this matter be taken.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 20, Nays 28.

Mr. Chairperson: The motion is accordingly defeated.

Hon. Gord Mackintosh (Government House Leader): Is it the will of the Committee that committee rise?

Mr. Chairperson: Committee rise.

Call in the Speaker.

CORRIGENDA

Vol. L No. 39 - 1:30 p.m., Monday, June 5, 2000, page 2085, under HIGHWAYS AND GOVERNMENT SERVICES ESTIMATES, Resolution 15.6 should read:

Resolution 15.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$177,407,300 for Highways and Government Services, Infrastructure Works, for the fiscal year ending the 31st day of March, 2001.

Resolution 15.7 should read:

Resolution 15.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$11,475,700 for Amortization of Capital Assets for the fiscal year ending the 31st day of March, 2001.

IN SESSION

Hon. Gord Mackintosh (Government House Leader): Is it the will of the House to call it six o'clock?

Mr. Speaker: Is it the will of the House to call it six o'clock? *[Agreed]*

The hour being 6 p.m., the House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Wednesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, June 6, 2000

CONTENTS

ROUTINE PROCEEDINGS

Presenting Petitions

Gaming Licences Plebiscites
Fauschou 2121

Presenting Reports by Standing and Special Committees

Committee of Supply
Santos 2121

Oral Questions

Treherne Hospital
Mitchelson; Chomiak 2121
Rocan; Chomiak 2124
Rocan; Chomiak 2125

Nursing Profession
Mitchelson; Chomiak 2122

Health Care Facilities
Mitchelson; Chomiak 2123
Rocan; Chomiak 2124

First Nations Casinos
Tweed; Lemieux 2127
Praznik; Lemieux; Doer 2127
Reimer; Lemieux 2129
Gerrard; Doer; Robinson 2130
Loewen; McGifford 2130

Members' Statements

Pembina Constituency Events
Dyck 2132

Second Start Program
Korzeniowski 2133

Winnipeg International Air Show
Dacquay 2133

Leadership Circle Program
Martindale 2134

Apprenticeship Graduates
Derkach 2134

ORDERS OF THE DAY

Committee of Supply (Concurrent Sections)

Finance 2134
Labour 2162
Agriculture and Food 2183