



Third Session - Thirty-Seventh Legislature

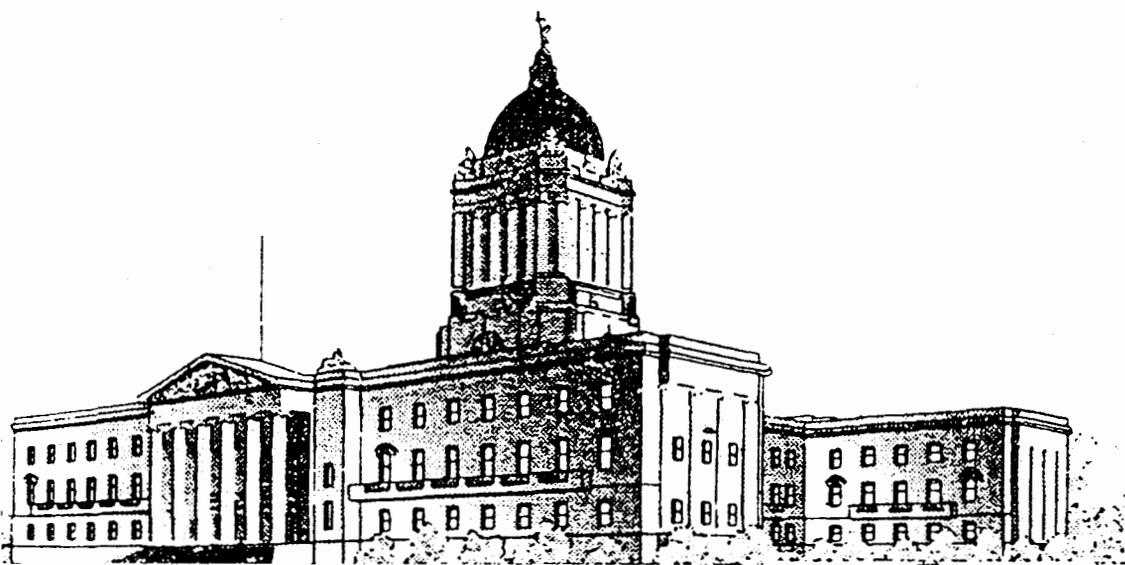
of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

Official Report
(Hansard)

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Seventh Legislature

Member	Constituency	Political Affiliation
AGLUGUB, Cris	The Maples	N.D.P.
ALLAN, Nancy	St. Vital	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
ASPER, Linda	Riel	N.D.P.
BARRETT, Becky, Hon.	Inkster	N.D.P.
CALDWELL, Drew, Hon.	Brandon East	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CUMMINGS, Glen	Ste. Rose	P.C.
DACQUAY, Louise	Seine River	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
FRIESEN, Jean, Hon.	Wolsely	N.D.P.
GERRARD, Jon, Hon.	River Heights	Lib.
GILLESHAMMER, Harold	Minnedosa	P.C.
HAWRANIK, Gerald	Lac du Bonnet	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
LOEWEN, John	Fort Whyte	P.C.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
MAGUIRE, Larry	Arthur-Virden	P.C.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McGIFFORD, Diane, Hon.	Lord Roberts	N.D.P.
MIHYCHUK, MaryAnn, Hon.	Minto	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
MURRAY, Stuart	Kirkfield Park	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
PENNER, Jack	Emerson	P.C.
PENNER, Jim	Steinbach	P.C.
PITURA, Frank	Morris	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack	Southdale	P.C.
ROBINSON, Eric, Hon.	Rupertsland	N.D.P.
ROCAN, Denis	Carman	P.C.
RONDEAU, Jim	Assiniboia	N.D.P.
SALE, Tim, Hon.	Fort Rouge	N.D.P.
SANTOS, Conrad	Wellington	N.D.P.
SHELLENBERG, Harry	Rossmere	N.D.P.
SCHULER, Ron	Springfield	P.C.
SELINGER, Greg, Hon.	St. Boniface	N.D.P.
SMITH, Joy	Fort Garry	P.C.
SMITH, Scott, Hon.	Brandon West	N.D.P.
STEFANSON, Heather	Tuxedo	P.C.
STRUTHERS, Stan	Dauphin-Roblin	N.D.P.
TWEED, Mervin	Turtle Mountain	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, May 22, 2002

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

READING AND RECEIVING PETITIONS

Provincial Trunk Highway No. 9 Upgrade

Mr. Larry Maguire (Arthur-Virden): A petition that I request to do on behalf of the Member for Gimli (Mr. Helwer).

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

Mr. Maguire: To the Legislative Assembly of Manitoba—

Mr. Speaker: Order. If you do not mind, just pass it to the page.

I have reviewed the petition and it complies with the rules and practices of the House. Is it the will of the House to have the petition read?

An Honourable Member: Dispense.

Mr. Speaker: Dispense.

The Provincial Trunk Highway No. 9 and the Selkirk Corridor are widely used thoroughfares in the constituency of Gimli and the province of Manitoba.

These thoroughfares have consistently recorded traffic counts in excess of 10 000 vehicles (both automobiles and trucks) daily, according to statistics provided by the University of Manitoba/Manitoba Highways and Transportation.

These thoroughfares are in dire need of improvement and upgrade.

Adequate safety considerations and conditions must be maintained on these thoroughfares at all times and in all places.

We petition the Legislative Assembly of Manitoba as follows:

We request the Minister of Transportation and Government Services to consider upgrading Provincial Trunk Highway No. 9 and the Selkirk Corridor thoroughfares immediately.

TABLING OF REPORTS

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Mr. Speaker, I am pleased to table the following report: the 2002-2003 Departmental Estimates.

Hon. Becky Barrett (Minister of Labour and Immigration): Mr. Speaker, I am pleased to table the Report to the Workers Compensation Board of Manitoba on the Association Between Selected Cancers and the Occupation of Fire-fighter.

INTRODUCTION OF BILLS

Bill 23—The Pesticides and Fertilizers Control Amendment Act

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Mr. Speaker, I move, seconded by the Minister of Labour and Immigration (Ms. Barrett), that leave be given to introduce Bill 23, The Pesticides and Fertilizers Control Amendment Act, and that the same be now received and read a first time.

Motion presented.

Ms. Wowchuk: This bill amends The Pesticides and Fertilizers Control Act and will require anyone who gets paid a fee for the transferring of manure or applying it to land to be licensed, and the bill also requires the licensing of persons who apply manure from large livestock operations onto land not owned or leased by the livestock operation.

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 public gallery where we have with us from Hastings School 24 Grade 9 students under the direction Mr. Barry Wittevrongel and Ms. Theresa Oswald. This school is located in the constituency of the honourable Member for Riel (Ms. Asper).

* (13:35)

Also in the public gallery we have from Sun Valley School 24 Grade 5 students under the direction of Mrs. Judy Rempel. This school is located in the constituency of the honourable Member for River East (Mrs. Mitchelson).

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

ORAL QUESTION PERIOD

Winnipeg Casinos Advertising Campaign

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, once again we have a classic flip-flop with this Doer government. While in opposition, members over on that side used to rail against the government on any kind of gambling in this province.

As a matter of fact, the Member for Burrows (Mr. Martindale), he says it is not true. Well, the Member for Burrows: Now I think it is deplorable when governments encourage gambling and advertise gambling in a massive way to get more people to spend more money in spite of the harmful consequences to individuals and families.

The Member for Minto (Ms. Mihychuk) stated that people were stealing from their employers so that they can feed their gambling habits.

I would like to ask the Premier if he agrees with the comments made by his colleagues.

Hon. Gary Doer (Premier): Mr. Speaker, I recall, and the member wants to selectively quote from revisionist history, but I remember one of the largest debates in this Legislature in

days gone by, the bad old days, when we were arguing to maintain a downtown casino rather than spend money in expanding the two suburban casinos. I recall at the time that members opposite were saying this would only cost \$55 million. It would be cheaper. They did not take the advice of the downtown business association—

Mr. Speaker: Order.

Point of Order

Mr. Speaker: The honourable Official Opposition House Leader, on a point of order.

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

It was his government when he was in power who bought the land for those two casinos to be built.

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

Hon. Gord Mackintosh (Government House Leader): That certainly is an unfortunate breach of the rules, points of order, to draw the attention of the House to departures from the rule. What that was was simply an unfortunate attempt to try and help make the Leader of the Opposition's argument, Mr. Speaker, and it does not help.

Mr. Speaker: On the point of order raised by the honourable Official Opposition House Leader, Speakers in the past have allowed leaders' latitude to leaders and I will continue doing the same until I am given directions that are agreed to by the House.

* * *

Mr. Doer: The member opposite was quoting our alleged position on the casinos. In fact, how could you be arguing to maintain a downtown casino, as we were—history now proves us right—and have a contrary position? So I think the member opposite should study the whole record before he asks another question.

Mr. Murray: Since taking office, the Premier, who was so staunchly opposed to gambling while in opposition, has pushed for the establishment of five new casinos in the province of Manitoba, has increased the amount of time that people can play VLTs. He has increased the threshold that each VLT must earn. He has increased the amount of money spent on advertising for the casinos.

So will the Premier, who apparently this morning on the radio had a revelation and acknowledged there was gambling in casinos, could he also come clean and tell Manitobans the reason he is expanding gambling in this province is to support his spending addiction?

Mr. Doer: Again the member opposite puts false information on the record. The three last years of the Conservative government the expenditures were a billion dollars. Our first three years in office the expenditures in our Budget is just under \$500 million. So it is two to one on spending. If they want to use emotional words they are double that emotion in terms of the comparison.

* (13:40)

Secondly, in the campaign of 1999 we stated—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer: Thank you, Mr. Speaker. We stated we would implement the Bostrom report that was commissioned by members opposite. I do not know whether the member opposite has read the Bostrom report. He probably has not, but we said we would implement that report. Members opposite, when they were in government, said they had all the benefits primarily for hotel owners and they said they would not have any expansion like Saskatchewan, like Alberta, like Ontario, for First Nations people because their polls did not indicate that was positive.

Mr. Murray: Once again the Premier does not answer the question. This is about the amount of advertising he has put in since they have been in Government. It is about the advertising aimed specifically at Manitobans. They said they would

advertise the amenities, not gambling and not gaming. In fact, in Hansard, and I quoted what the Minister of Gaming said, and I quote: "I do not know of a government that advertises gambling, because this Government does not advertise gambling at all."

How can the Premier honestly tell Manitobans they are not advertising gambling when the ads show everyone in those pamphlets clearly gambling at tables, at slot machines, all of those things? Why does he not be honest with the people of Manitoba and explain what he is doing?

Mr. Doer: I have a bus full of money falling all over the place from the former Tory years, which little children in Winnipeg had to witness under their administration. I have an ad from 1993. Oh, what is in the ad from 1993 sent to American tourists? Oh, Mr. Speaker, in the *Manitoba Explorers Guide* there are gambling machines.

I will table three copies of this. Just like members opposite, 88 percent of the brochures are sent to the United States tourism locations. Two thirds of the tourism material is available here, 66 percent of it is picked up by tourists outside of Manitoba. So before the member and the Leader of the Opposition sound like the church lady, he should look at the ads they had when they were in office.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I am sure all members would like to hear the question from the honourable Member for Tuxedo.

Winnipeg Casinos Advertising Campaign

Mrs. Heather Stefanson (Tuxedo): Mr. Speaker, the Minister responsible for Gaming likes to tell two stories. On the one hand, she says she does not advertise gambling, but, on the other hand, she acknowledges she is the architect for a massive casino advertising blitz. She says that was then and this is now.

Can the minister explain what she meant when she said in Hansard from December 3,

2001, and I quote: "We advertise entertainment. We do not advertise gambling."

Hon. Diane McGifford (Minister charged with the administration of The Manitoba Lotteries Corporation Act): Mr. Speaker, I think the member full well knows, or ought to know, that what I was referring to was the casinos' Winnipeg advertising that was designed for very specific purposes. It began with a "responsible use" series of advertisements, something members opposite never bothered themselves about; responsible use never entered their heads, but then went on to advertise the amenities in the casinos, the restaurants in the casinos, and ended by advertising the entertainment in the casinos.

* (13:45)

However, I do have a very interesting ad from *Manitoba Lodges & Outfitters* 1999 that I would like to advertise, something put out by the former government, which reads: The big one that got away, and then goes on to feature coins, people before a VLT. This is the kind of advertising I talked about yesterday that we inherited from members opposite, the kind that appears in tourism guides, et cetera.

Mrs. Stefanson: Mr. Speaker, can the minister, given that yesterday a Lotteries brochure was tabled in this House that clearly promotes gambling activity, explain to Manitobans her statement from December 3, 2001, and I quote again: "We advertise entertainment. We do not advertise gambling."

Ms. McGifford: Mr. Speaker, I just explained that was in reference to the *Casinos of Winnipeg* advertising.

In reference to the material tabled yesterday by the Member for Tuxedo, I think it is very interesting that it features a map of North America. shows Winnipeg at the centre, and then points to Calgary, Minneapolis, Chicago and Toronto. Clearly, this is designed for a market outside Winnipeg; hence the map. Most Winnipeggers know where Winnipeg is; they do not have to see it on a map, quite clear.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I would ask the co-operation of the honourable Member for Russell (Mr. Derkach) and the honourable Member for Dauphin-Roblin (Mr. Struthers). When I ask the House to come to order, would all members please co-operate. We are trying to get some order in the House so we can get as many questions and as many answers in, in the 40 minutes that we have for Question Period.

The honourable Member for Tuxedo has the floor.

Mrs. Stefanson: Mr. Speaker, given that yesterday there was a brochure tabled in this House that is out in circulation right now where the only living being in the brochure that is not gambling is the parrot on the front page, will the minister just admit she has misled the House and Manitobans when she said, and I quote: "We advertise entertainment. We do not advertise gambling"?

An Honourable Member: That parrot is just sleeping.

An Honourable Member: No, I think that parrot is dead.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Ms. McGifford: The Leader of the Opposition (Mr. Murray) yesterday said outside the House that he is in favour of advertising that targets non-Manitobans. That is exactly what this pamphlet is.

* (13:50)

As the Premier pointed out in his first answer, I believe it is 85. Here it is 88 percent of tourism publications are distributed out of the province, only 12 percent distributed within Manitoba. Of these, about 4 percent are obtained by Manitobans. I think the member knows this is intended for tourists outside the province. The Leader of the Opposition knows. He approved this kind of advertising yesterday in the scrum. So I think we have support over there.

Winnipeg Casinos Advertising Campaign

Mr. Leonard Derkach (Russell): I am sorry to hear the parrot is dead.

Mr. Speaker, my question is to the esteemed student of literature, the Minister responsible for Gaming. I want to—

Some Honourable Members: Oh, oh.

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

Mr. Derkach: Thank you very much, Mr. Speaker. I would like to ask the minister how she squares her statement where she said in December after some questioning from this side of the House, and I quote: "I do not know of a government that advertises gambling, because this Government does not advertise gambling at all." She added, and I quote again: "We advertise entertainment. We do not advertise gambling."

I would like to ask the minister how she squares that statement with the brochure she has just put out that advertises gambling to people in Manitoba, because it does advertise gambling in the province of Manitoba to people of this province.

Hon. Diane McGifford (Minister charged with the administration of The Manitoba Lotteries Corporation Act): Well, Mr. Speaker, I do not know which part of the answer this member does not get. This will be the third time I have answered this question. That particular question was in response to a question about the *Casinos of Winnipeg* advertising. This advertising is for non-Manitobans, the same kind of advertising sanctioned by the Leader of the Opposition. So I do not see what part of the answer you do not get. The Leader of the Opposition sanctioned it. You people used it when you were in government. What is the matter?

Mr. Derkach: Mr. Speaker, I would like to ask the minister if she really believes Manitobans

can believe her when she says she does not advertise gambling in the province of Manitoba.

Ms. McGifford: Mr. Speaker, I do not think my job here is to provide opinions to the member opposite, but since he has asked for my opinion, I have not had any calls to my constituency office complaining about my performance as Minister of Lotteries or to my office.

Mr. Derkach: Mr. Speaker, can I ask the minister then, given that she is a self-described student of literature, how she can explain to this House the difference between advertising and providing information to the people of Manitoba?

Ms. McGifford: Actually, Mr. Speaker, students of literature do not usually deal with those matters, but I am pleased to provide an explanation. The *Casinos of Winnipeg* advertising is mass media advertising. It is advertising that an individual can encounter by turning on his or her television or radio or see in the newspaper.

The kind of material that is contained in trade publications, tourism magazines, et cetera, is information that is deliberately sought out, and that is how I see the difference.

Health Care Facilities Food Services

Mrs. Bonnie Mitchelson (River East): Mr. Speaker, since last year the Doer government has been feeding hospital patients five-day-old sandwiches that are trucked in from Alberta. At first their quick-fix solution was to build a million dollars worth of bricks and mortar to make the sandwiches here. That was to be called Doer's deli.

* (13:55)

Mr. Speaker, since then they have put a contract out and asked Manitobans to respond to that contract to make sandwiches. My question for the Minister of Health is: When is he going to let those contractors know who has won that contract, and who will be making the sandwiches?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, members opposite will recall when they brought in the frozen food initiative and forced the hospitals and the personal care homes to build personal care homes without kitchens. Can you believe it? They built personal care homes without kitchens. We reversed that decision. We reversed the decision to go to frozen food at HSC and St. Boniface Hospital.

Also, the members, when they closed all the kitchens, started contracting out for sandwiches and last year, or over the last two years, two contractors who provided those sandwiches went out of business. The third person on the RFP was an out-of-province provider who provides and continues to provide.

Mrs. Mitchelson: The Minister of Health should be embarrassed with that kind of answer. There are Manitobans waiting—

Mr. Speaker: Order.

Point of Order

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

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, I wonder if the House can wrench a question out of the member.

Mr. Speaker: The honourable Member for River East, on the same point of order.

Mrs. Mitchelson: On the same point of order, Mr. Speaker, we have a Government that has flip-flopped and has been all around this issue, a Government that would rather spend Manitoban taxpayers' dollars on bricks and mortar than on patient care. It is unconscionable of this minister to stand up and flip-flop and not give Manitobans the reassurance that the contract will provide the opportunity to use health care dollars in the most appropriate fashion.

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

Mr. Chomiak: Mr. Speaker, I suggest the member opposite could not make her argument.

They started the process, they started the contracting, and like so many issues we have to fix their frozen food mistakes.

Mr. Speaker: Order. Prior to making a ruling on the point of order, I would just like to remind all members that when rising on a point of order it should be to point out to the Speaker the breach of a rule or breach of procedure in the House and not to use points of order for debate.

On the point of order raised by the honourable Government House Leader, the honourable member did not, in my opinion, state enough words for me to tell if she was going to use the words for a question or if it was a preamble. So I would like the honourable Member for River East to please put her question.

* * *

Mrs. Mitchelson: Thank you very much, Mr. Speaker. I would like to ask the Minister of Health, since he is still trucking five-day-old sandwiches in from Alberta months and months after he said he was going to change that: When are the contractors in Manitoba going to find out when they are going to be able to make fresh sandwiches here for the patients in the province of Manitoba?

* (14:00)

Mr. Chomiak: Mr. Speaker, one of the reasons we cannot make sandwiches within the system was that they closed the kitchen at Deer Lodge, they closed the kitchen at Seven Oaks, they closed the kitchen at Concordia, they closed the kitchen in Misericordia, and there was not capacity in order to do that. They went on a contracting-out process, which we continued. We reversed the decision to go to frozen food at St. Boniface, at Health Sciences Centre. We reversed the decisions not to build kitchens in new personal care homes. We also reversed the decisions and went back to much more made-in-Manitoba food, and we will continue that process.

Mrs. Mitchelson: My question for the Minister of Health is very simple and very straightforward. Manitobans do not want a ramble; they want an answer, Mr. Speaker. When will the

Minister of Health indicate clearly to Manitobans whether he is going to spend a million dollars building Doer's deli, or when he is going to let the contract for sandwiches to be made in Manitoba?

Mr. Speaker: Order. Prior to recognizing the honourable Minister of Health, I would just like to ask the co-operation of all honourable members. When making a reference to another honourable member, please do so by constituency or by the titles.

Mr. Chomiak: As I indicated previously, we inherited a process of tendering of sandwiches by the previous government when they closed all the kitchens. We inherited that process. We said we would put in place a process. We wanted to satisfy quality, we wanted to have it made in Manitoba, Mr. Speaker, and we wanted to ensure we could provide it in the system.

We asked the WRHA to examine all those prospects and we will be announcing a decision in that regard soon.

Winnipeg Regional Health Authority Physician Resources

Mrs. Myrna Driedger (Charleswood): According to the College of Physicians and Surgeons, over the past two years 128 new specialists were licensed to practise in Manitoba but, and this is the part the Premier (Mr. Doer) never mentions, 150 specialists have left the province, for a net loss of 22 specialists. That is from the College of Physicians and Surgeons Web site.

I would like to ask the Minister of Health if he can confirm that as of February 2002 the WRHA alone is short 60 specialists, and I would like to table the Freedom of Information document to support that number.

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, we see a pattern here. The member has, under Freedom of Information, asked for dozens and dozens of documents and then stands up and pretends every day that she has some new information to provide this House with respect—

Some Honourable Members: Oh. oh.

Mr. Speaker: Order.

Mr. Chomiak: We have put in place programming to attract a net—we have 200 more specialists.

Physician Resources Binding Arbitration

Mrs. Myrna Driedger (Charleswood): I would like to ask the Minister of Health if he is prepared to offer binding arbitration to physicians in order to keep doctors in Manitoba.

Hon. Dave Chomiak (Minister of Health): A couple of points, Mr. Speaker. When I said net, I had made—

Some Honourable Members: Oh, oh.

Mr. Chomiak: Mr. Speaker, we have attracted 200 specialists to Manitoba in the last several years. That is not net, so I did make an error in my wording. Secondly, since we have been in office, the new president of the MMA said last week that we have more doctors in Manitoba and that he did not want us to go back to the dark ages of the 1990s under the Conservative government.

Mrs. Driedger: I would like to ask the minister again if he is prepared to offer binding arbitration to the physicians. It is the doctors who have said it is their previous contract which was settled under binding arbitration that has kept doctors in the province. Is he prepared to do the same?

Mr. Chomiak: Mr. Speaker, members in this Chamber know there is a long-standing policy that we do not negotiate in public with respect to these kinds of matters. If one only reflects on the recent negotiations with the nurses, when members called press conference after press conference and said: Pay more, pay more; nurses are leaving, nurses are leaving, we settled, and not a peep from members opposite, and then they said we spent too much.

They cannot have it both ways, and I will not negotiate in public.

Hecla Area Land Expropriation Conduct of Civil Servants

Hon. Jon Gerrard (River Heights): Mr. Speaker, yesterday, in response to my question, the Premier said he would await the instructions of the Ombudsman, seemingly unaware that the Ombudsman had already provided his report to Government last October. Apparently, the Premier realized his mistake later yesterday, reviewed the matter and admitted to the press the Department of Conservation had gone way beyond what they should have done.

I would ask the Premier today to formally apologize, on behalf of the Government, to the Jones family for the major breach of the protection of privacy act and the disturbing way in which their complaints were handled.

Hon. Gary Doer (Premier): The member will know there is the matter of policies being dealt with between the Ombudsman and the Deputy Minister of Conservation. This is not a report that came to the Government or the Premier's Office. It was directed to the Deputy Minister of Conservation.

The whole issue, Mr. Speaker—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer: I thought it was prudent to read a report after I became aware that it was issued to the Deputy Minister of Conservation, which I did. The comments I made are on the public record. I think the issue of balance between the right of a citizen to privacy and the right of public employees to get the facts, even the facts on items that preceded our Government, are important.

I have asked the Civil Service Commissioner to look at that matter, to make sure we have a policy that balances the protection of the privacy of citizens who have concerns or allegations about a government action or a government decision or a government process and the rights of public employees that may be accused of some matter, to have the facts put before the record.

Mr. Gerrard: Mr. Speaker, my supplementary to the Premier. I would ask the Premier to confirm in essence what he admitted yesterday, that the events in which government employees threatened legal action against individuals who brought legitimate complaints to elected officials, that this approach is totally unacceptable in Manitoba, and can the Premier provide details of what measures he is taking to make sure this sort of behaviour does not happen again?

Mr. Doer: I just answered the question about what process I am taking. I have asked the Civil Service Commissioner to look at a policy province-wide in Government. I think that is appropriate because allegations, we get allegations everyday. Some allegations have some basis of fact, some allegations have a lot of fact in them, and some allegations have no fact. It is important the public get those facts.

The issue of the circulation of the document beyond the scope of Government has already been dealt with by the Ombudsman. The Ombudsman recommended that policy and procedures be put in place. I have expanded the issue of procedures because I want to make sure there is consistency on the rights of privacy of citizens and the rights of facts from civil servants to be government-wide.

Mr. Gerrard: Mr. Speaker, my supplementary. Yes, the Ombudsman indicated there was a clear breach of FIPPA here and the protection of privacy. I would ask the minister whether he has taken any disciplinary action against the political or departmental staff who are involved and, if so, what he has done.

* (14:10)

Mr. Doer: The Auditor is reviewing the decision that was made in the process to make the decision prior to our coming to office, the whole issue of the selection committee, the criteria they used, the allegations that are being made about people who had contacts with the former Department of Conservation. I will await the Auditor's report, and I think all members of this Chamber should await it.

Bill 5 Volunteer Firefighters

Mr. Leonard Derkach (Russell): My question is to the Minister responsible for the Workers

Compensation Board. I would like to, first of all, thank her for tabling the report today of the Workers Compensation Board of Manitoba and the association between selected cancers and occupations of firefighters.

Now that the scientific evidence is in with regard to certain cancers connected to toxic smoke, I would like to ask the Minister of Labour whether she is now prepared to extend to the volunteer firefighters the same coverages the paid firefighters will be receiving under Bill 5.

Hon. Becky Barrett (Minister charged with the administration of The Workers Compensation Act): I thank the member for the question and know that when he reads the report in its entirety he will recognize that the science that has been done has been done on full-time urban firefighters. There is not science available at this time for volunteer part-time firefighters.

All employees who are part-time firefighters, as well as full-time firefighters, are eligible to make application to the Workers Compensation Board for coverage for occupational diseases or injuries that they believe were as a result of their work as firefighters, but the science at this point does not indicate the length of time, the connection and the link between part-time firefighters and the presumption that their cancer was caused by their occupation as a part-time firefighter.

Family Farms Government Initiatives

Mr. Jack Penner (Emerson): I would like to ask the Minister of Agriculture today: In light of the fact of the major announcement the American government made to support its farm community by some \$190 billion over the next 10 years, and also in light of the fact we have seen statistics of the Canadian census show a migration of better than 3000 farm families leaving the province of Manitoba, and indeed some 6000 farm labourers have lost their jobs in rural Manitoba over the last couple of years, what action is the Minister of Agriculture going to take to stem the flow of Manitoba farm families off the farms, in light of the fact they campaigned on maintaining the family farm?

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Mr. Speaker, the member referred to the Stats Canada report on the number of farms that have decreased in this province. I hope that he would not be attributing that decline to the years we are in office. It is a stat over a longer period of time. In fact, this has been a long trend in Manitoba and across Canada, where you see the number of farms decreasing.

The member raised the issue about the U.S. farm bill, which is a very serious bill, very serious consequences for farmers across Canada and for the farmers in Manitoba. I can tell him I raised this issue at the Agriculture ministers' meeting when we met with Mr. Vanclief. Our Premier (Mr. Doer) met with the Premier from Saskatchewan and the Deputy Premier from Alberta, raising this issue.

Mr. Speaker, we feel very strongly there are going to be serious consequences, and our federal government has to live up to their responsibility and put in place funding to address this trade injury.

Mr. Jack Penner: Mr. Speaker, we all know how serious the situation. I would like to ask the Minister of Agriculture how long it will take her Government to recognize the importance of maintaining hospitals in rural Manitoba. We see the closures in communities now. We see the closures of schools, and we see the closures of businesses.

How long will it take before this minister will announce a policy and a program to ensure the livelihood of people in our rural communities will be maintained and sustained?

Ms. Wowchuk: That is a very interesting preamble, Mr. Speaker. The member talks about the closure of hospitals. I am sorry. I have not heard about closure of hospitals in this province, but I have to tell the member—*[interjection]* Except the Misericordia Hospital, which the previous government closed, not this Government.

Our Government recognizes the important role that farmers play in the economy of this province and the important contribution that

farmers make. We recognize that we need young farmers in this province. That is why we have brought forward programs like Bridging Generations which will help the next generation of farmers get started. That is why we have reduced taxes, the taxes on farmland. That is why we have improved crop insurance. That is why we have taken many steps.

Mr. Speaker, there is more work to be done, but our Government is committed to the family farm.

Mr. Jack Penner: Mr. Speaker, I would like the minister to answer how she perceives that the removal of \$53 million out of the Crop Insurance fund over the last two years will enhance the viability of Manitoba farms.

Ms. Wowchuk: Mr. Speaker, I will again try to provide the information for the member, because he has asked this question before and he does not seem to understand.

There is a funding formula that is in place. It is spread over a few years and the money has to be 60-40 matched in that program. The money that is Manitoba's allocation in that program is there and will be there.

There have been changes made in the program. We recognized the producers were facing a very serious financial situation, and that is why we improved the coverage but did not increase the premium. We covered their premium off through the reserves to help producers through this time of difficulty when there are poor revenues in the rural community. The member should understand that.

True North Entertainment Complex Exclusivity Clause—Financing

Mr. David Faurshou (Portage la Prairie): Mr. Speaker, approximately one year ago, the Premier, on behalf of all Manitobans, signed an agreement with the True North partnership.

This agreement included an exclusivity clause in which all levels of government, and this is a quote: Agree not to have any discussions with respect to financing, development or approval of a government-funded sports and enter-

tainment complex in the city of Winnipeg and its immediate trading area with any third party for 25 years.

Mr. Speaker, I would like to ask the Premier if he can define what immediate trading area of Winnipeg is.

Hon. Gary Doer (Premier): The Leader of the Liberal Party raised a comparable question that has been dealt with by True North back to the leader of that party. Obviously we are not going to have a situation to have two arenas, for example, of comparable size, but other facilities around Manitoba are proceeding as they should.

Mr. Speaker: Time for Oral Questions has expired.

MEMBERS' STATEMENTS

Student/Youth Resource Centres

Mr. Peter Dyck (Pembina): On May 16, I had the pleasure of attending the official opening of the student/youth human resource centres in both Morden and Winkler. These centres aid young adults in their job searches in a variety of different ways.

Firstly, they aim to connect students with employers. On top of that, student-youth employment officers are available to assist students and youth in providing help with résumés, individual job search strategies, interview preparation, exploring hidden job markets, and employment-related advice on topics such as human rights and employment standards.

* (14:20)

The centres act as a free referral system for job seekers aged 15 to 29 and also provide other employment opportunities for young people interested in earning some extra money for the summer. The odd-job squad for persons aged 12 years or older sends individuals out to mow lawns or to do other odd jobs.

Student Week in July gives youth a chance to make some money selling pizzas, picking strawberries, organizing car washes and other such events. student/youth human resource

centres also come equipped with computers, printers, fax machines and Internet, which students and youth may use free of charge to further their job searches.

Mr. Speaker, I anticipate another successful year for the student/youth human resource centres in Winkler and Morden. I could see that the individuals responsible for running the centres are eager to help as many students and youth find employment this summer as they can. The work they do benefits the community at large, and I commend them for it.

Narcisse Snake Den

Mr. Tom Nevakshonoff (Interlake): I had the opportunity this morning to be present on behalf of the Minister of Intergovernmental Affairs (Ms. Friesen) at the announcement of enhancements to the Narcisse snake dens located in my constituency of the Interlake, north of Inwood on Highway 17.

At this site tens of thousands of red-sided garter snakes congregate at the surface of their winter dens for brief periods twice a year. As a result, the dens draw more than 25 000 visitors annually from around the world as well as internationally renowned snake researchers and conservationists. Thanks to a Strategic Initiatives grant to the Rural Municipality of Armstrong, the dens will be further developed as a first-rate ecological and tourism resource.

The plan for the snake dens development was the result of a round table strategy workshop that involved staff from Conservation and Intergovernmental Affairs, the Narcisse Snake Mortality Advisory Group, community and local business representatives, officials from the R.M. of Armstrong, and scientists from the University of Manitoba.

The \$50,000 contribution from Manitoba Intergovernmental Affairs will support the following: construction of a snake den viewing platform; improved den perimeter fencing; additional infrastructure development including an information kiosk; picnic shelter; interpretive signage; improved washroom facilities; a hand-capped access trail; a visitor's survey to help

assess the visitor experience and how the site can be improved; and an ecotourism master plan.

Manitoba Hydro and Centra Gas have been constructing tunnels in the area to prevent the needless deaths of the snakes. The project, which includes 13 tunnels, was started in 2000 and will be completed this year. The installation equipment, piping, and labour cost an estimated \$10,000 and was provided by Hydro and Centra Gas. As well, fencing was provided by Manitoba Conservation and installed by members of the Green Team over the past two years.

I want to thank Intergovernmental Affairs (Ms. Friesen); Conservation (Mr. Lathlin); Culture, Heritage and Tourism (Mr. Lemieux); as well as the Minister of Industry, Tourism and Mines (Ms. Mihychuk) for their support on this project.

Thank you, Mr. Speaker.

Farm Family of the Year

Mr. Glen Cummings (Ste. Rose): Mr. Speaker, I would like to make a statement to the House about the Newton family, who have just been named the Farm Family of the Year of the province of Manitoba.

This family is comprised of Weldon Newton, president of the Keystone Agricultural Producers, his brother, Murray, and his wife, Donna, and their children, who operate a mixed grain farm along with a hog operation west of Neepawa on land originally farmed by the parents of Weldon and Murray, Bob and Mary Newton. I believe it is fair to say that this family is carrying on the tradition begun by Bob and Mary Newton of community service and being excellent farmers.

Weldon Newton has served on the board of Manitoba Pork for 19 years, director of Canadian Pork Council and Prairie Swine Centre, and was the chair of the Manitoba Farm Business Council for two years.

His brother, Murray, has served as president of the local committee and secretary of the sub-district council for Manitoba Pool for 20 years, local chair of Keystone Agricultural Producers and a member of the provincial executive.

Donna, Murray Newton's wife, is the book-keeper, an important role in the family farm operation. She remains active in the community: a substitute teacher, a Sunday school teacher, active in the figure skating club, banquet chair for the 1999 Scott Tournament of Hearts and the 2002 Select curling competition in Neepawa.

Mr. Speaker, Murray and Donna have three children: Nancy, who is currently in Australia on a Rotary exchange program; Cheryl, who is in Grade 10 at Neepawa Collegiate and involved in music and the year book; and Scott, who is in Grade 8, involved in hockey and baseball. All of their children have maintained their position on the principal's roll of honour for their accomplishments academically.

Considering all the accomplishments of their farming operation and their contributions to the community, it comes as no surprise that the Newton family has been honoured with title of Farm Family of the Year, and certainly making their parents, Bob and Mary Newton, very proud of the tradition that they are carrying on, on that farm.

I wish to congratulate them on behalf of all members of this Assembly. Families like this that stay on the farm in Manitoba will make sure that there is a farming future.

Sidney Castel

Mr. Gerard Jennissen (Flin Flon): Mr. Speaker, I would like to speak about one of my constituents who has recently become a pop culture phenomena in this province, particularly in the northern part of this province.

Mr. Sidney Castel, 68-year-old widower and grandfather, was born and raised by trappers in Pukatawagan, Mathias Colomb Cree Nation. Pukatawagan is located 800 kilometres from Winnipeg. Pukatawagan can only be accessed by airplane, rail or winter road.

Today, Mr. Sidney Castel is known across Manitoba for his singing, most notably for his song about his home town, Pukatawagan. His unusual song has been played on radio stations around northern Manitoba, as well as on CJOB

and CBC in Winnipeg. Although Mr. Castel's singing, music and lyrics may not suit everyone's taste, his unique music is catching on. "The Pukatawagan Song" has now achieved a kind of cult status. You either love it or hate it.

Mr. Speaker, a compilation CD containing Mr. Castel's song sold 5000 copies last year. The album, which featured Mr. Castel and songs performed by six other people, was recorded by Winnipeg-based Sunshine Records. The participants were all winners of a talent contest sponsored by Missinippi River Native Communications.

Mr. Speaker, the CEO of Sunshine Records, Mr. Ness Michaels, says that Mr. Castel's song is the reason why 90 percent of the CDs sold.

As a result of his fame, Mr. Castel now finds himself doing public performances from B.C. to Ontario. The surprise hit song "Pukatawagan" goes like this, but I am not going to sing it: I left Pukatawagan for 20 long years, but I always come back to Pukatawagan.

Mr. Castel will soon be recording a full-length CD featuring his own work entirely. The CD will include another of his unique songs that is also catching on. That song is called "Thompson" and is about, as you might have guessed, the city of Thompson. I would like to wish Mr. Castel much more success with his future musical endeavours. His voice is truly an authentic northern voice. I hope that everyone gets a chance to listen to his work. Thank you, Mr. Speaker.

Kelvin High School's "Reach for the Top" Teams

Hon. Jon Gerrard (River Heights): Mr. Speaker, today, I pay a tribute to Kelvin's senior "Reach for the Top" team, which won the Manitoba Provincial Championship, April 17, and to Kelvin's intermediate "Reach for the Top" team, which achieved their provincial championships on April 24. Representatives from both teams will be going to national finals this weekend in Edmonton. I would like to note in particular that one of our pages, Rachel, is among those who are going and provide personal congratulations to Rachel and her teammates.

Kelvin's "Reach for the Top" club meets every noon hour of the school year. While eight students play at any given time, attendance is so high, there are approximately fifteen students every noon hour, that students switch off every few minutes to allow everyone a chance at the buzzers. A feature that distinguishes Kelvin's team from others competing in the province is that all players who attend regularly are afforded an equal opportunity of competitive play, even at the level of provincial and national finals. The Kelvin "Reach for the Top" team does not simply play its best players. It plays all students who have demonstrated a commitment to the team. This unique characteristic is key to Kelvin's repeated successes. Students come to learn and play primarily and not just to compete. Once again, congratulations to the teams from Kelvin, and I wish them all the best of the success in Edmonton this weekend.

ORDERS OF THE DAY

GOVERNMENT BUSINESS

* (14:30)

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, would you please call bills in the following order: 7, 3, 6, 8, 10.

THIRD READINGS

Bill 7—The Local Authorities Election Amendment Act

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, I move, seconded by the Minister of Finance (Mr. Selinger), that Bill 7, The Local Authorities Election Amendment Act, be now read a third time and passed.

Motion presented.

Hon. Jon Gerrard (River Heights): Mr. Speaker, I support this bill. It is not a perfect bill, but it does provide an important and significant solution to the problem which arose some time ago in southwestern Manitoba. I believe that it is important to pass this measure so it is in place for the municipal elections coming up this fall, so I will support it.

Mr. Larry Maguire (Arthur-Virden): I, too, will be brief in discussion. I would just like to say that we would pass this bill on, The Local Authorities Election Amendment Act. I wanted to just say a few words on it and thanks to the process of the speakers that came in for second reading on this bill in committee and the words that they put on the docket at committee. I just wanted to raise this issue and perhaps it can be looked at as the minister has indicated that there will be a full review of The Local Authorities Election Amendment Act at some other time and The Municipal Act, as well, that perhaps sometime there could be looked at an opportunity for the two non-resident voters that would be identified on a particular undivided parcel of land to have those two persons identified at a date prior to the date of the election so that the work of the administrators of the municipalities involved across Manitoba will be able to have a clean voters list in front of them, say a week, I suggested in committee two weeks, prior to that particular election date.

I think for this fall obviously we just wanted to get this bill through because it is so important. If we would have had another year instead of being six months away from this fall's October municipal elections across the province of Manitoba, we might have had more time to deal with some of those issues and had a more thorough review of the whole act. But, having limited amount of time and some elections coming up earlier this summer in some locations and in some municipalities that are affected in other by-elections and such, it was felt that there was some need to put this bill forward at this time and get it through so that it could be put in place in time for this fall's election.

I think that is the main issue behind this bill. I thank the minister for bringing this forward again because, of course, the amendment is virtually identical to what I brought forward at Bill 38 a year ago in regard to the discussions around the time frame of six months that the minister had identified in Bill 38 that was put forward a year ago. Of course, we are already within that six months time frame on this bill, and it will be looked at as a benefit because of course all voters who will be allowed to vote at the municipal election this fall are already

determined by those who already own particular parcels of land.

I think that again it behooves the process that I hope that this will help clarify certain circumstances around municipal elections this fall. There is a fear that perhaps some special interest groups will tackle some of the municipal councillors and Reeves that are out there today based on the fact that they may be for or against a particular issue that is going on in a municipality. I would raise the one of intensive livestock operations. There are much better ways of dealing with intensive livestock operations than have been put forth by this bill. This bill and Bill 38 a year ago, last year, are just two mechanisms of looking at how you would proceed with undivided properties by non-resident voters.

Very clearly, some of those special interest groups may raise enough fuss in some of those council seats to make the normal councillor who was really doing a public service in his or her local area in regard to the day-to-day things that happen in a municipality that really were not put in place to say that your neighbour or his neighbour can or cannot run a farming business in one way or another.

I think that is a concern that many councillors are fearful of. They did not get into the business to say that you can farm this way but yet you cannot. I think that is leading a bit of discrepancy in some of those rural seats, rural council wards, I should say, and some of them more closely to some of the major centres perhaps, I think, is a major concern and around cities as well. So I think this is just one small piece that will help clarify the voting list of the people who will be able to be eligible to vote this fall in those municipal elections.

With that, Mr. Speaker, I would urge the passing of this bill. Thank you.

Mr. Speaker: Are there any other speakers? Is the House ready for the question?

Some Honourable Members: Question.

Mr. Speaker: The question before the House is Bill 7, The Local Authorities Election

Amendment Act. Is it the pleasure of the House to adopt the motion? *[Agreed]*

DEBATE ON THIRD READINGS

Bill 3—The Highway Traffic Amendment and Summary Convictions Amendment Act

Mr. Speaker: Resume debate on third reading of Bill 3, The Highway Traffic Amendment and Summary Convictions Amendment Act, standing in the name of the honourable Member for Lac du Bonnet, who has 21 minutes remaining.

Mr. Gerald Hawranik (Lac du Bonnet): I welcome the opportunity to continue the debate today and Bill 3, of course, is a safety bill, a bill that deals with the safety of our roadways. The bill provides for photo radar. When a speeding vehicle drives past a photo radar machine, the machine in fact takes a picture of the vehicle and the licence plate, the registered owner of the vehicle is ticketed but does not receive any demerit points on his or her licence since the camera does not record who was the driver of the vehicle.

The bill also provides for red light cameras and when a vehicle drives through a red light, the camera will take two pictures of the vehicle and record its speed. Statistics show that if photo radar is introduced it will minimize traffic deaths. Mr. Speaker, it will minimize traffic injuries and it will also minimize property damage due to speeding.

During 1999 and the year 2000, 25 percent of fatal crashes in Winnipeg were related to speeding. Mr. Speaker, Bill 3 permits the use of photo radar only in certain circumstances, being school zones, playground zones, construction areas, as well as at intersections with traffic lights. Bill 3 also permits the installation of red light cameras only at intersections and railway crossings.

I, along with all my other caucus colleagues, were pleased that the Minister of Transportation (Mr. Ashton) introduced an amendment to the bill to ensure that excess revenues from the bill be used for safety or policing purposes. In fact, this amendment comes as a direct result of the comments made by my colleague the Member

for Portage la Prairie (Mr. Faurschou) when he indicated that he had recommended to this House on December 4, 2001, that the funds that were raised from this bill should be used toward policing and enforcement. For that he should be congratulated.

* (14:40)

We need, I believe, more targeting of funds from fines in this province to ensure that those who offend pay for the costs of the enforcement and the education. Similarly, I understand that the Province turns over all of its revenue at this point in respect of any gasoline taxes that are raised in the province toward the maintenance and construction of highways in the province. This has been going on for many years as I understand it, and not just this current Government but also the previous government had been doing the same thing.

It is commendable to do this. I believe that there is public support for this type of initiative. I understand, though, that the billions of dollars that are collected from federal government taxes on gasoline are, in fact, not going back into roads to that same extent, and less than \$200 million a year, in fact, is going back to the provinces for maintenance and for construction of highways. I think the federal government needs to be challenged in this respect, and they need to be lobbied to provide more funds for roads.

Roads are very important, and we do not need roads deteriorating to the point where the condition of our roads causes accidents. I mentioned in this House on a couple of previous occasions already that Provincial Road 304 in our constituency needs to be upgraded. Provincial Road 304 proceeds from Provincial Trunk Highway 59 up to Provincial Trunk Highway No. 11 at Powerview and connects the communities of Powerview, Pine Falls and St. George, a total of about 3500 people. It connects them directly south to Winnipeg and to the beaches and Selkirk areas. This is a very busy highway.

About 10 years ago, the previous government reconstructed about the first two-thirds of that road as it proceeds from Provincial Trunk Highway 59, and the last one-third of that road

needs to be reconstructed to ensure that that roadway is brought up to standards so that it does not cause any traffic accidents.

What compounds the hazardous situation there is, of course, the fact that a lot of the pulp trucks that proceed from the forested areas to supply Tembec with pulp for its pulp and paper operations, proceed along this road, the shoulders are very narrow, and create a very hazardous situation for a lot of traffic that proceeds from Pine Falls, Powerview and St. George to Winnipeg. It is a very hazardous situation, and I would urge the Minister of Transportation (Mr. Ashton) to seriously look at including this road within his next year's highway budget.

As well, there are a couple of other roads that are very hazardous in our constituency, another one being Provincial Trunk Highway 15 near Ste. Rita and, of course, Provincial Trunk Highway 44 as it proceeds easterly from White-mouth into the Whiteshell. Again, those roads need upgrading and reconstruction.

There is a very important initiative that is occurring in our constituency within the last few months, and that is the initiative to extend the Yellowhead Highway, the Yellowhead Route, from The Forks in Winnipeg down 59 highway, east along 44 and back to the No. 1 highway, the Trans-Canada Highway near Falcon Lake. It is a very important initiative because we need the extra traffic to generate tourism traffic in our area, which creates, of course, jobs in our constituency.

Later this month, I believe the Minister of Transportation, along with a number of other representatives from our communities, are going to be going to Edmonton to propose a resolution to extend that highway, to extend the highway past Beausejour and Lac du Bonnet areas to ensure that there are more jobs in our constituency. I would urge the Minister of Transportation, of course, to support that resolution.

I support this bill, and although I would support, for obvious reasons, the use of photo radar, red light cameras across the province and not just for limited purposes as proposed in this bill. I would urge, of course, all members of this House to support the bill. Thank you.

Mr. David Faurshou (Portage la Prairie): Mr. Speaker, once again, I appreciate the opportunity to debate an important piece of legislation known as Bill 3, The Highway Traffic Amendment and Summary Convictions Amendment Act, pertaining specifically to photo enforcement of our highway traffic laws in the province of Manitoba.

I want to take this opportunity to express, once again, my disappointment that the opportunity was not taken in committee to be a little more definitive as to how the surplus revenues from this particular technology will be spent in the province. Our side of the House had proposed specifically that the surplus funds be dedicated to highway traffic safety and enforcement.

I know that the minister spoke at length in regard to the debate of this proposed amendment. In fact, I was almost believing that the minister was speaking in favour of the amendment. Until just within his concluding remarks did I find that he was not going to support that amendment. Instead, Mr. Speaker, the minister did propose, after defeating our proposed amendment, to put in place a similarly worded amendment, but the surplus revenues for safety and policing purposes.

Now, this amendment, as was passed by committee, as it was proposed by the minister, really leaves things quite open as to where the monies will be allocated. Because policing purposes can be very broad ranging. I do not believe that it was the intent in this particular piece of legislation by this Assembly that revenues from this technology could be spent in other areas away from The Highway Traffic Act.

The Highway Traffic Act, as its amendments proposed here, is dealing with safety concerns here in the province of Manitoba, and I believe that the minister should have adopted wording where the surplus funds are dedicated to enforcement of The Highway Traffic Act rather than dedicated for policing purposes. "For policing purposes" could mean just about anything, whether the police are engaged in the undertakings of a murder investigation or common assault or any other criminal activity, whereas, I believe, the minister's intent with this

legislation was to address roadway safety here in the province.

I believe the amendment is ambiguous. I spoke against this particular amendment, but it was adopted, and now I am just taking this opportunity to once again reiterate that this side of the House is not in favour of this particular wording which, in fact, puts surplus revenues from this technology for policing purposes, which is too broad ranging. I hope that the members opposite understand what I am saying and take to heart and perhaps will engage an amendment at a later date that will address this particular situation.

The other concern that we had in regard to this legislation, in which we proposed that the highways within cities, towns and villages, where police services have an enforcement authority for the highway, reasonably consider it justified to prevent injury or damage to persons or property. This was another amendment we put forward which would allow a little bit of latitude to the policing service within a village, town or city within our province to deploy this technology where the police services see the need and believe that it is warranted. Unfortunately, this amendment, as we proposed, was defeated and not allowed to enter into The Highway Traffic Amendment Act.

* (14:50)

The other consideration that we had at committee and once again was not allowed for through amendment was to engage other authorities here in the province who have an expertise in identifying safety concerns. and I speak specifically of persons involved with Manitoba Public Insurance Corporation. I speak specifically of the police services throughout the province that, on a day-to-day basis, engage persons that have felt tragedy through unsafe situations at intersections and on roadways within the province. I believe that the personnel from Manitoba Public Insurance Corporation and the police services, whether they be municipal or our Royal Canadian Mounted Police, do indeed have a part to play in identifying where surplus revenues from this type of technology can be best allocated. I know members opposite would agree with me in that regard that Manitoba

Public Insurance officials and the police services do have statistics and personal experience that would enhance the decision-making process as to where we need to address safety concerns here in the province. I am extremely disappointed that the Government did not take the opportunity to amend this legislation and act on its own committee's recommendation to involve other agencies in the decision-making process as to where safety is a concern and how surplus monies derived from this technology could be spent.

We are all here for one reason. That is to provide for those Manitobans that have seen fit to elect us to this Assembly. It is incumbent upon ourselves to act in the most defined and intelligent manner. I believe that in this case we have missed the opportunity to enhance this legislation which we on this side of the House do support. It has been a long-standing position of the Progressive Conservatives to employ technology to enhance those police services throughout the province for the safety and security of individuals that reside and motor around the province on our highways.

I hope that this legislation is given Royal Assent in a very short time frame. I believe that the highways department, police services are anxious to employ this technology in enforcing the amendments as this House will ultimately pass and want to engage the technology as soon as possible so as to enhance the safety of those persons that are traveling the highways of Manitoba throughout the summer. I would say that in areas of construction, which the minister of highways and transportation has stated are going to be across this great province of ours, we have this technology that will safeguard the individuals that are employed at construction sites and are there to improve the highways throughout our province.

Although I am principally in support of this legislation, I would like to reiterate that the suggestions that I have offered you here today in this Assembly be taken to heart, and, at the earliest opportunity, when The Highway Traffic Act is once again considered for amendment, that we adopt those considerations so that our police services are consulted, our personnel from Manitoba Public Insurance are consulted, and

wisdom will prevail in regard to the deployment and improved safety situations throughout our province.

Mr. Speaker, I want to thank you this afternoon for the opportunity to address Bill 3, The Highway Traffic Amendment and Summary Convictions Amendment Act. I hope that this Assembly will, indeed, pass the legislation in a most hastened fashion.

Hon. Jon Gerrard (River Heights): Mr. Speaker, I have followed the discussion on Bill 3, the photo radar bill. I am not opposed to photo radar under all circumstances, but I am opposed to measures like this bill which provide for the conviction of machines rather than people. In a world which uses more and more technology I believe that people continue to be important.

A speeding conviction should not be treated the same as a parking ticket where we have accepted for some time that a ticket can be given to a machine. There are fundamental differences between the offence of parking in the wrong spot and speeding or running a red light. Parking in the wrong place is very rarely the cause of injuries or fatalities. Speeding or going through a red light too often is the cause of an accident, personal injury or death and should be treated more seriously than a parking offence. In my view, while it is reasonable to give a parking ticket to a stationary vehicle, it is not appropriate to convict a machine of speeding. A speeding vehicle has someone behind the wheel in control, and the conviction should recognize both the seriousness of the offence and the human responsibility.

A parking ticket is available to the driver immediately on his or her return to the vehicle. The individual responsible for the car on his or her return to the car gets immediate feedback to know that an infraction has occurred. The individual can immediately assess the situation and determine if there is a possibility of error and can provide a defence where he or she has reason to believe an error may have been made.

With photo radar under this bill it may be two to three weeks before a person is aware that his or her car is being charged with an offence under this act. In rural areas, because it may take

a number of days, even a week, for the mail to reach a person, this is even more of a problem than in the city of Winnipeg where mail delivery is quicker. If a person happens to be away on business or vacation when the notice arrives, they may not learn that their car has been charged with an offence for even longer. I suspect four to five weeks may not be unusual under such circumstances.

When the information of the impending conviction to the machine is delivered more than two or three days after the fact, it will be difficult to remember the precise circumstances. It may not be easy to determine who was driving the car at the time, and it will be almost impossible for a person to provide a defence to counter the charge to his or her vehicle, even in cases where there is a mistake.

There are those who argue that there are never mistakes using the photo radar equipment. Nothing, not even this, my friends, is absolutely foolproof. Mr. Speaker, to date, while many jurisdictions have adopted photo radar the implementation of photo radar in other provinces has been fraught with difficulties. In light of these difficulties it is important to have a test period during which cars are being convicted of offences and owners fined to make sure that there are not problems with the implementation.

I understand that I am the only MLA who opposes this bill. I stand alone, Mr. Speaker, for the rights of citizens in Manitoba and for consideration of human concerns in today's world of technology. I stand today having received a mandate last December from attendees at our Manitoba Liberal Party meeting.

Attendees agreed that three conditions are necessary to bring in photo radar: The approach should be modified so that people are convicted, not machines; there must be rapid notification within 24, or, at most, 48 hours, so that people have the ability to defend themselves; and there must be a trial period where convictions occur. If these three conditions have been met I would support photo radar, but because they have not been met in this legislation, I am opposed to this bill.

Mr. Speaker: Are there any other speakers? Is the House ready for the question?

The question is third reading Bill 3, The Highway Traffic Amendment and Summary Convictions Amendment Act. Is it the will of the House to adopt the motion?

Some Honourable Members: Agreed.

An Honourable Member: No.

Mr. Speaker: No?

Voice Vote

Mr. Speaker: All those in favour of adopting the motion, say yea.

Some Honourable Members: Yea.

Mr. Speaker: All those opposed to the motion, say nay.

Some Honourable Members: Nay.

Mr. Speaker: In my opinion, the Yeas have it. Carried.

* (15:00)

THIRD READINGS

Bill 6—The Fortified Buildings Act

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, I move, seconded by the Minister of Justice (Mr. Mackintosh), that Bill 6, The Fortified Buildings Act; Loi sur les bâtiments fortifiés, be now read a third time and passed.

Motion presented.

Hon. Jon Gerrard (River Heights): Mr. Speaker, I rise to indicate that I will be supporting this legislation. I had expressed concerns earlier on with regard to the possibility that this act might be selectively applied in certain jurisdictions in this province but not in others. I have been satisfied by the Minister of Justice (Mr. Mackintosh) that in fact this will be a law of general application, that there will not be distinguishing between one community and another in ways that might disadvantage certain

communities or put certain communities at risk. I think that this measure will, hopefully, provide some enhanced safety and better safety measures for the people in Manitoba and decrease crime.

So I am in support of this measure, having heard from the Minister of Justice a clarification on the points that I had raised earlier.

Mrs. Joy Smith (Fort Garry): Mr. Speaker, I just want to put a couple of comments on record regarding Bill 6. Members on this side of the House too support The Fortified Buildings Act, Bill 6. We believe it has many merits. The one amendment that members on this side of the House wanted to put forward was an amendment that tied the director into a person who had law enforcement education or experience. That was one amendment that was voted down by members opposite. That is regrettable, because the people who are looking at fortified buildings need to have the experience and understanding of what a fortified building is all about.

Apart from that, Mr. Speaker, members on this side of the House are very supportive of Bill 6, very pleased overall that it is going through and we do support it.

Mr. Speaker: Is the House ready for the question?

Some Honourable Members: Question.

Mr. Speaker: The question is third reading, Bill 6, The Fortified Buildings Act. Is it the pleasure of the House to adopt the motion? *[Agreed]*

Bill 8—The Limitation of Actions Amendment Act

Hon. Tim Sale (Minister of Family Services and Housing): Mr. Speaker, I move, seconded by the Minister of Justice (Mr. Mackintosh), that Bill 8, The Limitation of Actions Amendment Act; Loi modifiant la Loi sur la prescription, be now read a third time and passed.

Motion presented.

Mrs. Joy Smith (Fort Garry): Mr. Speaker, members on this side of the House do support this bill and look forward to giving the residents of Manitoba here, the people who had been

victims and have had traumatic things happen in their lives, the opportunity to go forward in the courts and be heard.

We do support this bill and are pleased to see it passed.

Hon. Jon Gerrard (River Heights): Mr. Speaker, in my view, Bill 8 is bad law. I am, in fact, going to hold my nose and vote for this, but I want to make it quite plain to all members here that I see major problems with this law as it is structured and the approach it takes to correct a wrong which occurred many years ago in residential schools. In many respects, Bill 8 corrects one wrong, and, at the same time, initiates another. I believe that there is a better way that could have been chosen.

I want to say at the outset that I believe that those Aboriginal children who were abused sexually, mentally or physically in residential schools should receive recognition, compensation and an apology, and that this should be done rapidly.

Last fall, I brought forward a matter of grievance related to the fact that the NDP and Tories were not willing to spend the extra time in December to deal with this legislation before the session ended. A number of those Aboriginal peoples who brought forward their stories of sexual or physical abuse in the residential schools are elderly. Indeed, as Mr. Elmer Courchene has indicated in committee, some 15 to 20 Manitobans in this position have already died without receiving consideration. It is therefore important that the bill be dealt with quickly.

One of my objections to this bill is that its clauses will apply retroactively, in some cases, for decades. The passage of laws with retroactive provisions is, in general, a very poor approach to government, and we should consider this in understanding the present bill which provides for its retroactive application going back many, many years. Let us first acknowledge that the primary reason for this bill, Bill 8, is concerns over physical or sexual abuse in the residential school system.

The Minister of Justice has indicated that there are about 800 residential school plaintiffs

with cases in the system in Manitoba. The Minister of Justice further notes that, if this law is not revised, most of these cases, it appears, would be prevented from proceeding in the courts, where they would very likely be allowed to proceed if they occurred, for example, in the province of Saskatchewan. However, the federal government has decided to proceed to settlement of these cases without regard to the limitations of action statutes in Manitoba where there are instances brought forward of sexual or physical abuse occurring towards students while they were attending residential schools in Canada. Thus, the Minister of Justice's position does not take into account the fact that the federal government, in its approach to these cases, has taken the opinion that the residential school cases will proceed without regard to the existing statute of limitations provisions as they exist in Manitoba. Notwithstanding the statement of the Minister of Justice, Manitoba cases are proceeding to settlement.

It is worth asking then whether there are better ways to address the issue at hand rather than invoking an approach which uses retroactive provisions in law to do this. Could the present Government have taken a position which would allow for compensation for those who were physically or sexually abused in residential schools without having laws which apply retroactively? I believe this could have been done as, for example, with individuals with hepatitis C, and I believe this would have been a better solution. At the same time, it is important to acknowledge that there is need for adjustment of the existing statute of limitations in Manitoba following the decision of the Manitoba Court of Appeal. This, however, could be done prospectively without enacting law with provisions which go back many, many years and give rise to a lot of uncertainties.

A framework is needed to correct the present situation. I agree with the other parties on this. However, in providing this framework, it is important, one, that we consider separately the best way to address the situation with regard to incidents that have occurred in the past and, two, that we consider the best way to provide an approach to when and where there should be a statute of limitations for the optimum operation of the legal system in the future.

First, let me address the issue of correcting the injustices of the past.

Sexual and physical abuse suffered many years ago often occurred in an environment where it was very difficult to bring these problems forward. Since they could not have effectively been brought forward many years ago, it is right that there is an opportunity now. But let us also be clear on where the problem lies with respect to wrongs committed many years ago. First, there are those who committed wrongs who are at fault clearly. Second, the provincial government is clearly also at fault because the law that has existed on the books for many years we now recognize as being bad law and deficient. The provincial government was clearly at fault in having a law which prevented good justice, but changing the law in ways that create retroactive obligations which did not exist before is not necessarily the best answer.

It is important that as legislators we recognize the fault and the problems created by having bad law and we recognize that in correcting the situation the provincial government now has an obligation to say it is sorry because of the bad laws which existed.

Who now has the financial obligation? Is it the churches or the provincial government? A case can be made that the financial obligation should belong at least in part to the provincial government, where a wrong cannot be corrected under current law and without passing legislation which has retroactive effects. Indeed, when it passes retroactive legislation of this type, creating retroactive obligations, the Province has at least a moral obligation to contribute financially to settlements.

* (15:10)

Today, I suggested the Government would have been far better to craft a bill which acknowledged provincial as well as church responsibility in the way that legislation existed in Manitoba before this bill. If we had a poor law in the province before this time, then we as legislators should stand up and take responsibility on behalf of the legislators in this province who created the law, whichever government or whichever party.

We should be very, very careful about imposing new and retroactive obligations on people and on churches, retroactive obligations dating back many decades which may make it very difficult for individuals or churches to defend themselves.

It would appear that the NDP is always ready to blame others and to create obligations on others as opposed to owning up to their own, or, in this case, the Government's responsibility.

I will repeat this point. When there are retroactive financial liabilities which result from correcting older law which is bad, then the Government, because it was responsible for the bad law in the first place, must accept some financial responsibility for the obligations it is imposing. Only in this way can we ensure responsible action by governments so that governments will be slow to make retroactive obligations on the part of others but not themselves.

It may also turn out to be poor to have dealt just a legal option to many who now will not be as able to exercise it well, those who have been hurt in the past as a result of sexual or physical abuse. There are the costs of legal proceedings, the time required for legal proceedings, and the need to provide detailed and major evidence which dates back many years, an alternative option may have been far better.

Mr. Speaker, let us be clear about one thing in this law. It is that this law is an attack on the churches of Manitoba. Indeed, I venture to say that the Minister of Justice has launched an unprecedented attack on many of Manitoba's churches. Today, if a teacher is charged with sexual abuse, it is the teacher who is charged, not the school board. In the days of the residential schools, the churches performed a role analogous to the school boards today except of course that they were not elected.

In this law it is anticipated that in many circumstances the churches will have the primary liability rather than the individual. Do we expect school boards to be put in this position today if an allegation of sexual or physical abuse is made? Not commonly, rarely, if ever.

Mr. Speaker, I stand up to defend the churches of Manitoba. The churches in Manitoba have been under attack in this bill, and I will stand up today to speak on Bill 8 as the sole MLA to speak on behalf of the churches in this province. This is not to say that the churches are always right. This is not to say that there have not been those within the churches who have committed wrongs, but I believe that, in a drive to advance this bill, the Government and the Official Opposition have not fully represented the positive contributions of the churches to life in our province. In fact, the Government of Manitoba has launched an attack on many of the churches, and the Official Opposition because it supported the Government without raising negative aspects of this bill, clearly in collusion.

First, I would like to revisit the origins of the residential schools. The picture has been painted that these were set up in the most Machiavellian fashion to undermine all that is good in the world. I believe that there is a fairer assessment that should be made and should be said.

In the United Kingdom, at the time that the residential schools were established, a very considerable proportion of the aristocracy of the day sent their children to residential schools or, as they were called then, boarding schools. In such boarding schools, children spent much of the year apart from their parents fully in a school environment.

When the residential schools were set up in Canada and when they were set up elsewhere in the world, as in Africa for example, a fairer view was that these were modelled on what was believed to be the very best type of schooling anywhere in the world, the type of schooling that was provided to the children of the aristocracy in England, the type of schooling that was present in Eton and Harrow, the type of schooling that was felt to produce the leaders of the future. In some cases, it did. In Africa, for example, Nelson Mandela went to a residential school, and there are examples of Aboriginal leaders today who went through residential schools and benefited. Some also had major problems with this. Let us acknowledge that.

There was a view, and I think the point can be made, that children from Aboriginal

communities should have the very best, that they should not be given second-class options. Clearly, the reality did not live up to the promise, and clearly there seemed to have been those within the system who chose for their own reasons to abuse the privilege of teaching and raising children.

I believe it is important to put on the record some positive aspects of residential schools, as well as the negative ones, so that there be a more balanced perspective. My comments today are based in part on the experience of my grandfather who spent many years in Africa as a physician, a teacher, a missionary, much as did many who came as representatives of the churches to help others in Canada. There were many, like my grandfather, who gave up more lucrative or prestigious careers to serve others. This is well documented in the book *Africa Calling*.

My comments are also based on the experience of a good friend. My best man when Naomi and I were married had attended a residential school in Prince Albert, Saskatchewan, where he was growing up. John Hastings was one of the finest people I have known. His wisdom was extraordinary. It came both from what he learned at the residential school and the learning which he derived from his experience as a guide, a trapper, a fisherman, a wildlife manager in his time with the RCMP in northern Saskatchewan.

Over many years, John Hastings made huge contributions to improving the life of people in northern Saskatchewan. Mr. Speaker, his contributions included assistance with improved beaver management, improved fisheries management, contributions as a member of a panel holding hearings on the future of the Churchill River and as a concerned leader on Beresford Lake, keeping a watchful eye on the people in the area over many years while he operated a trap line, managed a fishing camp and many other activities. He was a concerned observer of nature and went to considerable lengths at times to preserve and to protect wildlife. Almost 30 years ago, when protected water areas and marine parks were still a long way in the future, he played an important role in establishing two protected water areas which have had a considerable positive effect on fish stocks.

Residential schools were not perfect. They had many faults, but for some like John Hastings they provided an educational foundation on which he built the wisdom and the contributions made over the course of the rest of his lifetime. In pointing out the faults and the problems with the residential schools, we should also acknowledge the positive contributions that they made.

There have been references to the residential schools in Teulon which operated until a few years ago. Orville Woodford from Fairford who worked with me in Ottawa talked positively about his experiences there. However, at the same time, the legacy of the residential schools reverberates within the Aboriginal community, echoing within today's Aboriginal generation. For example, one of my friends, Megan Linklater's parents attended the residential school where they were abused, and as a result, the loss of culture, language, and parenting skills is still being felt today.

In the rush to criticize the residential schools of the past, let us be careful of overeager historical revisionism which paints everything and anything associated with residential schools as bad. Clearly, there were problems. Some of these problems were major, but just as clearly there were some positive aspects and many who worked at the residential schools did so with good motives.

It is in the light of both the positive and negative aspects of residential schools that it is now important to ensure fairness as we look back and provide a framework for dealing with some of the more unfortunate consequences of residential schools, in particular where physical and sexual abuse occurred when and where it did.

One of the reasons to be cautious in the retroactive application of the present bill is the experience with recovered memory therapy. As outlined by George Bergen in his presentation, much that is mentioned by the Minister of Justice (Mr. Mackintosh) in providing a framework for the present bill may be just plain wrong. As George Bergen said, the minister's expressed justification for incorporating the

contents of this bill into Manitoba law is completely wrong. The Minister of Justice provides quotations from a period when recovered memory therapy was invoked. We now realize that one must be much more cautious in suggesting that a memory of sexual abuse commonly remains dormant for many years. George Bergen, of course, went further in saying that the minister's arguments in seeking the support of the House for Bill 8 have already been thoroughly discredited by the psychiatric profession, academic scholars and major newspapers in North America, Australia and Great Britain.

* (15:20)

We would do well, I suggest, to have a careful debate, with expert opinion carefully considered as to what limitations of action should be present for cases of physical or sexual abuse in the future. We need to look carefully at what is needed for the future, knowing that sexual and physical abuse are now much better recognized and characterized and that the likelihood that they may remain dormant for years is small.

It would be better to have a law in the future which recognizes obligations but does impose some time limits on actions. We no longer live in a world where there is the same tendency to hide or keep quiet about sexual abuse and physical abuse that there was many, many years ago. Better knowledge about problems with recovered memory therapy allows us a perspective that many of the memories recovered were brought forth in ways that render the memories themselves suspect. Let me move on.

I agree with the Government that there is an obligation to correct a wrong. I disagree with the Government's approach. In my view, the Government could have acted much more expeditiously. In particular, this was shown clearly last December when the Government failed to move the legislation forward, blaming the Conservatives while the Conservatives blamed the NDP.

The NDP have crafted a bill which attempts to help those who suffered when they were at residential schools. It is a legal recourse and may provide a false sense of hope for those who were

poorly treated under the residential school system while providing little recourse for the churches to defend themselves against allegations of wrongdoings many, many years ago. I will vote for this bill, but in doing so I say to this NDP that this bill should be accompanied by a formal apology to the churches of Manitoba, an apology for putting them on the hook long after the fact, retroactively. It should be accompanied by formal recognition of the provincial mistake in having a bad law on the books in the past which had to be corrected. I also believe that a formal apology should be made to the Aboriginal people whose children were placed in residential schools often against their will and that the provincial government should ensure that some form of positive closure should be made as soon as possible on the residential schools in this province. There should be a formal process in which the Province will contribute financially toward settlements which occur retroactively on the backs of others including the churches.

I believe there should also be structured a formal committee with the task of providing a historical perspective on the residential schools in Manitoba in a way that allows fair representation of the positive and negative aspects of these schools and the roles that various individuals and churches played in the process. I believe this would help to provide closure to this period in a way that is fair and balanced, in a way that allows for the stories of the abuse to be told, but also allows for the stories of positive aspects of residential schools to be told as well.

When I speak up with cautions about this bill, the NDP will, in their own Machiavellian way, likely try to paint me as not supportive of Aboriginal people. Indeed, I have heard that they are already trying to do this, but nothing could be further from the truth. I want those who suffered in the residential schools to have compensation and to have their issues recognized. I believe that this can be done and at the same time as we can treat the churches of Manitoba fairly and provide for Manitobans a fair picture of both the positive and the negative aspects of residential schools. But clearly, as well, the Machiavellian view used by the provincial government, I suspect, based on their own expectations, actions and beliefs about what

motivates people to justify their actions that these schools were established to undermine all that is good and wonderful in Aboriginal people, should not be accepted without a clear challenge.

It appears that the NDP are trying to interpret history based on how they act and decide today. Those who are Machiavellian in their belief system will interpret history as Machiavellian. One thing can be sure. The NDP have this type of understanding of politics and will be ever ready to criticize and try to imply that people like me would care less about Aboriginal people who have suffered under residential schools because I suggest an option which is different from the one that they have pursued. If anything, the NDP argue that they are the party of social justice. But I think that there could be much better social justice for Aboriginal people and for churches than in this legislation.

I have argued for a quicker resolution of this issue as many who have been treated badly are elderly and should have their cases resolved quickly. Mr. Speaker, I have argued for an alternative approach than to pass laws with retroactive effects. I vote for this bill because the NDP have provided no other option but this one, even though I believe there are other options, and so I will support this Bill.

Mr. Marcel Laurendeau (St. Norbert): Mr. Speaker, I must rise today and put a few words on the record after those ridiculous statements put forward by this Liberal fence sitter. To speak opposed to something and then speak in favour of it, I cannot understand it but I should know better. It is a Liberal after all and they are pros at it. This time he is sitting on a picket fence.

This side is not opposed to the religious orders in this province. We support the religious orders in this province. That is not what this bill is all about. For this member to slander members in this House by saying that we are opposed to religious orders, and that he is the only one who stands for them, I dare he should think again.

My family originated at the Fort Alexander Reserve, and my father worked at the school which the member speaks about for a number of years. It was not until 1943 that my family

moved to St. Norbert. That is where my father lost his hand, by the way, working for the Oblate Fathers.

Mr. Speaker, the Oblate Fathers played a role in my life because they were my educators when I was in St. Norbert. Father Isabelle was my principal when I was in high school, and Father Dionne was my counsellor at the time. The Oblates had the Oblate monastery at St. Norbert, we had the retreat house, the religious orders including the Trappist monastery was just down around the corner from my home, and I had an opportunity to work with them.

Let it not be said that I did not support the religious orders because, when I was growing up, I used to go and volunteer to work with the Trappist monasteries to bring in the crops, and I used to go work at herding the cattle, giving them a hand. As a matter of fact, when I first got married I lived on their property in a home which they gave me to live in while I could help out on the weekends and give them a hand during my first four and five years of marriage.

So, Mr. Speaker, let it not be said that this side of the House does not support the religious orders. For this member to put words in the mouths of any member in this House is wrong, and I chastise him over that. Not one word was uttered by any member against any religious order in this House.

Do we support the pedophiles that were out there? No, we do not, and they should be taken to court and that is what this bill is about. This bill is about justice and fairness, and if this member cannot see through that, he has to revisit the issue.

Residential schools were established by a government who needed somebody to run them, and they went to the religious orders, and the religious orders said, yes, we will maintain them for you. Were there a few bad apples in the crowd? Damn right there were. Just like there is in today's society, just like you have in your Liberal Party, just like they have in their NDP party, just like we may have in the Tory party. But that does not make it right for him to turn around and say nobody spoke out in favour. Mr.

Speaker, this bill might not go far enough, but it is a good first step.

There are injustices that are created throughout the world, and no legislation can correct them. No legislation brought forward by any government is ever good enough to correct the injustices by man, but let not one man or one person say that he speaks for all of us.

I was prepared to let this bill just go through, but I think it is time that we have some members stand up and chastise this member, and let this member know that he is not the only person who stands up in this House to support the religious orders of the world. *[interjection]*

One thing I have never done, Mr. Speaker, is sit on a fence. If I was opposed to a bill, I would speak against it. If I was in support of a bill, I would speak in favour of it. but I do not speak opposed to a bill and then vote in favour of it. That is hypocrisy. *[interjection]* I still remember my Liberal past. and I guess that is why I am no longer there.

Mr. Speaker, the member speaks about RMT. Mr. Bergen brought the RMT issue up at committee, and RMT is one of the reasons we need this bill. RMT was something invented by the shrinks so that they could bring these matters before the courts. With this bill we will not need that RMT. RMT will no longer be required by the courts because this bill will make it possible for people to have their day in court without it. They will not have to make up some mind relinquishing or take some drugs to bring back the past. That is what this bill is for.

So let not this member say that I or any of my colleagues are opposed to any religious order in this country or in the world, and let not this member attempt to speak for me or any member in this Legislature, Mr. Speaker.

I do believe it might be stood down by the other side of the House this afternoon, so we can carry on this debate a little bit more tomorrow so we can correct this member's ill statements that he put on the record, and possibly we could get some of the views of the religious orders on this bill that I have heard from, and they had some concerns, but I think they were answered.

If he has some other views, maybe he should have brought them forward at committee. At committee, there were Mr. Bergen and a couple of other members, people who came to the committee and spoke against it. I believe there were questions that were answered by the minister and by the committee. So I am prepared to see this bill pass and I support the bill, but I do not support a Liberal member in this House trying to put words in my mouth.

* (15:30)

Hon. Steve Ashton (Minister of Transportation and Government Services): Mr. Speaker, I want to echo the comments of the Official Opposition House Leader because we have had a good debate, a good discussion on this bill. The committee has a role to play, but, quite frankly, I was shocked and appalled at some of the revisionist history put on the record by the Member for River Heights (Mr. Gerrard).

I want to put on the record, and in particular, to compare the experience, the abuse of Aboriginal kids at residential schools to private public schools in Britain. I tell you, the better example, and I suggest to the member opposite, might have been the abuse that Welsh kids faced when they spoke Welsh in the school system in Wales. when they were punished for speaking Welsh. the same kind of punishment that Aboriginal kids received. We are talking here about systemic abuse; we are talking not just about sexual abuse. We talked to some of the Aboriginal people that went through this situation. We are talking about people who were punished for speaking Cree, or Dene, or Ojibway, speaking their own language. We are talking about people who were separated from their communities forcefully. We are not talking about the upper class in Britain that chose to send their kids to the private schools. We are talking about kids who were literally taken away from their communities.

I can tell you I have talked to people who have been through that, and you wonder why there was any effort to cover it up. People, for decades, this is not a false memory syndrome situation here, this is well documented. These are people who went through this, it was part of

their experience. They tried to block it out because virtually any and everything they stood for, anything in terms of their cultural experience, their family experience, they were told it was worthless.

I echo the point of the Leader of the Official Opposition (Mr. Murray), the House Leader of the Official Opposition as well, too. It is not that there were not good people in the system. There are good people in any system, but this is systemic. I want to say to the Member for River Heights, I was appalled when he talked about the churches. The churches are dealing with very difficult situations. I know the Anglican Church, I know the United Church, I know many of the Catholic orders have made apologies. They have made efforts at healing. They are moving on, and they are moving on by recognizing that what happened should not have happened.

And, yes, I agree with the Member for St. Norbert again that government had a role to play because, you know, this was part of a government policy of assimilation. This was a time in Canadian history when Aboriginal people could not even vote. It was not until 1960 that they were granted the ability to vote. When Aboriginal veterans would come back from the war and were told that they would lose their Aboriginal status, franchisement, this was part of a deliberate policy.

I was particularly puzzled at this speech which attacked the bill and attacked the Government and attacked the Opposition, and then the member gets up and says he is going to vote for the bill. I have heard of being on the fence, and I have heard of being impaled on the fence, and I tell you that was a pretty painful impaling of oneself on a fence. I mean, you cannot have it both ways. Either you support in this case what this bill does, which is the ability of the Aboriginal peoples to have their opportunity in the court process. A key element in any process of writing a historical role, either you support it or you do not. You do not categorize, as I said again, the views of the churches because I believe many religious orders are now understanding and moving on by going through a healing process that starts with justice for the people that suffered, justice for the people that suffered sexual abuse, that suffered cultural

abuse, physical abuse. I could run through, and I would suggest to the member opposite that he talk to the people that are dealing with this now.

We have another generation of work to do on this, Mr. Speaker, because Aboriginal people who went to residential schools have told me that one of the things they want out of the healing process is not only individual justice but it is collective justice. You have a whole generation that was denied the opportunity of what people in mainstream society have every day, which is a normal family environment.

We are talking about people who at a very early age were taken away physically from their community and never had the opportunity to have what we would consider a normal family life. I say we wonder why Aboriginal peoples are dealing with so many issues in their communities and why this is so important.

I just want to finish off on one note. There was reference to Machiavellian position on our part. Well, I can tell you, as a member of this Government, as a minister in this Government and as someone that represents a northern community, represents many Aboriginal people, you can call it what you want, but I consider justice for people who suffered abuse at residential schools and bringing in the ability for them to have their day in court, I believe it is the right thing to do. I believe it is the way in which we can get a true healing process, not through revisionist history.

This is not public schools in Britain where people were sent off willingly by their parents to train them to become members of the nobility and the aristocracy. These are people who were taken away from their homes, from their communities. It is well documented what happened. We are not talking about false memory syndrome.

I want to say that is not Machiavellian; it is called justice. I say to the member opposite, he can try to have it both ways. In our particular case we know some of the difficulties that some of the churches and religious orders are going through, not strictly because of this bill but because of this whole part of our history here. The way we are going to move forward is not

through revisionist history. It is recognizing what happened was wrong. There were systemic patterns of abuse. That does not mean that everybody in the system was an abuser or everyone in the system was evil. But when you have systemic abuse, you have to deal with that problem in a systemic way.

I am proud to support this legislation, and I can tell you it is not a question of being Machiavellian. It is because I stand for justice, and I stand for justice for Aboriginal people. I will always fight for justice for Aboriginal people. I believe many people in the religious orders, whom the Member for River Heights (Mr. Gerrard) talked about, believe that as well. They are working very hard on it, day-in, day-out basis, to heal, to move forward. I would say that this is something that not all members of the House should support and then involve with this revisionist history that we saw from the Member for River Heights. We should all enthusiastically support this because this is a bill that is for justice for Aboriginal people, and it is part of the healing process.

Mr. Jack Penner (Emerson): I have been sitting here listening to some of the comments made about Bill 8, and quite frankly, when one has had a significant amount of dealing with Aboriginal people over the period of time that I have had the pleasure of dealing with Aboriginal people, not only as a member of the Legislature but way before that—many of my neighbours, and they are my next-door neighbours, have worked for us, have played beside us, have dined in our house, and when one listens to the stories that many of them tell, one has to cringe from time to time.

* (15:40)

Every member in this Legislature, in my view, needs to reflect very seriously about some of the things that happened to some of the people and some of the perpetrators, and they should be dealt with. The perpetrators should be dealt with in a meaningful manner. I think the removal of the limits in the law is a step that is long, long overdue. I congratulate this Government for bringing forward this kind of legislation because criminal acts, no matter how long ago they happened, should never be condoned. I believe that

virtually all the churches in this land had the right thing in mind when they first entered, and that was, I think, the original intent, to bring Christianity to all the people. In doing so, I think there were some that truly wanted to help those families that were not able to, most of the time, care for the children. Whether they were Aboriginal people, or whether they were Mennonite people, or white people, or other coloured people really does not matter to me, because we had people in our community many years ago where the families simply could not support the family they had. They were put out into other homes or even into foster situations and cared for.

I will never forget the story my next-door neighbour told when his brother came to see him who he never thought still existed, that he had not seen for almost 40 years because they had been separated at very early childhood because the family simply could not support. So they were at that time farmed out. It was the term they used. They farmed the children out, and they lost track of each other. The stories that this man told were sometimes almost unbelievable stories of how they had been dealt with.

So it really is not a matter of Aboriginal, although when we talk about boarding schools and those kinds of things, but the Mennonite community also had boarding schools. MCI still has a boarding school today run by the churches. There are a great number of similarities, whether it be Aboriginal or what we want to call the white community. I do not even like those terms to be used anymore, because I believe we are all people and we all have rights under law and under God's law. I think the churches in most areas want to only do one thing and that is serve their people to the best of their ability, and for anybody to stand in this House and somehow infer that some of us in this Legislature do not care enough to speak on a piece of legislation simply is mind-boggling, in my view.

I think it is very, very serious when we criticize each other in this House. When we criticize each other in jest in this House is one matter, and I think we all accept that from time to time. We all poke fun at each other, and we all, at times, seriously debate each other and criticize each other. However, when this kind of criticism is extended, it is almost to the point of

where one would ask an apology from that kind of criticism.

I truly believe that all members in this House support the churches in their willingness and wanting to heal their past. I truly believe that all the church leaders would do almost anything to extend their hearts and their hands in order to accommodate that healing process, and this act, I believe, will in a large part help, only help accommodate that healing process. I think all of us should stand, hand in hand, side by side, in supporting this legislation to accommodate the willingness of church leaders and community leaders, and, indeed, those that provide social services and counselling to those that have been hurt in support of them. Then I think that we are truly on the right track. Then I think that our hearts will truly demonstrate what the will is of this legislation in joint action to make this kind of legislation happen.

Hon. Becky Barrett (Minister of Labour and Immigration): Mr. Speaker, I move, seconded by the Minister of Aboriginal and Northern Affairs (Mr. Robinson), that debate be now adjourned.

Motion agreed to.

TABLING OF REPORTS

Hon. Eric Robinson (Minister of Aboriginal and Northern Affairs): Mr. Speaker, before you get to the next piece of business, I wonder if I could seek leave to revert to Tabling of Reports.

Mr. Speaker: Is there leave for the House to revert to Tabling of Reports? *[Agreed]*

Mr. Robinson: Mr. Speaker, I am pleased to table the Supplementary Information for Legislative Review for the 2002-2003 Departmental Estimates for the Department of Aboriginal and Northern Affairs.

THIRD READINGS

Bill 10—The Environment Amendment Act

Hon. Gord Mackintosh (Government House Leader): I move, seconded by the Minister of

Aboriginal and Northern Affairs (Mr. Robinson), that Bill 10, The Environment Amendment Act, be now read a third time and passed.

Motion presented.

Mr. Glen Cummings (Ste. Rose): Mr. Speaker, this bill should move forward, but I do wish to put on the record comments that we did place during the committee. That is that we believe that the ministry is taking authority for good and solid reasons but perhaps taking authority that it already has and expanding that through the use of this bill. Because the reasons that the minister puts forward are valid reasons in terms of health and the concern that we have and the minister being able to move with appropriate authority in order to protect the health of the public, he has deemed this obviously the approach that he wishes to use.

But, for the record, we are concerned that there are other avenues available to the minister that he could have used. Perhaps it might not have been as easy for his department to implement, but nevertheless this bill should now move forward.

Mr. Speaker: Is the House ready for the question?

Some Honourable Members: Question.

Mr. Speaker: The question before the House is third reading Bill 10, The Environment Amendment Act. Is it the pleasure of the House to adopt the motion? *[Agreed]*

House Business

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, would you please canvass the House to determine if there is leave to waive private members' hour today only?

Mr. Speaker: Is there leave to waive private members' hour for today? *[Agreed]*

Mr. Mackintosh: I move, seconded by the Minister of Labour (Ms. Barrett), that the House resolve itself into Committee of Supply.

Motion agreed to.

COMMITTEE OF SUPPLY
(Concurrent Sections)

LABOUR AND IMMIGRATION

* (16:00)

The Acting Chairperson (Mr. Stan Struthers): Good afternoon. 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 Labour and Immigration.

11.1. Executive (b) Executive Support (1) Salaries and Employee Benefits \$544,300.

Mr. Ron Schuler (Springfield): I would like to welcome the committee back for the second day of Estimates. As the minister so aptly points out, we have got over 200 hours. Certainly, it would be my pleasure if at least half of those 200 hours we could spend together here in committee. I know there is a lot we can learn and a lot we can go over and many things that should be discussed, need to be discussed. Certainly, it would be my pleasure to spend at least 100 hours with the minister here in committee.

I do want to refer to something that was discussed yesterday. I mentioned some labour force statistics. Minister, I think you are going to find this most interesting, that some of the backbenchers on the committee rose up in arms when I said that Manitoba now has dropped to second place as far as unemployment numbers are concerned. So I found my trusty binder, and I thought why not bring the binder along. Why not? Do you know what I thought, Minister? Why not quote from it, in fact, extensively?

I think it is important that we read off of documents and lay it out properly, especially for those backbenchers who felt that they knew what the stats were. I am going to quote from *Labour Force Statistics Report*, October 1999. This comes from the Manitoba Bureau of Statistics, Labour Market Support Services, Education and Training. Of course, I do not know if all the backbenchers get a copy of this, but I know that the minister would have. I am sure the minister is just most intrigued, because on that day, that

would be October of 1999, the unemployment rate for Manitoba was 5.6; and for Alberta was 5.9; Saskatchewan 6.3; Ontario 6.7; for Canada it was 7.9; B.C. 8.4; Québec 9.7; Nova Scotia 9.8; New Brunswick 10.3; Prince Edward Island 14.3; and Newfoundland 17.2.

Now it gets interesting, minister. Now it really gets interesting. I am going to move you from what you would call history to the present day. I happen to have *Labour Force Statistics Report*, April 2002. It comes from the same bureau. Here are the numbers. I am glad to see I have the whole committee captivated. Alberta is 5.0; Manitoba 5.4; Saskatchewan 5.9; Ontario 7.1; Canada 7.8; B.C. 8.9; Québec 9.0; Nova Scotia 9.9; New Brunswick 10.8; P.E.I. 12.7; Newfoundland 16.8.

What is interesting here for all the backbenchers who felt that the numbers that I was quoting, the stat that I was quoting last time was inaccurate, is that Manitoba went from first place to second place. We used to have the lowest unemployment rate, and since this minister became minister, and I am sorry I have to put it that way, Minister. I do not like to make it sound personal and I do not want to offend the minister, but, I mean, she became minister and we dropped out of first place. Now we have the second place. At the rate we are going, and I hope this is not the case, but it looks like Saskatchewan is hot on our heels. I just wanted to make that information available to the committee, because I know the minister and I really like to have things exact.

When we deal with the Estimates process, the minister has always been someone who has stuck by the facts and has wanted only the facts, so I thought it was important for me to bring my trusty binder along and to present those numbers to the committee. Again, it brings us back to what I was dealing with yesterday, and that has to do with a very simple fact. I felt, Mr. Chairman, that I was not quite getting through to either the minister or the committee on the point that has to be made, that the Budget presented has a major impact to what happens everywhere, obviously, of what happens in the Department of Labour, and anything that impacts on the Budget, obviously has a direct impact on what we are going to be discussing here today.

I had the opportunity to quote a few items to the minister, and I want to just share a few more with the minister because I somehow do not feel that—perhaps, Mr. Chairman, it has something to do with her background. She comes from a more academic background, and that is good. I have actually seen and went through the minister's master's thesis and probably not something that I necessarily would have written myself, but it is an intriguing thesis—[*interjection*] Oh, I found it certainly had a lot of theses in it that I think were most intriguing. I wonder if the minister herself would necessarily agree with all of it in today's environment, but thus is the beauty of youthful enthusiasm when one goes through—[*interjection*] Forty is young, Minister. I consider forty very young, Minister; yes, in an historical perspective, of course.

What I was trying to lay out for the minister, and again, I understand she does not have a very strong business background. We all cannot. I know that the minister has not probably had the opportunity to have employees, to meet a payroll, to be able to run a business. Perhaps, after the next election, when the minister is retired by the people, she might try to go into business and see what it is like, but I would hasten to caution her, because the kinds of legislation that she brought in are very detrimental to anybody wanting to go into business.

I believe I had the opportunity to question the minister and relay to her some of the individuals who have been quoted in newspapers, but I thought that it was important for myself because it has a direct impact on discussing the line-by-line items of the Budget. I think it is important to actually look at what Manitobans said back during the whole debate of Bill 44. I think it is important for the minister to get a refresher course on that, because the fact is that, after Bill 44, after the minister introduced it, we saw corporate income take a dramatic decline in Manitoba.

Now, all of these letters the minister has, they were all tabled at committee, so I take it that would be enough for the minister that I would not have to table them all again. If she wants, I can photocopy and table them all once

more, but they have all been tabled to the committee once already. That is where we got them from.

I quote a letter from Kisik Marketing and Communications Limited, and it was to the minister. The first sentence, I think, is very telling: Manitoba's economy is driven by business growth and expansion. A company's decision to locate or expand in Manitoba is based, in no small part, on the local labour environment. As a businessperson and citizen of Manitoba, I am expressing my opposition to the recent changes introduced with Bill 44. The proposed changes impact negatively on the rights of employers and employees and upset significantly the fair and delicate balance between business and labour that has seen our Manitoba economy prosper.

What is so terribly unfortunate is that, when this document was presented to the minister, she did not sit back and reflect on it, she did not take the opportunity to listen to what ordinary citizens who happen to run businesses in our communities, who run businesses in our province, had to say.

I will not be reading all of them, but I want to just pull out a few samples of what Manitobans were saying at that time. I would like to quote from Oakwood Roofing and Sheet Metal Company, again a letter that was written to the minister: Business, labour, and all Manitobans want our province to remain an attractive place for employers and employees. Manitoba's future growth and prosperity require an attractive labour environment that is fair and balanced for all Manitobans.

What happened with the actions of the minister and her Government, the attack on the balance that we had in this province, the attack on the business community in this province, it brought us to where we are now with our discussion today, and that is about the Budget. We have seen a most significant and dramatic decline in the revenue stream coming from the business community, from the taxes, because the profits are not there, because Bill 44 spooked the economy, Bill 44 spooked the business community.

* (16:10)

In the opening statements of the minister, and I have mentioned this to the minister before, she talks about future legislation. I can assure the minister every time she talks about bringing in more legislation, it puts a chill through the business community. Why we seem to be going down this path is so that the minister can appreciate what the last bill did and how unfortunate it was and that what we really do need is to have care taken with how we do legislation in Manitoba.

I would like to quote a little bit from Big Freight Systems, Garry Coleman, the president. In this letter, I quote from this gentleman: These changes will destroy the delicate balance between business and labour that exists currently in which I have seen our Manitoba economy prosper.

He felt very strongly about that. For business to come forward and to make these kinds of statements actually is quite telling. I think the minister might remember, but she did not know if she remembered some of the items that I had read to her. Even David Angus from the Winnipeg Chamber expressed grave concern in regard to the kind of legislation that the minister was bringing in.

Again, Mr. Chairman, the newspaper of September 28, 2000: Union letter scares business community. Doer vows slow but steady changes.

The feeling is that Bill 44 was just the tip of the iceberg. Perhaps to some degree some of the changes therein did or the reaction to the changes did slow down where the Government was going with it, but I think there is the feeling out in the business community that it was only the first shoe to drop and that there is a lot more coming. I think that is really the concern that a lot of people have, because the minister, no matter how she tries to sugarcoat it, it still is a problem out there.

There is a headline from Thursday, July 13, in which it is quoted: NDP put screws to business. You know, one of the quotes out of here: There are now deep divisions between labour and management.

All of those things have a direct impact on the kind of revenue that a government takes in. I think the minister, as we go through Estimates, should personally take responsibility for the loss of income because of the actions that she took with Bill 44. I would like to hear from the minister later on what her thoughts are on this, but the ability for the Government to continue to fund some of the positive things that we have in the Department of Labour—I mentioned the Fire Commissioner's office and other areas that have groups and civil servants who work hard and do a good job for Manitobans—if we continue to see a drop of income, I ask the minister: If the attack continues on business in the province and we continue to see the decline of revenue and of tax income from business, how do you keep funding all these programs in the Department of Labour, programs that we have become dependent on?

Again, I understand and I appreciate that the minister does not have the strongest business background. I do know she has a very strong educational background and a strong background in the labour movement. but, as Minister of Labour, there has to be balance.

A lot of the articles that came out made it very clear, and even a letter from one of the union leaders, that it was an attempt by the Government to appease special interest groups. That really is unfortunate. What did we see? We saw a decline of corporate revenue into the Government's coffers. It has not just been that. It has been the way other issues have been dealt with. No matter what the minister's boss tries to spin, and he certainly tried to spin a lot of different things out there, how this would be a friendly environment, and this would be just a wonderful environment, the business community very quietly, very silently responded. They have given their answer to the minister's bill.

I know, on the Order Paper, we see more legislation coming through. I can tell the minister, and I could say to this committee that already I have been contacted that there is a grave concern what this minister is going to do in her second attempt at this kind of legislation. There is great fear out there because the minister is the greatest champion of consulting and consulting. The problem is that this minister does

not listen. She does not listen to the people she should be consulting with. Yes, they are concerned, yes, and they have a right to be concerned, especially after Bill 44.

There was an editorial done on July 8 that we believe the Premier (Mr. Doer) is going down a dangerous path: Between his Pawley-style high-tax regime and his pro-union labour laws, he is poised to drive the Manitoba economy into the ground.

These are warnings that I believe the minister just passed over. Maybe, if she would have sat down and reflected on them, you know, at that time, perhaps the minister did not feel that it was that big of an issue, maybe she did not feel that this was that legitimate of an argument for the newspaper to be presenting, but I say to the minister, in light of what has taken place, of what we are going to discuss here today and has been discussed, we would not have to raid Manitoba Hydro, loot \$200 million-and-some out of Manitoba Hydro to cover the kind of shortfalls that this Government has had.

Number 1, clearly we have a government with a spending problem. Talk about a spending binge extraordinaire, if that would have been kept in check, but also the fact that corporate revenues dropped so dramatically, the looting of Crown corporations. It says here, I mean it is just amazing, that on July 8, 2000, they could already foretell what was going to come forward. You would almost think that these people had a crystal ball, and they looked and said, you know, look two years hence, look what is going to happen.

I think, and I am sure the Chairman in the committee agrees with me, it bears one more time to read this. The minister, I know with rapt attention you are going to listen to this quote once more. This is one of the newspapers here in Manitoba saying: We believe the Premier (Mr. Doer) is going down a dangerous path. Between his Pawley-style high-tax regime and his pro-union labour laws, he is poised to drive the Manitoba economy into the ground.

Minister, how more telling can you get? I mean talk about visionary.

The Acting Chairperson (Mr. Stan Struthers): Order. I just want to remind all members, the Member for Springfield (Mr. Schuler) as well, that questions are to be put through the Chair in a third-person way, not directly to the minister, but through the Chair. If all members could co-operate with that, that would be just fine.

Mr. Schuler: Thank you, Mr. Acting Chairman, for that. I will make sure that I pass it on to the other committee members. I am sure they will agree with me. I see agreement. I will make sure that they adhere by that, as will I, that we will direct it all through you.

Again, I think there were a lot of very wise individuals that were giving good advice to the Government, and the Government chose not to heed the good advice that they were getting and, in particular, the Minister of Labour (Ms. Barrett).

There is another editorial from July 8, and it talks about bad all around. I quote: "The NDP government gave a sop to its traditional constituency on Thursday, introducing proposed amendments to The Labour Relations Act.

"This announcement was greeted by the province's labour federation as 'a small step in the right direction.' The middling praise from customary NDP supporters, coupled with a protest from the province's business community, would indicate that neither labour nor management is happy with the result."

We found out later on that actually that was not the case. The one side was quite pleased.

"Labour law, however, should not be written, or, in this case, unwritten, to please labour or management. It should be written for workers. And here, too, it fails."

I am surprised even when we were in committee at that time. There were individuals like Sid Green, who sat in this Chamber. He has probably sat at this very committee table, a very strong supporter of free collective bargaining. His argument to the committee was that everything that the labour movement had fought for, everything that the labour movement had

sought—and the minister would actually know this because I believe the minister spent some time dealing with the labour movement in her master's thesis. I must admit, it has been two years since I have had the opportunity to read through it.

It was Sid Green who really laid out that what the Government of today has really done is stripped workers of the right of free collective bargaining. It was an interesting coalition that had come together to oppose this bill, especially when you have the likes of Sid Green and many others like him who felt that just the empirical, the idea of free collective bargaining should not be tampered with. On the one side, you would have the labour leaders who would like government to make their jobs much easier in the whole collective bargaining process, but what you really want is a pure system of free collective bargaining. That is what the labour movement had fought for, certainly the Sid Greens of the world, and there were many, many others, who came forward and laid that out. In fact, I do not believe I happen to have Mr. Green's presentation with me today, but it would be very helpful for the committee if we did have that opportunity to lay that in front of the minister.

* (16:20)

Mr. Green clearly explained to the committee that it was not in the best interest of labour movement to make life easier. It is not in the best interest to unbalance the level playing field. He spent a good amount of time explaining to the minister and again, unfortunately, the minister did what the minister does at numerous occasions. She listened but she actually did not hear what was being said. Unfortunately, I have to apologize to the committee that I do not seem to have Mr. Green's presentation, because I know the minister would be very interested in hearing that again.

We had big business coming forward and I welcome the Minister of Industry, Trade and Mines (Ms. Mihychuk). She would know many of the businesses that I am speaking of, whether it was Palliser or others in that league. There are also others that came in front of the committee

and poured their heart out and explained why they had difficulty with what was taking place.

I quote from an individual, the owner of the D & Y Enterprises Company Limited. Perhaps the minister does not recognize the name of the company, but it is a KFC franchise from Dauphin. This individual writes: I am a restaurant small-business person with less than 20 employees. Seventeen of my employees are under the age of 25. I am writing to express my objections to the proposed changes to The Labour Relations Act. This legislation expands the powers of unions but not the rights of individual employees. In fact, it denies employees their democratic right to vote whether or not they want to be part of a union. The collective bargaining process is undermined without a secret ballot vote because significant doubt remains whether employees really wanted to be represented by a union. This pertains to interim certification orders as well.

I believe I am running a little short on time. Again, here you have a small-business owner and the business owner lays out the concerns that he has with the legislation. This would be one of those companies that probably saw a decline in the income, probably saw its business being hurt because of Bill 44. Thus, we saw the decline in the kind of corporate revenues that we have come to appreciate after 11 good years of Conservative rule which was handed over on a silver platter to the current Government, which has now all been dashed.

It is a broken number when you look at the kind of plunge that it took, and, frankly, there will be a day, if that is not reversed, where even the kind of money we can spend on good programs in the Department of Labour will be compromised. I would ask the minister if she is prepared to take personal responsibility for what has happened with the drop of corporate income with the kind of bad legislation that was put forward in the likes of Bill 44.

Hon. Becky Barrett (Minister of Labour and Immigration): Very briefly, the decline in corporate profits, which the member attributes solely to the impact of Bill 44, is the product of a large number of factors, not one of which has

been shown to be as a result, direct or indirect, of Bill 44.

Yes, there has been a reduction in corporate profits. But the elements that have gone into that reduction include a decline in the economy of Canada and decline in the economy of the United States, and general worldwide decline in the economy last year, the year 2001.

It was exacerbated by the terrible events of September 11 in the United States, and that, as the Minister of Industry, Trade and Mines (Ms. Mihychuk) says, perhaps might be slightly larger in scale than any one piece of legislation in any one province.

The element as well that is specific mostly to Manitoba, although the provinces of British Columbia and Ontario were affected to a much smaller degree, was the accounting "error" brought to light by the federal government, I believe in late January or early February of the year 2002.

So those are all elements that everyone, who knows anything about the economy and economic trends and indices, state are the reasons for the decline in corporate profits.

There are also some other specific reasons that the Minister of Finance (Mr. Selinger) has spoken about, I am sure, in his Estimates. But I would like to remind the member that corporate profits went down in at least every single western province including that bastion of the free enterprise system, the province of Alberta.

We believe that the corporate profits will go down in the province of Ontario, although they had the budget, I believe, in December of last year and have not produced one yet, or there was going to be 18 months between budgets in Ontario or something. So we do not know exactly how the Ontario economy is faring, but we expect there to be a severe deficit in the province of Ontario potentially. Not that we want any province to have a deficit, certainly not the largest province.

But there are other indicators. There are other indicators of what our economy is doing here in the province that are very positive. The

Health and Post-Secondary Education Levy revenue is up. Both public and private sector employment is strong. While we were second on this last report to Alberta in unemployment, we have been first in the unemployment rate for several months for quite substantially—and I can get the long term statistics for the member should he wish it. Our retail sales continue to be very, very strong. The indicators are that we have a very solid economy that will bounce back from factors that are global in nature. We, fortunately or unfortunately, live in a global economy.

I would like specifically to talk about, just very briefly, the actual impact of the labour legislation that the member has been speaking of quite substantially in these Estimates. First of all, just a bit of context. The Labour Relations Act has an impact on approximately one third of the work force in the province of Manitoba. That is the work force that is unionized. Two thirds of the province's work force members are not unionized. The vast majority of the comments that we received on Bill 44 from the business community were from businesses and groups that are not and never have been nor are they currently the target of unionization.

* (16:30)

Just some statistics about the number of union members that go up to the year 2000, which is the year that Bill 44 came into effect. In 1997, and now let me think here—what was the name of the government that was in power in the province of Manitoba in 1997? Let me think. I think, I believe, if my historical strength is still carrying me through here, in 1997, the Progressive Conservatives were in power in the province of Manitoba, and the rate of unionization, which was going to go skyrocketing after Bill 44, was 34.9 percent. I would like the member to write this down—34.9 percent in the year 1997.

The year 1998, let me see, I believe the Progressive Conservatives were still in power in the province of Manitoba in 1998. The rate of unionization was 34.4. What is happening? It is still over a third, but it is going down.

In 1999, 10 months of which was under the former Progressive Conservative government,

oh, those great 10 months, the rate of unionization went up to 34.8 percent. Again, 10 out of 12 months under the Progressive Conservatives, not a lot of change from 34.9 in 1997 to 34.8 in 1999. I may not be a businessperson, but even I know that that is a very small change, marginal, quintessential definition of marginal, well within the margin of error.

In the year 2000, now, the year 2000 is interesting because the year 2000 was the full year that the new NDP government was in power in the province of Manitoba and also the year of Bill 44. What happened to the rate of unionization in the province of Manitoba? Did it skyrocket as the doomers and gloomers and the Chicken Littles were talking about, including and led by the Member for Springfield (Mr. Schuler).

Mr. Acting Chair, guess what happened? The rate of unionization did not go up; it did not stay the same. It went down, and it did not go down by one-tenth of a percent like it did in the last two and a half years of the Progressive Conservative government. It went from 34.8 percent to 33.7 percent. Now, I know I can add, I can subtract. That is more than one percentage point reduction, not one-tenth of a percent, but a whole percentage point reduction.

Oh. So there goes the argument, I would suggest, with direct statistical analysis of the negative impact, the sky is falling, of unionization in the province of Manitoba.

The member was talking in Bill 44 about the union certifications. Well, there were going to be union certifications all over the place, all over the place.

In the year 1999-2000, which was our first year in Government, we had a percentage of union certifications, 64.2. Now, in the year 2001-2002, that did increase quite substantially to 74.5, which is about a 10% increase, but, gee, that 74.5 is still—

Point of Order

Mr. Schuler: Yes, Mr. Acting Chairman, could we ask the minister to table these numbers, please, that she is quoting? I believe when a

member quotes from a document, they are supposed to table a copy, or at least offer to.

The Acting Chairperson (Mr. Stan Struthers): That is not a point of order. It is a request to the minister. If the minister wants to fulfil that request, she can, but it is not a point of order.

Mr. Schuler: No, Mr. Acting Chairman, I strongly disagree. I think it is a point of order that when you are quoting, you are supposed to be tabling these documents, except the difference might be from the House to committee. If that is the difference, I stand corrected on that, but I believe when you are quoting from documents, you should be tabling them.

In fact, that is why, Mr. Acting Chairman, when I was quoting from documents, I made it very clear that I was quoting from documents that had been tabled during the Estimates process, and I said if there was a demand I would be more than willing to make copies and table them.

The Acting Chairperson (Mr. Stan Struthers): The ruling has been that it was not a point of order. If the minister had been quoting from a letter, a public document, then I believe that it would be a different situation. The minister is not quoting from a public document. My belief is that that does not need to be tabled at this committee. So there is no point of order.

* * *

Ms. Barrett: Thank you, Mr. Acting Chair. I am prepared to table the page, perhaps at the beginning of the next Estimates time that we are available here. I am prepared to table that page.

Very briefly, in conclusion, in my answer, while the percentage of union certifications granted was 74.5 in the year 2001-02, I would like to point out that in the year 1997-98 the percentage was 77.5; in 1996-97 the percentage was 81 percent; in 1993-94 it was 80 percent; in 1992-93 it was 87.5 percent; in 1990-91 it was 78.6 percent; in 1996-97, I believe, if my history is correct, when no automatic certifications were allowed, the percentage was still 81 percent.

Go back to 1989-90, 86.6 percent. As a matter of fact, as the member will note, from 1984-85, which is the earliest I have the statistics here, the four years under the former government and the two years under the current Government, the statistics were all lower than the highest levels of union percentage of certifications under the Conservative government.

* (16:40)

I would suggest to the member that his linking of the impact of Bill 44 with, No. 1, the corporate reduction in revenue and the unionization percentages, is misplaced. If the member had paid attention with his statistics classes, he would recognize, as I do after only one statistics course, that you can make statistics say whatever you want them to say, but you can particularly link accurately or inaccurately. I would suggest that the member's comments over the last two days have been an inaccurate linking of the effects of Bill 44 on the economy of the province of Manitoba.

The economy of the province of Manitoba is doing very well, thank you, even in the context of very difficult, challenging times globally, in North America, in Canada, and certainly in the province of Manitoba. The member does a disservice to the statistical procedure by trying to link these two factors which in my mind and in the minds of Manitobans are not linked.

People have not been fleeing the province. Businesses are coming in. The Minister of Industry, Trade and Mines is in the newspaper all the time with these good stories, good news stories day after day after day of businesses that are growing, they are expanding, they are coming into the province of Manitoba. We have the lowest Workers Compensation rates in the country, the lowest Workers Compensation rates in the country. The Province of Alberta just raised their Workers Compensation rates by 23.7 percent in one year.

This is free enterprise at its best. What kind of a cost of doing business is that for a small-business person? That is an enormous cost. We are looking at a balanced, fair economy. We are looking at a budget that provided balanced, fair tax cuts, tax breaks. We are the first government

to reduce the corporate income tax since the Second World War, I believe.

Let the member not go on and on in his diatribes, or he can if he wishes, trying to link things that no Manitoban really believes are linked at all.

Mr. Schuler: It was great to hear the minister in a true response that only the minister herself could come up with. I am pleased that she is willing to table the statistics because, as she so aptly pointed out, they can say whatever they want. I do not know what percentage of what she is talking about. It is 34.8 percent of all employees that are unionized at that point in time—or is it 34 percent of all? I am not certain because I do not have the numbers in front of me. I ask the minister on that.

Ms. Barrett: I recognize the member did not have the document in front of him from which I was reading. The first document was the total number of paid employees in the province, the number of union members, and the percentage of the total number of paid employees in the province who were union members. So you take the whole paid workforce and you take the number of unionized workers as a percentage of that.

For example, in 1997 there were 437 000 paid employees in the province, and 152 000 of those paid employees were members of unions, for a rate of unionization of 34.9. I will get that document for the member for tomorrow.

Mr. Schuler: I would like to thank the minister for tabling and for explaining those numbers because that is the crux of what I have been trying to explain to the minister and to other members of this committee, that there is a reason why you have this drop in corporate tax income to the Treasury. The minister talks about the rate of unionization coming down. From '97 as compared to 2000, it dropped all the way down to 33.7 percent. She is absolutely right, because as the economy takes a hit it is often in manufacturing that individuals are laid off. Those would be the union jobs. Then your rate of unionization drops with that.

I think the numbers the minister has laid in front of the committee are frankly quite

alarming, because what it tells is it is not about the amount of people who are or are not unionized, it talks about who is actually losing jobs.

When we sat in committee the individuals who came forward and expressed concern are those that are often attacked insofar as unionization goes, or are unionized and have concerns insofar as what the bill was going to be bringing forward. It is exactly in those areas that we are seeing the decline in employment. As unionized shops lay off people, obviously the rate of unionization goes down. I am sure the minister, with her one course in statistics, would be able to recognize that very clearly. The numbers are very concerning.

I know the minister, in her own way, appreciates that a healthy and strong business climate means a healthy and strong income stream for the Government, and thus the Government can do the kinds of things that frankly we all would like to see done for our communities, whether it is strengthening the Department of Labour, whether it is the Fire Commissioner's office or in other areas, community clubs or supporting the immigration to this province, which the honourable Member for The Maples (Mr. Aglugub) had a wonderful bill in front of the House and was agreed to. There are a lot of things that can be done. So it is important for all of us to recognize that drop is very severe.

Again, I would like to thank the minister for bringing up these statistics, because it shows further what is happening to the economy.

We heard some discussion at this table, and the Minister of Industry, Trade and Mines (Ms. Mihychuk) and the Minister of Labour were holding hands that it probably had a lot to do with 9-11. I think when you start to read a lot of the documents that are coming out, the *Economist* and a lot of well thought of periodicals that do lay out where they feel the economy is going, that 9-11 was probably a visual of where the economy was going. That would have been an opportune time for the current Government to look at the kind of spending that was taking place.

I have mentioned to this minister, and I am glad there are other ministers on the committee, that the looting of Manitoba Hydro at this point in time and the jacking up of the Workers Compensation Board rates—we have heard at this table about Alberta. I would mention to the minister that frankly she is not the minister of Alberta; she is the Minister of Labour in Manitoba. Alberta has the lowest corporate rates and has no PST. It has a lot of other things which we do not see here and we do not see the minister advocating for either, neither the Minister of Mines nor the Minister of Labour. We do not see them advocating for that. It is a completely different scenario, but, clearly, when you have a drop that severe, the income stream has to be replaced or you have to control your spending.

We have seen from this Government, and we have seen from this minister. I mean, I would like to quote for the record, and I will go back into expenditures: the actual expenditures for 1999, \$21,812,800; expenditures for 2001, \$23,670,000. We do not have the actual expenditures now for 2001-2002. We are still waiting for the books, I understand, but the Estimates, the actual Estimates were \$24,734,000, and I suspect that will be higher. Now, the Department of Labour is asking for \$26,015,000 and change. So we have gone from 21.8 up to 26, and that is a healthy increase.

You know, when you see decreases taking place on the revenue side, on the expenditure side, you also have to be careful. It is not just about looting all the Crown corporations and going after all the Crown corporations. That is why I tie this back. Yes, it has something to do with 9-11. Yes, we understand that the economy elsewhere is not doing well.

You know an argument that was put forth after the disastrous Howard Pawley years, the Conservatives came in, the province was bankrupt, and the members opposite howled and protested why we had to have Filmon Fridays, why we had to have all these different things. Yes, it was a downturn in the world economy, and you had a government that was bankrupt.

Here, what I am trying to lay out for the ministers, what I am trying to lay out for the

committee, very clearly, I wish to be as emphatic as I can on this, that the legislation of a government clearly has an effect on what happens in the Treasury. To try and divorce those two, I think, is improper, and I think it is wrong. I am surprised that, you know, here at committee we are supposed to have the advocate for the business community and at the Cabinet table, and the advocate for the business community says more. She would like to see more than Bill 44. That kind of thing sends such a chill into the business community.

* (16:50)

You know, the numbers quoted by the minister, you know the percentages of unionization, that does not speak to who is in power; that speaks to confidence in the economy. What you are seeing is that, in unionized businesses, there are layoffs taking place. and we know that. In fact, I believe it was, New Flyer had laid a whole bunch of people off. I understand so have a lot of other companies.

You know what, Bill 44. and I say this to the advocate for the business community at the Cabinet table, these are arguments that should be going forward, and even to the Minister of Labour who is supposed to see to it that there is a really healthy balance in the province. and we have not seen that. That is what has reflected itself in the substantial seismic drop in income from the business stream.

You know, I think it is important to quote, and I go back to the letter that I was quoting earlier on, from D & Y Enterprises: As one of many small-business operators in the province who will be directly or indirectly affected by this legislation, I urge you to withdraw Bill 44.

Again, I think this is so telling. What this individual was trying to say to the Government, and this went directly to the Premier, is that: Please keep in mind those individuals in the economy who are paying taxes to the Government, that we can have a strong Department of Labour.

I mean, look at this, since 1999, which most of it was under the previous government, you go

from \$21.8 million from the department to their request now for \$26 million. We know that will be estimated up as they go through the year. They traditionally seem to be.

We want to have a strong Multiculturalism Department. We want a strong Immigration Department, and we want a good Department of Labour that protects the interests of all of those concerned—

The Acting Chairperson (Mr. Stan Struthers): At this time, we will recess, and we will enter the Chamber for a formal vote.

The committee recessed at 4:53 p.m.

The committee resumed at 5:34 p.m.

The Acting Chairperson (Mr. Stan Struthers): Will the Committee of Supply please come to order.

Mr. Schuler: Mr. Chairman, I will now try to pick up where I left off, seeing as we were interrupted by a vote, which is always an important duty for MLAs to get involved in. The comments I was putting on the record were comments that I wanted to share with the minister and the committee in regard to the cause and effect that the bad legislation that the minister has put forward, in particular, the Bill 44 in the year 2000, which certainly caused a lot of problems for the business community and is, in some respects. the reason why we have now seen a decline in corporate tax income, which means that businesses are not making the same kind of money as they did traditionally.

Mr. Harry Schellenberg, Chairperson, in the Chair

The income stream is down. Why that is so relevant to this particular committee is that if we want to continue to see the kinds of increases that the minister has seen over the years, and I believe that I put into the record that the actual expenditures for 1999 were \$21.812 million and this year's request is for, I believe it is in a total of \$26 million. If we want these kinds of

increases we have to have a healthy economy. We need a strong economy. We also need to have a careful government that does not over-reach itself and spend money that it does not have.

What we are seeing is we have a current Government right now that has found itself short in money, not just for this year, Mr. Chairman, not just for this year, but actually found out that even last year it was so short on money that the only option that the minister's Government could see was the trend towards looting of Crown corporations, which is almost a genetic trait of NDP governments. It seems to be the modus operandi of NDP governments: When in doubt, loot Crown corporations.

An Honourable Member: At least we did not sell them.

Mr. Schuler: The Member for Selkirk (Mr. Dewar) says sell them. No, I would have to comment to the member from Selkirk that the fact that they have sold Manitoba Hydro is something we oppose drastically. The selling it to banks and leveraging it back up to levels it was out of the Howard Pawley days is very much a disturbing point for Manitobans. The fact that Manitoba Hydro will now have to borrow money to help pay for some of the bills, including the increase that we have seen in the Department of Labour, because there was a shortfall on the revenue side.

Members opposite in the committee, Mr. Chairman, talk about where one should spend money. I would—

Some Honourable Members: Oh, oh.

Mr. Chairperson: Order, please. The Member for Springfield, continue.

Mr. Schuler: You know, if there were places one would look to cut, Madam Minister, and afterwards we are going to be going through the Estimates, but I notice that almost every Question Period there seemed to be six NDP spinners sitting up in the gallery. Certainly they have better things to do with their time. Surely the public's money could be better spent than having six NDP spinner staff sitting in the gallery

during Question Period. It is actually a place for citizens to sit, individuals that have a concern with what is going on. I am not too sure having all that expensive staff sitting up there is the most appropriate thing.

* (17:40)

But what I did again want to do is point out to the minister, for instance, in an article from *The Winnipeg Sun* of July 7, 2000, a paper, I might add, very favourable to the minister and her Government, a paper that has shown a lot of interest in what the minister has done and has been quite favourable to her party and her Government, it says: New law attack on business. Dave Angus, President of Winnipeg Chamber is quoted in here: How can you argue against the democratic process of a secret-ballot vote? Well, the minister did that. What it brought about was a real concern in the business community with where the Government was going and what the Government was doing.

There was another one of September 28: Union letter scares business, because again it showed the kind of imbalance that was taking place.

I would caution members opposite. I am not saying this might happen, but I am saying this could happen. There was an election not long ago in British Columbia where the governing party really did see itself devastated by the kinds of policies, by the kinds of things that the minister spoke about in her opening statements. This was the 2001 election in British Columbia.

I quote from it: Labour turning to the Liberals. From the article, and this was taken off of the CHEK-TV: Some union members now think the Liberal Party may be their best bet to get back to work. Arlen Gedlman has spent previous elections putting up signs for the NDP, but he is putting up a Liberal sign in this campaign. We need somebody with a little more business sense in government so we can get the climate a little more pro-business. If business does not make a profit, we do not work, he said.

Now, is that not telling, that if business struggles, so do the employees and so does government, because the money is not coming

in. You know, somebody suggested to me that maybe I take the biggest, fattest crayon and try to connect the dots for the minister and the members of the committee that there is a connection between what is done within the Department of Labour, what happens to business, and what happens to workers.

I quote again: We need somebody with a little more business sense in government so we can get the climate a little more pro-business. If business does not make a profit we do not work. He goes on to say: It does not seem like they want to talk to the little guy like myself or anybody else. It is like they do not support the grassroots anymore. Stripping workers of the right of free collective bargaining, taking the democratic right away has had a direct impact on the numbers we are going to talk about.

I know the minister was well intentioned with the bill. I know she meant well. The problem was that she did not listen to the Manitobans, she did not listen to the various communities that came forward, and, you know, in business nice does not always cut it. The proof is in the pudding and in this case the proof is in the provincial Budget that not just are we projecting a sizeable decline in corporate revenue this year, but we are looking at a substantial increase already from last year, where the Government then went and started the looting of Crown corporations.

Even with the Workers Compensation Board, I know the minister referenced it today trying to point in all directions at, whoa, look what others are doing. Well, let us look at what happened here in Manitoba. When the Conservatives came into power, basically we had the Workers Compensation Board bankrupted by members opposite, those terribly dark and dour days of the Howard Pawley regime. By the time Workers Compensation was put back into the trusting hands of the Conservative Party, it needed a lot of work.

We did turn around and get the deficit worked down. The surpluses were finally built up. The Workers Compensation Board then started to reduce the rates to business. I know that for a fact. The kind of Workers Compensation rates I was working to run a little retail

operation certainly did not make sense. Why would one pay those kinds of rates to run a little retail operation? But anyway, the Conservative management got it back in. We have the minister here and her Government giving unsecured lines of credits to arena. If that is not way out of the mandate, I do not know. I cannot imagine what other ventures they are going to start loaning money to and giving lines of credit.

I asked the minister, and I ask her again today and hopefully she will have an answer for us: What security is the Government getting on that line of credit? What covenant does the Government have on that line of credit?

I certainly hope the minister will give us an answer to that question, because that is the workers, the men and women who go into the factories, who are working in the mines, who are working throughout the province. It is their money in case they are injured and it should be treated as if it is their money and not the Government's money to lend to arenas and have no security on the line of credit. That is just preposterous.

We know this minister's love for cleaning money out of Crown corporations. Certainly the minister tried it when she was minister of MPIC. I believe citizens of Manitoba spoke up loudly, as they did the last time the NDP were trashed from office. People do not appreciate the Crown corporations being looted. I do not think they appreciate that Manitoba Hydro has been privatized. I think that is a very unwise move on behalf of the Government. Selling it as they are to the banks, I think, is not an appropriate move.

Mr. Chairperson: Order please. The committee will recess for a formal vote in the Chamber.

The committee recessed at 5:47 p.m.

The committee resumed at 6:15 p.m.

Mr. Chairperson: The hour being after 6 p.m., committee rise.

FINANCE

* (16:00)

Madam Chairperson (Bonnie Korzeniowski): Good afternoon. Will the Committee of Supply please come to order. This afternoon, this section of the Committee of Supply meeting in Room 255 will resume consideration of the Estimates for the Department of Finance. Consideration of these Estimates left off on page 86 of the Estimates book, Resolution 7.4. Taxation. The floor is now open for questions.

Mr. Jim Penner (Steinbach): Madam Chairperson, just going back to a question I asked yesterday on sewer and water main installations relating to the sales tax application: I got another e-mail saying that this was going to apply. I believe you said, Mr. Minister, that PST would not apply on sewer and water main installations to the property.

Hon. Greg Selinger (Minister of Finance): On this point, I believe I commented on this in the House and here in the committee yesterday that the surface preparation excavation and back-filling on water and sewer construction projects are currently non-taxable, and there are no plans to change that. But my officials are meeting with the Heavy Construction Association tomorrow and will explain it, the advantages, the simplification and will keep an open mind. They have no agenda to try and tax it.

If the industry wants to leave it the way it is, that is fine. We do not have big problems there. If they think there are some other improvements that could be made, I will take a look at it. But we have no particular intention to move into this area.

Also, currently the cost of pipe is taxed. So there is no plan to change that either.

Mr. Jim Penner: The Canadian Federation of Independent Business wrote a letter, which I received today, that indicates there has been some concern about the implementation of the tobacco tax. They said that since the Government did not collect additional tax revenue on inventory items when cigarette taxes were increased in 2000-2001, many retailers were

unaware that they may be asked to pay the tax adjustments on stock items during the last tax increase in 2002.

Is it correct that the Manitoba government did not collect the taxes in 2000-2001?

Mr. Selinger: Just to go back, I just wanted to once again put on the record that under our Tobacco Tax Act, section 10(5) indicates: "Where, at the time of a change in rate of tax imposed under this Act, a dealer has tobacco in his possession, he shall prepare such reports as may be required under the regulations, and shall remit to the minister any tax collected on the sale of that tobacco to purchasers in a manner and at times prescribed in the regulations."

The officials did not go out and do inventory reviews in the previous two years. Retail tax reviews were done in 1987 and 1991. They were not done in the two previous years to this taxation year, but they were done this year. The law is unambiguous in this regard, and the obligation to remit the tax is a matter of law.

Mr. Jim Penner: So I take it there was no cigarette tax increase in 2000-2001?

Mr. Selinger: There was a one-cent cigarette increase. In the year 2000, it was six-tenths of one cent, and in the year 2001, it was one cent per cigarette.

Mr. Jim Penner: Is the writer of this letter, Ms. Shelly Wiseman, correct in saying that, in those years, clause 10(5) of the collection and remission of tax was not imposed?

Mr. Selinger: The requirements in the act are clear and continue in every year; however, my officials inform me that it is not their practice to go out every year and enter the retail outlets to do inspections or to answer questions and to get the forms filled out. They do it on a periodic basis just for the very simple reason that it is very labour-intensive, and it is a source of additional work for the retailers.

So they do not go out and impose in a direct way the requirements to comply with the act on an annual basis.

Mr. Jim Penner: Thanks for that answer. I guess the thing I was trying to understand was why they felt frustrated that for two years in a row nothing was done about auditing, and they did not bother remitting, and then this year, one year later, some of them are being audited, and they did not know when they should remit and how much they should remit. I do have the tobacco inventory declaration and remittance forms, and I know there is a substantial difference on 0.6 cents, you said, to 20 cents a cigarette, so it is a huge difference now compared to what it was then.

But the way the thing was handled is really the question. Why are we doing this now when we did not do it in the previous two years? is what, I guess, the retailers are wanting to know.

Mr. Selinger: The tax went up this year 4.9 cents a cigarette. In the year prior to that, it went up one cent, and the year prior to that, it went up six-tenths of one cent.

The officials went out to ensure that people knew what the law was this year. There were no audits done in any case. They simply went out to help and recommend to retailers that they fill out the forms properly and remit the tax, but this was not an audit procedure undertaken by our Taxation officials. They did not get that in-depth in the procedures.

I understand the point that is being made by some of the retailers: that having not had direct contact with our people in the last two years in Taxation, it was a bit of a surprise for them to see them this year. *[interjection]* My officials inform me—figured that having let it go for two years, this was the year to get back out there and talk to people and let them know the requirements of the law.

But you are right. Some of the retailers were a little bit surprised to see people show up after having had a break of some years, but it is not unprecedented. It has been done in the past, and the legislation is unambiguous in this regard. It did cause some heartburn for some retailers, and I have met with some of them who were concerned and talked to others on the phone. We recognize that it was a bit of a surprise for some people to see our officials show up.

But I can tell you that my officials surprised me in this regard, too. They just went out and did their job. They did not necessarily inform me that they were taking these actions. They just did what they thought was in the best interests of enforcing the legislation, and I discovered it when people brought it to my attention.

Mr. Jim Penner: I am sorry for putting wrong information on the record. I was reading the inventory report from June 1, 1991, and I actually do have the others here, April 22, 2002. The documents are here. So, yes, I understand.

I was audited when I was a grocer, when tobacco taxes went up and we had 17 convenience stores in Winnipeg which later became Mac's Milk. At the time they were Quick Shops and we were confused. Different people did not understand the thing and I am just wondering—I hope that there will be leniency for people who did not understand what was going on, and that the case brought forward by CFIB would get some consideration. I am sure those letters were all addressed to the minister in the Finance Department.

* (16:10)

I continue to go through the Taxation section, and I notice that, on page 67 in the orange book, the Activity Identification of Management and Research, about halfway down: Relates with other departments, taxpayers, businesses that collect tax which includes, I guess, grocers and associations on taxation matters. Sometimes I have wondered when I see the reaction to some of the new taxes and changes in tax and lack of reduction in tax, whom does the department of taxation, or Finance Department, whom do they consult with? It says taxpayers, businesses that collect tax, associations on taxation matters. Who do you consult with?

Mr. Selinger: Well, in the first instance I do a round of budget consultations in every region of the province every year. Since I have been in this job I have tried to go to every region, but a different community in every region, every year and discuss the budget process. That includes everything from taxation to spending programs and virtually anything anybody wants to discuss, I am open to discussing it.

My officials discuss, have ongoing relationships with many sectors of the industry in the collection of taxes. In any agreements they have to do that. They are in constant contact with those people who have a provincial sales tax number, those people that are remitting taxes. When we get into a special issue such as the electrical, mechanical contractors' situation which we spent a lot of time discussing, we set up an advisory committee or a consultation committee to work with them.

We did not do that in the case of the tobacco tax. It was fairly transparent that there had been movement on tobacco taxes in B.C., Alberta and Saskatchewan prior to our Budget coming down. I think there was a widespread belief in the community, even though I was mum on this, I said nothing, that there might be some movement on our part on tobacco taxes. But we do not necessarily consult on every matter when it is a straightforward, simple policy decision. If there are some technical complexities and implementation issues that have to be sorted out, we will try to sort that out with the people directly impacted.

On the tobacco tax, it was believed to be a pretty straightforward measure, even though there was this renewed initiative to go out to the retailers and help them, encourage them to take stock of what they had in on their shelves and remit the proper taxes. But I have to emphasize again, that was not an audit, that was simply an inspection on the part of our officials.

The other thing I should mention is that we are in the process of taking the next step into the use of the computer and the Internet with respect to taxes. We are going to a common business identifier and a system whereby people can remit their taxes over the Internet electronically to the Government, which cuts down on the red tape and the paperwork that is required by businesses. We currently have payroll taxes up and running on the computerized system, and people are—anyways, so we are working through the implementation of the software to allow people to remit taxes electronically, which will cut down on overhead costs for businesses. We are modelling and have the payroll tax up and running internally, and we are moving towards implementation of that. Then we are going to

move to sales tax next, and capital tax in December, sales tax in September. So we are working towards a system where we do have a more efficient ability of the Department of Finance, and the Taxation Division in particular, to interact with those agencies and businesses that pay taxes or collect taxes on our behalf.

Mr. David Faurichou (Portage la Prairie): I thank the minister for this information regarding employment of new technologies that most other businesses within the province have already initiated.

Does that now mean now that when we sell a vehicle and want to get our provincial sales tax back, it will be less than two months, being that we have to pay it on the day we purchase the vehicle, but then the day we sell the vehicle the government says, no, no, no, we will take our time, and perhaps maybe in two months we will get around reimbursing you the provincial sales tax? Does this mean that we will be looking at that instantaneous refund?

Mr. Selinger: Outside of Winnipeg, if you go to your insurance agent and you have done a buy-and-sell transaction on the vehicle, you only have to pay the net right off the hop. *[interjection]* Anywhere in Manitoba.

There have been improvements made on the rebate processing time. Our officials believe now that they can get that turned around in three or four weeks. When the new system, the retail sales tax system gets automated as well, there might be the possibility of further improvements, although that system will have to interact with the SAP financial system to get the cheque out the other side. There will be some work done to configure those two systems together to create those efficiencies.

The member might know that Manitoba is the only province in Canada that does actually issue a refund on the difference between an old and a new vehicle on the retail sales tax, a buy-sell transaction, so just another example of the Manitoba advantage.

I know the member from Portage la Prairie is particularly interested in vehicles, on several

counts. Are you involved in a lot of vehicle transactions? *[interjection]* Just in the last year.

Mr. Faurshou: I do appreciate that, and I do not want to make light of it, but in regard to, we did end up selling a vehicle in the last year. The provincial sales tax that we paid immediately on purchase, the difference was refunded by the Finance Department six weeks after the date. The insurance difference I got back from MPIC within one week. I am just wondering, what MPIC accomplishes in a week takes six weeks for the Finance Department to do, but I do believe you are addressing that, and I take your explanation on face value.

Mr. Selinger: Well, six weeks to be the only province in Canada that gives the rebate is infinitely better than any other jurisdiction, but we will try to even get it out faster in the future.

Mr. Jim Penner: I was very sorry to hear that you put the payroll tax on the program when most of the provinces, I think, have discontinued the payroll tax, and you are modernizing the system.

Mr. Selinger: You are right. We are not the only province that has a payroll tax. I believe there are other provinces. I will just get the reference for you just so we are clear on the record on that. Payroll tax is levied in Manitoba, Ontario and Québec, and, if I am correct, it looks like Newfoundland as well. So four provinces have the payroll tax.

In addition, Alberta and British Columbia have a health care premium, which sometimes acts like a payroll tax. There is a requirement for business to have to deal with that in some cases where employee groups negotiate with their employer that the health premiums will be part of their collective agreement or their working contract. So there are four provinces that do payroll tax and two that do health premiums. In addition, two territories have the payroll tax, the Northwest Territories, and it looks like Nunavut. So we are not alone in this regard, but we are unique on the vehicle sales tax rebate.

* (16:20)

Madam Chairperson: 7.4. Taxation (a) Management and Research (1) Salaries and

Employee Benefits \$1,119,800—pass; (2) Other Expenditures \$173,000—pass.

Mr. Selinger: Madam Chairperson, can you just not take the grand total?

Madam Chairperson: No. I am sorry. We have to pass each line.

4.(b) Taxation Administration (1) Salaries and Employee Benefits \$3,134,400—pass; (2) Other Expenditures \$3,734,200—pass.

4.(c) Audit (1) Salaries and Employee Benefits \$5,398,600—pass; (2) Other Expenditures \$1,026,900—pass.

4.(d) Tobacco Interdiction (1) Salaries and Employee Benefits \$582,700—pass; (2) Other Expenditures \$253,100—pass.

Resolution 7.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$15,422,700 for Finance, Taxation, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Selinger: Did you want to do Treasury or did you still want to leave it open, 7.2? We had left it open even though we completed the discussion.

Madam Chairperson: 7.2.(a)(2) Other Expenditures \$102,800—pass.

2.(b) Capital Finance (1) Salaries and Employee Benefits \$294,100—pass; (2) Other Expenditures \$33,900—pass.

2.(c) Money Management and Banking (1) Salaries and Employee Benefits \$453,100—pass; (2) Other Expenditures \$76,200—pass.

2.(d) Treasury Services (1) Salaries and Employee Benefits \$532,000—pass; (2) Other Expenditures \$48,400—pass.

Resolution 7.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,690,600 for Finance, Treasury, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Madam Chairperson: 7.5.

Mr. Selinger: I just want to make clear, if you want to discuss the federal accounting error, that is the place to do it.

Mr. Jim Penner: Yes, you did have a pretty broad explanation there. We felt it was used somewhat as a smoke screen in dealing with the third quarter. Could I ask: Is there a certainty that we will be able to find a suitable accommodation on the, what is it? 400 million? 700 million?

Mr. Selinger: I will ask my august Assistant Deputy Minister of Federal-Provincial Relations, Mr. Boschmann, to move to the front.

Certainly, negotiations are ongoing with the federal government. There is nothing certain until they have signed off on an official agreement to resolve it, but we have had soothing words from the outset. They have accepted responsibility for the error. Now we are working out the details of how it could be corrected. When the Finance ministers got together there was an unanimous resolution that the federal government should take responsibility for it and move on it.

There has been correspondence sent to the federal Minister of Finance by the chair of the Finance ministers. Gary Collins from British Columbia, sort of reiterating the position of all of the provinces that it should be treated comprehensively and fairly, with no negatives for any provinces. We do believe things are moving forward but a final resolution is not there yet.

Mr. Jim Penner: I noticed in the allowances to the Province in the pie charts that the transfers are up 11 percent from \$2,209,000,000 to \$2,362,000,000. I think there was an increase from the budgeted figure in 2001-2002 of 11 percent when you go to 2002-2003 and it seems like a large increase. What assurance have we of receiving that federal transfer?

Mr. Selinger: The CHST is a regulated increase, so that is a certainty. This number does assume a federal correction, and I am relying upon the assurances given to me by the federal Minister of Finance in my conversation with him before I

brought down the Budget. There is a very specific quote that we had in the Budget speech, if we have a copy here. I talked to him specifically about the fact that we could not wait for him to solve this problem, we needed to proceed with the Budget in Manitoba. I read to him the language, my officials read to his officials the language that we were proposing to use. He understood the requirement for us to get on with the show, and made it clear to us that he was not planning to find a solution that disadvantaged Manitoba.

* (16:30)

The language that I wrote in the Budget Address on page 19, in the left-hand corner, was: "Based on a strong precedent and the assurances of the federal Finance Minister, I am confident that a satisfactory and equitable solution will be found. This Budget makes prudent assumptions in the realization of an equalization offset for each year a mutual fund trust payment error is deducted or recovered."

So we are still sorting it out. The last time this error occurred in 1990, it took about a year before they resolved it. When I checked the dates on the correspondence between Michael Wilson, the then-Minister of federal Finance and Clayton Manness, the then-Minister of provincial Finance, there are some complexities that have to be addressed in terms of the impacts on other provinces. Even though we would like to resolve it as quickly as possible, we do recognize that the federal government has some sorting and adjusting to do, not just with us but across virtually all of the jurisdictions. That correspondence is in Exhibit C in our Budget discussion papers on page B38. We tried to put it all on the record so people know where we are coming from on this matter.

Mr. Jim Penner: I notice that our equalization Estimates have increased a bit from the previous year. Is that because we are more of a have-not province?

Mr. Selinger: It is essentially the offset for the accounting error. The accounting error really meant that they had overestimated our revenues in Manitoba, and the correction triggers an offset through the equalization program. So our real

situation has not changed, but the assumptions the federal government were doing in terms of attributing revenue to us have changed, as they have for Ontario, Alberta and British Columbia.

Mr. Jim Penner: So then on this particular amount of money, the tax error, we are getting some in one place and they are taking some in another place, so it is equalling out?

Mr. Selinger: It is not entirely equalling out. We expect about a 70% recovery on every dollar we lost through the error, through the equalization offset. In the discussion document related to that we show the impacts on other provinces. There is a table in there that indicates the impacts on other provinces and how we are treated in relative terms. That is on page B29. So, this is also food for thought for the federal government as well, to understand unambiguously what the position of Manitoba is on our analysis. So far we have had no challenge to this analysis. They have pretty well accepted that our analysis is accurate.

Mr. Jim Penner: Pass.

Madam Chairperson: Item 7.5. Federal-Provincial Relations and Research (a) Economic and Federal-Provincial Research (1) Salaries and Employee Benefits \$1,465,100—pass; (2) Other Expenditures \$500,500—pass.

5.(b) Manitoba Tax Assistance Office (1) Salaries and Employee Benefits \$368,200—pass; (2) Other Expenditures \$70,900—pass.

Resolution 7.5. RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,404,700 for Finance, Federal-Provincial Relations and Research, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Madam Chairperson: 7.6. Insurance and Risk Management. Floor is open for questions.

Mr. Jim Penner: I suppose this is property insurance and liability insurance for provincial involvements?

Mr. Selinger: Yes, it is. It covers off all our insurance obligations and risk management activities.

Mr. Jim Penner: I just renewed insurance for one of my companies. I noticed that our insurance did not go up over the previous year. Some people said, because of 9-11, it did. Were the Province's insurance rates affected by 9-11?

Mr. Selinger: Yes, the events of 9-11 did have a dramatic impact on government insurance rates. Our property insurance rates increased in the order of 130 percent. That was the experience of other provinces as well.

Mr. Jim Penner: Do the people in Government ever consider self-insuring?

Mr. Selinger: We do actually self-insure for liability insurance. It is a \$500,000 limit on self-insurance; for property, \$2 million; and on aircraft, hull insurance is self-insured up to \$3.5 million per hull.

Madam Chairperson: 7.6. Insurance and Risk Management (a) Salaries and Employee Benefits \$318,900—pass; (b) Other Expenditures \$54,500—pass; (c) Insurance Premiums \$2,000,000—pass; (d) Less: Recoverable from other appropriations (\$2,000,000)—pass.

Resolution 7.6. RESOLVED that there be granted to Her Majesty a sum not exceeding \$373,400 for Finance, Insurance and Risk Management, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Madam Chairperson: 7.7. Treasury Board Secretariat (a) Salaries and Employee Benefits \$4,382,400—pass; (b) Other Expenditures \$841,700—pass.

* (16:40)

Resolution 7.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,224,100 for Finance, Treasury Board Secretariat, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Madam Chairperson: 7.8. Office of Information Technology (a) Salaries and Employee Benefits \$2,047,900—pass; (b) Other Expenditures \$2,560,700—pass; (c) Less: Recoverable from other appropriations (\$120,000).

Resolution 7.8: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,488,600 for Finance, Office of Information Technology, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Madam Chairperson: 7.9. Amortization and Other Costs Related to Capital Assets (a) Enterprise System (1) Amortization Expense \$3,527,600—pass; (2) Less: Recoverable from other appropriations (\$3,527,600).

9.(b) Desktop Services (1) Amortization Expense - Hardware and Transition \$370,000—pass; (2) Amortization Expense - Enterprise Software \$66,300—pass; (3) Enterprise Software Licences \$174,400—pass.

9.(c) Amortization Expense \$2,057,900—pass.

9.(d) Interest Expense \$4,033,800—pass.

Resolution 7.9: RESOLVED that there be granted to Her Majesty a sum not exceeding \$6,702,400 for Finance, Amortization and Other Costs Related to Capital Assets, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Madam Chairperson: 7.10. Net Tax Credit Payments, Manitoba Education Property Tax Credit \$174,551,000. Shall the item pass?

Mr. Harold Gilleshammer (Minnedosa): That shows up in the Education Department at this time?

An Honourable Member: Yes.

Mr. Gilleshammer: How long has that been the case?

Mr. Selinger: I believe it was instituted in last year's Budget.

Madam Chairperson: 7.10. Net Tax Credit Payments, Manitoba Education Property Tax Credit \$174,551,000—pass; Personal Tax Credit \$51,345,000—pass; Pensioners' School Tax Assistance \$3,288,000—pass; Political Contribution Tax Credit \$685,000—pass; Environmentally Sensitive Areas Tax Credit \$500,000—pass; Federal Administration Fee \$875,000—pass.

Less: Recoverable from Education, Training and Youth: Manitoba Education Property Tax Credit (\$174,551,000); Pensioners' School Tax Assistance (\$3,288,000)

Resolution 7.10: RESOLVED that there be granted to Her Majesty a sum not exceeding \$53,405,000 for Finance, Net Tax Credit Payments, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Madam Chairperson: S 11. Public Debt (Statutory) (a) Interest on the Public Debt of Manitoba and related expenses \$1,254,335,600—pass; (2) Interest on Trust and Special Funds \$41,885,000—pass.

11.(b) Less: Interest and Other Charges to be received from (1) Sinking Fund Investments (\$242,400,00); (2) Manitoba Hydro (\$534,320,100); (3) Manitoba Housing and Renewal Corporation (\$33,287,700); (4) Manitoba Agricultural Credit Corporation (\$19,836,400); (5) Other Government Agencies (\$9,953,100); (6) Other Loans and Investments (\$67,811,000); (7) Other Appropriations (\$20,302,200)

The last item to be considered for the Estimates of this department is item 7.1. Administration and Finance (a) Minister's Salary, contained in Resolution 7.1. At this point, we request that the minister's staff leave the table for the consideration of this last item. The floor is open for questions.

Mr. Jim Penner: I would like to discuss briefly the balanced budget legislation as it appeared in June 14, 1995. The legislation addresses Manitobans' concerns and challenges the Government to seriously tackle the Province's long-term debt

problem. This action was pivotal to Manitoba setting a stage for a future, and it will in turn create new and exciting opportunities.

Under their legislation, income taxes, sales taxes and payroll taxes could not be increased without the approval of Manitobans in a referendum. Should a balanced budget not be achieved, the Premier and all ministers will be penalized 20 percent of their ministerial compensation. Should a second deficit be incurred, Cabinet would be subject to a 40% penalty.

This legislation would require the Province to start achieving balanced budgets immediately without increasing taxes beginning with the current fiscal year, and it also includes a plan to pay down the Province's \$7-billion debt within 30 years through annual instalments. The only exceptions to a balanced budget would be in the event of a natural disaster or war and a revenue decline resulting in a 5% decline. I am wondering if the Minister of Finance is fully aware of those facts.

Mr. Selinger: Yes.

* (16:50)

Mr. Jim Penner: The people that have been making submissions to us, at the time that this balanced budget legislation was proposed, the minister from Thompson said: This bill will not work. The member from Inkster: This legislation does not correspond with any economic theory known to personkind, either historical theory or current economic theory. The member from Point Douglas said: This is an election gimmick. It was an election gimmick. The member from Swan River said: No government needs balanced budget legislation. The member from Fort Rouge said: A bill that is destined to make Manitoba the laughingstock of the financial management world. That was really funny in itself because the rest of Canada endorsed balanced budget legislation, and so it goes on and on. The member from Minto: A very mean-spirited and regressive measure.

Given the fact that we have had lots of copies of consultations like this one from the Manitoba Chamber of Commerce which has a resolution that Crown corps not be rated, it is

incumbent on me, as critic of Finance, to present a motion which states:

WHEREAS section 7(1) of The Balanced Budget, Debt Repayment and Taxpayer Accountability Act provides for a 20% salary reduction to each member of the Executive Council should the government project a negative balance in the third quarter financial report; and

WHEREAS the Minister of Finance provided to this Assembly a third quarter financial report projecting a positive balance only through the illegal transfer of \$150 million from Manitoba Hydro; and

WHEREAS not only is this transfer retroactive, it is according to section 43(3) of The Manitoba Hydro Act illegal and every person who violates this provision is liable to a fine of not more than \$5,000 or to imprisonment for a term not exceeding one year; and

THAT for failing to deliver to the citizens of Manitoba a balanced budget and for illegally raiding Manitoba Hydro of \$288 million, including \$150 million to cover Budget 2001's operating deficit, the Minister of Finance be subject to the penalties as prescribed under the section 7(1)(a) of The Balanced Budget, Debt Repayment and Taxpayer Accountability Act; and

THAT as a result of section 7(1)(a), line 7.1.(a) Minister's Salary be reduced by \$5,680.

That is a motion, I guess, that comes to this floor.

Madam Chairperson: It has been moved by the honourable Member for Steinbach that

WHEREAS section 7(1) of The Balanced Budget, Debt Repayment and Taxpayer Accountability Act provides for a 20% salary reduction to each member—

An Honourable Member: Dispense.

Madam Chairperson: I find the motion to be in order. Debate may proceed.

Mr. Selinger: Well, I think we had in the House the other day an important ruling from the Speaker on the question of privilege, which was raised on this matter of the Hydro dividend and advertising related to the Budget. It is normal practice in a Budget to have legislation come after the Budget announcement which brings into law those measures announced in the Budget. Those measures include the Hydro dividend or a Hydro transfer as well as many other measures that we announced in the Budget relating to taxation as well as program measures.

So I do not think there is anything unusual about what we have done here. I think we also have to bear in mind the history of the building of the Limestone project back in the late eighties. It was built ahead of schedule in terms of the domestic needs of Manitobans and it was built to provide power in the export market. As a result of the profits made out of the export of that clean energy, which also displaced carbon dioxide and other noxious emissions in North America and globally, for that matter, Manitobans would realize a benefit through the Government of Manitoba for programs that the Government provides to its citizens. So, really, this is just bringing to life what was contemplated and planned for when the Limestone project was built.

The other thing is that we had sufficient revenues in the Fiscal Stabilization Fund to cover off any shortfall on revenue as a result of the reduction in revenues received through the accounting error as a reduction of revenues due to the events of 9-11 and the economic slowdown in general.

So, under any scenario, we would have balanced the Budget for last year. That would not have been an issue. We would have been able to balance the Budget as well this year.

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 4:54 p.m.

The committee resumed at 5:35 p.m.

Madam Chairperson: Will the Committee of Supply please come to order. When we recessed we were considering the motion moved by the Member for Steinbach to reduce the minister's salary. I regret to inform the committee that I had incorrectly ruled this motion in order when it was first moved.

Manitoba practice suggests that a motion to reduce the minister's salary should only contain that part of the motion dealing directly with the reduction. The first four paragraphs of this motion are therefore not in compliance with this past practice. In order for the motion to be properly in order the first four paragraphs should be removed, leaving only the final THAT paragraph.

Is there leave to amend the motion? *[Agreed]* The motion as amended is now in order. Debate may proceed. Is it the will of the committee to adopt the motion?

Some Honourable Members: No.

Some Honourable Members: Yes.

Voice Vote

Madam Chairperson: All those in favour, please say yea.

Some Honourable Members: Yea.

Madam Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

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

Formal Vote

Mr. Marcel Laurendeau (St. Norbert): Yeas and Nays, Madam Chair.

Madam Chairperson: Do you have the support of more than two members?

Mr. Laurendeau: Well, I have the support of two of them.

Madam Chairperson: A formal vote has been requested by two members. This section of the committee will now recess to allow members to proceed to the Chamber for a formal vote.

The committee recessed at 5:38 p.m.

The committee resumed at 6:16 p.m.

Madam Chairperson: Will the Committee of Supply please come to order.

Item 7.1. Administration and Finance (a) Minister's Salary \$28,400? Shall the item pass?

Some Honourable Members: Pass.

Some Honourable Members: No

Madam Chairperson: The item is accordingly passed [*interjection*]-okay. I am sorry.

Voice Vote

Madam Chairperson: All those in favour, say yea.

Some Honourable Members: Yea.

Madam Chairperson: All those against, say nay.

Some Honourable Members: Nay.

Madam Chairperson: I think the Yeas have it. The motion has been defeated—the Member for St. Norbert.

Mr. Laurendeau: It is okay. It has been defeated. I am okay.

An Honourable Member: That is true, it has been defeated. She said so.

Madam Chairperson: Did I say that?

An Honourable Member: You sure did.

Madam Chairperson: The motion is accordingly passed.

Mr. Leonard Derkach (Russell): Well, thank you, Madam Chair, but I thought I heard the ruling quite clearly the first time. I thought that once the ruling is made by the Chair, the ruling stands, and the ruling was that the motion was defeated.

So, Madam Chair, I would presume that you would want to stay with your word that the motion indeed was defeated. This is on the record.

Madam Chairperson: I do believe I started to say defeated, but I did not quite finish and corrected myself in the nick of time.

Point of Order

Mr. Derkach: On a point of order, Madam Chair, I heard you quite clearly when you said the motion was defeated. It was at that point in time that government members realized that you had ruled in our favour. I would assume that, if the Chair has ruled in our favour, and it is on the record, that ruling would stand.

Madam Chairperson: I would have to read the Hansard to be sure, but is it the will of the committee to redo the vote?

Mr. Derkach: Madam Chair, I think if you were to check with the rules, and I am not certain but that is something our research staff will do immediately, but I think there would have to be a unanimous vote to be able to revote again.

In my opinion, you had ruled on the motion and it was defeated; therefore, I take from your ruling that indeed this motion was defeated and must stay that way.

So, Madam Chair, I am sorry, but I think the advice that you will receive from the Clerk is that indeed when you make a voice indication that a motion is ruled on in a particular way, that stands.

Point of Order

An Honourable Member: A point of order.

Madam Chairperson: Mr. Minister.

Hon. Gord Mackintosh (Minister of Justice and Attorney General): Would the Chair just ensure that the committee understands that the motion that is before it is the main motion on the Minister's Salary. Perhaps if she could read out the motion that was put to the committee so that we know full well what the matter to be decided is.

Mr. Laurendeau: Madam Chair, the motion which we had moved to reduce the Minister's Salary had already been defeated. We were dealing with the Minister's Salary as a whole, which is what we voted against, which you agreed with us and said that it was defeated, and you can check the record on that.

Madam Chairperson: What we were deciding on was the line item for the Minister's Salary.

Point of Order

Mr. Mackintosh: A point of order. There appear to be two ways to rectify this. You have made a decision that there was an error in your wording, so that is a ruling and that can be appealed, or there can be Yeas and Nays. Perhaps the cleanest way to deal with this, given the record, may be Yeas and Nays.

Mr. Laurendeau: Madam Chair, the only problem with the Yeas and Nays, which the minister has just requested, is the House is no longer sitting tonight. so the vote would not occur until tomorrow. Just call for your Yeas and Nays, and the committee shall report to the House tomorrow.

Madam Chairperson: Can we just have a moment to confer?

Point of Order

An Honourable Member: On a further point of order.

Madam Chairperson: Mr. Minister, on a further point of order.

Mr. Mackintosh: Well, I am just wondering, just in light of what appears to be a simple error, I wonder if the Opposition would simply agree

to allow your correction to stand and we can get on with things.

Mr. Laurendeau: But we did not think it was an error. We agreed with your position that the item was defeated. So, no, we cannot agree with the House Leader on this one.

Madam Chairperson: Thank you for your points of order, but they were not points of order.

* * *

Madam Chairperson: I would just like to repeat that I did inadvertently begin to say, and the Hansard will, I am sure, verify that I began to say that the item was defeated, but I do believe I corrected myself before the very end. This is what I believe, and, based on the voice vote, I would rule that the motion did, in fact, pass.

Mr. Laurendeau: I challenge your ruling, Madam Chair.

Madam Chairperson: The rule of the Chair has been challenged.

Voice Vote

Madam Chairperson: All those in favour of sustaining the ruling, say yea.

Some Honourable Members: Yea.

Madam Chairperson: All those opposed, say nay.

Some Honourable Members: Nay.

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

Formal Vote

Mr. Laurendeau: Yeas and Nays.

Madam Chairperson: Do you have the support of more than two members?

Mr. Laurendeau: I have the support of about six members.

Madam Chairperson: I will report the request for this vote to the Committee of Supply tomorrow morning.

Is it the will of the committee to rise?
[Agreed]

The hour being 6:30 p.m., committee rise.

EXECUTIVE COUNCIL

* (15:50)

Mr. Chairperson (Conrad Santos): Will the Committee of Supply come to order, please. This section of the Committee of Supply has been dealing with the Estimates for Executive Council. Would the Premier's staff please enter the Chamber.

We are on page 21 of the Estimates book. It has been agreed to proceed on a global rather than on a line-by-line basis? [Agreed]

Hon. Jon Gerrard (River Heights): Mr. Chair, my question to the Premier: One of the significant initiatives and expenditures—planned expenditures, I think, primarily at this point—is the expenditures on the new arena which is planned for the Eaton's site. I wonder if the Premier could give us an update on what the current situation is.

Hon. Gary Doer (Premier): Well, the Supreme Court case has been defeated. I have not talked to the Mayor recently on the project, but I did talk to former Minister Duhamel last week. I have not had a chance to have recent updates; I have been in Estimates for a while. The document has been released on the new arena. It remains a public-private investment, and financing has been achieved by primarily the credit unions and the investors. The provincial government's share remains. Its impact on our revenues, on the one side, remains, and the impact on its expenditures remains consistent with the agreement it reached a year ago. This is still going to be a private sector proposal with some tri-level support from the federal, provincial and city government. That is still the elements of the deal.

Mr. Gerrard: Just one of the things I have heard recently is that the cost estimates for

building the arena as planned may have gone up from the range of \$125 million to about \$138 million. I wonder if the Premier can provide any information as to whether this is the case.

Mr. Doer: Well, I can confirm some of the conditions of a year ago have been reduced and some of the conditions of a year ago, with the delays, have been increased, but a lot of the rumours I have heard around town have mostly been proven to be wrong. I heard it was going to be defeated in the courts. I heard ultimately we were not going to get any banking or financial authorities to fund it. The credit unions have come forward with a plan. Then I heard it was going to be defeated at the Assiniboine Credit Union annual meeting, and that did not happen when the due diligence was presented.

The bottom line is our provincial government commitment, as identified in the term sheets, remains as is. This is a private sector driven project, and the private sector maintains the risk.

* (16:00)

Mr. Gerrard: Just to confirm, as far as you are aware, the price estimate of about \$125 million has not changed in any way from previous.

Mr. Doer: Well, I am not sure of what the delays have meant to the project, but I am aware the private investors or the private people are proceeding. Since the last time I did my Estimates, they have proceeded to get some of the financing in shape, in place. I think it was \$60 million from the credit unions.

There was some speculation that they would be overestimating their so-called luxury boxes. Again that rumour went around town. Well, the opposite is true. I think they have almost sold every one of them. There was speculation that the business plan overestimated their so-called club seats; therefore, they would be under-revenued in that item. From some due diligence studies the private investors did, that has actually proved to be more positive than based on sales, but the private sector is going to have to bring it on home.

I am not sure the total impact of the delays on the project, but there certainly have been delays and litigation and, I would argue, a minority of people opposing the site. I would also say that, from the last time we did the Estimates, the so-called Eaton's coalition is proposing to take money from the provincial government for housing in the present Eaton's building. That would be a real serious drain, in our view, on the inner-city housing. So there are two reasons why we think well-meaning people are ill advised on this thing.

There are rumours about this project. I hear a different rumour every week. I am sure members in the House do as well. The bottom line is the term sheet has been tabled, and, as I say, I talked to former Minister Duhamel last week, and we were chatting about the negotiations that went on and the status of the arena. We had a discussion with Mr. Pagtakhan—or Minister Pagtakhan—when he was first sworn in as the lead minister.

The infrastructure money has been approved by the federal treasury board, by Madame Robillard, and the city investment remains in place. We think that the private sector leadership and the private sector requirements are very important to this project and very important for the City.

Mr. Gerrard: I thank the Premier. I hear a fair amount of rumors, as I am sure the Premier does. I just wanted to get the kind of clarification of where things stood and an update. There has also been—I do not know whether these are rumors, or what, but that the Government is, in some fashion, providing a guarantee to the credit unions, and that this might, therefore, be considered, in some fashion, public—as opposed to private—money. I just would like to give the Premier an opportunity to speak to this and clarify the situation.

Mr. Doer: The Credit Union Act has not been amended for this project, and the credit unions proceeded with their own due diligence. We did not provide anything in addition to what was already there for any other projects they decide. They went, I think, with a consortium of credit unions, and they did their own individual due diligence. This, again, was contrary to the

rumors I heard. I heard around town: they are not going to get any financing and et cetera. You probably heard the same rumors from probably the same people.

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Chair, I just wondered if the First Minister was asked a question today in the House with respect to True North on the limitations of sporting facilities and, kind of, the trading area that was termed. I know that the First Minister gave an answer, but I think there are some communities out there that need some sense of assurance.

I just wonder if the First Minister can provide the committee with that assurance: that, indeed, this really was, as I understand it to be, more of a Winnipeg-driven initiative rather than if somebody in Portage, for example, wanted to enter into—I guess you can always speculate that they might build a huge facility there; I think, really, on the basis of what those communities would be building to support their local sporting teams, whether it be in the Junior A Hockey League or the Manitoba Major Junior Hockey League or that sort of thing. I think there is some concern, and I just would like the First Minister to put those—if there are concerns—put those to bed.

Mr. Doer: We have had some inquiries from Stonewall, Selkirk and Portage, and from the Winnipeg Football Club, and we have answered them individually based on individual criteria. What it prohibits is, say, Headingley building a comparable arena to compete with, and therefore undermine, the effort in this arena.

It also deals with the Winnipeg Enterprises existing arena, and it was primarily to ensure that that did not take place. There are some areas just adjacent to Winnipeg in the capital region, and you could understand the private investors wanting to ensure that there would be no ability to erode the revenue stream for their private investment and their private risk. We have answered individual questions on this matter on an individual basis, based on the specific criteria. We do not think to date we have met any concern from a community like Selkirk or Portage that would indicate a comparable size

facility that would compete for comparable events.

Well, you never know. Selkirk was always supposed to be the centre of Winnipeg, or where Winnipeg was located. You do not know. But we have answered some of these questions individually. We so far have not encountered a circumstance that made us say, oh, this is something we should worry about. I think if the football team took over the Bombers and ended up building a totally separate kind of facility that included—although I have not included indoor hockey ice and some other things. It would be a problem, but, in my view, the biggest request we have had on the Winnipeg Stadium is for new turf, not for a new roof or ice. There is enough ice in December on the field.

Mr. Murray: Mr. Chair, I wanted to ask the First Minister just some questions on ethanol, but before I did that, I just wonder, is there anything at all that he could share with the committee that may have come out of the meetings yesterday that the Minister of Conservation (Mr. Lathlin) is attending, other than the usual number of protesters that were out?

Mr. Doer: The protesters were protesting for something as opposed to against something. So that is quite different. Usually, when we encounter protesters, we are opposed to what they are protesting against. This time they were in favour of some action on climate change. I think most Manitobans would support that, in all fairness.

* (16:10)

I guess the only issue really is Alberta went pretty far on their proposal for delaying emissions and the whole conditions of ratification of Kyoto. Apparently all provinces, save Alberta, signed the communique yesterday. I have not seen the communique, but I am sure it says something like, let us continue to consult with Canadians about the impact of Kyoto on the economy and the positive opportunities for climate change. Now, I have not been briefed. I was in Cabinet this morning and was with some private investors at noon. I have not been fully briefed yet in detail.

The delegation, as I understand it, is either back tonight or tomorrow, sometime tomorrow. There are about three planes from P.E.I., as I understand it. The Environment ministers are meeting tonight without the federal ministers, so I am sorry. I was asking the question this morning myself, when is the minister back? It makes sense that they meet tonight rather than going to another location. So I guess they will be back sometime tomorrow night.

Mr. Murray: Mr. Chair, I just wonder if the Premier could indicate how the \$35 million that was talked about with respect to a commitment to ethanol, I just wonder if he would maybe expand on whether that is going to be in the form of a tax reduction or is it going to be in the form of a subsidy or just maybe would look for his explanation on sort of how he saw that. I know there was the figure, and it may not be the accurate figure, but I think it was the figure that was in the newspaper. I just wondered if you could elaborate on that with how you see that with the development of an ethanol sort of industry.

Mr. Doer: I think the newspaper took the amount of litres of gas that are sold in Manitoba and the tax revenues that are generated with our tax and subtracted the lost revenue with the two cents lower for ethanol and calculated it to be, if you went to 10 percent, what the \$35 million would be. That is not an inaccurate number. It is not our number, but it is not implausible.

To some degree, we are having these hearings at the right time. We are going to have a set of public hearings soon, so the public can speak out. We do not think this should be just a decision made by government, per se. We think we should have some hearings on this idea of ethanol production, ethanol advantages, if there are disadvantages.

The member opposite would know better than I that the conditions for warranties have changed even, I think, since '93 for cars with ethanol use, and that is almost becoming 10 years old. We want to make sure, if we develop a policy, it has enough lead time to take advantage of activity here in Manitoba. Why has it worked in Minnesota besides the obvious reasons of corn versus grain?

Farmers are talking about projects in Russell. They are talking about co-operatives in Beausejour. There is an logen proposal in Killamey. There is an expansion of a plant in Minnedosa. That is just what I know about. There is probably a lot more people out there. I have talked to large, private people that have a considerable amount of wealth and willing to invest in ethanol plants with the right regulatory environment. So, again, with the convergence of subsidies from the United States on agriculture with the trade-distorting subsidies and the potential for the federal government to get more involved in what is one of the causes of emissions to our atmosphere, and that is the gasoline, and, thirdly, with the need to get more agricultural diversification in rural communities, we think it is maybe the stars are lined up to proceed in a more deliberate way, but we do not think it should be a decision just made in the back rooms here. We think it should be out there.

There is a lot of interest. We are hearing a lot of interest from particularly rural communities on it. I think that some of the fears we had about unleaded gas, we heard 15 years ago. Again, the member opposite in this knows his business better than I do, but we certainly want to get out there and look at why is it working in Minnesota and what do we have to do here in Manitoba to take advantage of policies that will allow us to proceed either one way or the other.

If it does not work, the Iowa-Michigan system is voluntary and very, very costly with U.S. subsidies, federal subsidies, I might add. No coincidence that Iowa has the primaries and has usually people like George W. and other notable politicians seeking the presidential spot appealing to the Iowa caucus prior to the New Hampshire primary, with always the promise of support for ethanol in Iowa.

Why is Minnesota working at 10 percent? What is the upside? What is the downside? How do we do it in such a way that allows our communities to make sure that, if we did it right away, obviously, there would not be a buildup in our own domestic use? We already have a 2-cent-a-litre reduction in taxes for ethanol-produced fuel. How do we incorporate the diesel component?

We had 10 experimental buses this year with Husky Oil with ethanol diesel. I have not got a complete result. I have got antidotal results that it was positive, but how do we deal with that, and how do we make sure the retailers here in Manitoba can, if we move to a regulatory change, how do you make sure that you have enough lead time for the dealers to have the ability to adapt as well?

So I think all those things are not something we want to decide on our own. We want the public to be involved in this, as well, on the pros and cons and how to, not just the what but the how to and by when.

Mr. Murray: I appreciate the Premier's response. I just want to make sure, because I am understanding that, maybe, the \$35 million was a figure that was calculated. In other words, it was not necessarily the Premier's figure, but, as he said, I think quite rightly so, that if you do the math, it is probably a fairly accurate number. I just wondered was the Premier's thought in this process to try to move to have an all-ethanol retail gasoline market. In other words, each retailer in the province of Manitoba, whether it is voluntary or if it is mandatory, that would have 10% ethanol in all of their gasoline and diesel products.

Mr. Doer: There are different models and the member will know that. There are models like Minnesota that are 10 percent mandatory and every retailer does that. There are other models like Iowa and Michigan that are more voluntary. We think that we should discuss the pros and cons of both of those. On diesel, I am not sure at this point. We do not have a reduced diesel fuel for ethanol-produced diesel yet. It is not a question of yet, but we do not have that in Manitoba. We do on the gasoline products. We are going to have public hearings. We are going to have some people go around the province on this and listen to farmers on this, listen to communities on this issue, listen to gas retailers and wholesalers. I am sure the petrochemical industry will have views. I know the car industry will have views on this, although they have made some shift as well. We hope the federal government will come on board too because the federal U.S. government is involved in ethanol

support to reduce emissions and to increase self-reliance in a more unstable world. Particularly now with the Middle East, there is a lot more concern in the United States now to have more North American self-reliance on energy and petrochemicals. Ethanol is part of that.

* (16:20)

Mr. Murray: Some of these questions obviously will come out in the hearing, but clearly I think the direction of allowing the ethanol industry would be a positive for Manitoba primarily for the rural development opportunities that would exist, so I think that is a very laudable goal and one certainly on this side we will support and look forward to the discussions as they go forward. I wondered though if maybe the Premier could share his thoughts on our neighbours to the south who love to just subsidize, subsidize, subsidize as they go. We have seen that in the U.S. farm trade bill and particularly now they are attacking the pulse crops that were not part of a subsidy program up until this new farm bill. Could the Premier just explain to the committee his thoughts on putting an ethanol program in place that again puts us in that unfortunate position of trying to compete with the Americans who are sometimes just subsidy hungry?

Mr. Doer: This is just a preliminary review, and if it is not correct, we will find out in the public hearings with people that have more expertise than I have, but it seems to me, the more you regulate the content of ethanol, the less your subsidy. It seems to me the proportion of subsidies is higher in places where it is more voluntary.

Now, my personal preference is to have no subsidies, totally voluntary, and everybody use it. I think we could all agree with that, because it would be great for the farmers, great for the climate change, and great for the treasuries, but it looks like there are less subsidies in places like Minnesota and more co-operative successes or economic successes. I think there are 12 or 14 large production centres in Minnesota, in farm communities, for ethanol production, where they have gone more to the mandatory side.

You know, I think we have heard Roger Moe talk about that last year here at the IFMI

meetings. I liked what Minnesota did, but I do not know what the downside is of what they did. To some degree I think our citizens, there are a lot of similarities in culture and attitudes in Minnesota as there is in Manitoba. We will see.

So that seems to be my read of it so far, based on the American experience. I do not know whether there are any other experiences on this, but I agree with the member, the less subsidies, the better. The Legislature has determined to have an incentive subsidy on the lower ethanol cost, but I think that deals with the higher cost of production. So that is why I want some experts to look at this, as well as the public.

Mr. Murray: And again, I think that is something that we would be very supportive of, because I think the other element, on the ethanol side, is sort of the by-products that are also there. I am pretty sure that in Manitoba we would be looking more at grain than certainly corn, although I do not think you rule out anything. I mean, I think it is all part of that industry. But certainly one of the things that I find intriguing about it is that in some respects the ethanol, although it is a very useful product for the reasons that the First Minister talked about in terms of the environment, some of the by-products like gluten and others, I think the plant in Minnedosa is very, very efficient on producing. I think those are other options that are tremendous for the rural communities to sort of be a part of. I think anytime that people have a chance to eat pasta in our province, perhaps it is pasta that is a by-product out of Minnedosa. That is a good thing. I think that is a very positive direction for us to go.

I know that I was fascinated when I did a little bit of research. Maybe things have changed, but when I did a bit of research on the side of ethanol, you know, I mean, I guess if you get a bunch of scientists in a room they can sort of come up with different opinions on everything. I know the Sierra Club, for example, was very much in favour of ethanol on the basis of reducing greenhouse gas and emissions.

I talked to another scientist who said that at the tailpipe, when you have a 10% blend of ethanol, it puts out the precursor to pollution. I

thought, how do you go through these processes, and are you going to satisfy everybody?

So I think the hearings are an excellent way to go, because I think, presumably, you will find somebody who has an opposing view or is against this or against that, but, overall, I think on the basis that it provides opportunity in rural Manitoba, I think there is clear indication from a lot of people that it is seen to be environmentally friendly. I know that one of the retailers in this—well, not only in Manitoba, but you know that use sort of a Mother Nature's gasoline moniker, and I think they were very successful. I am sure they would be somewhat disappointed if everybody else cut into their marketing niche, but on the other hand, that is competition. I mean, you have to survive as you go.

Had the Premier given thought on the ethanol whether there might be some control with respect to smaller plants or is this something that might be governed by big oil companies? Can he just share his thoughts as to how he saw some of the plants being set up in Manitoba?

Mr. Duer: My preference would be, first of all, that there are expansion of plants in Manitoba, and our objective would be to do that. As the member indicates, there is the byproduct of the feedlot industry, and the byproduct of this production. I like what has happened in Minnesota. How we do that, what we would like to see is many operations in rural communities where this could be a real valuable increase in economic development directly and economic development in agriculture with the feedlot industry. I would prefer that over one megaplant. I like the ideas in Russell. I like the ideas that I hear about in Beausejour. I like the separate idea in Killamey on logen, the obvious expansion of opportunities in Minnedosa. You know, there are other private people. We are talking about a large operation, but not this one-mega solution. I am surprised that some of the petrochemical companies have not thought about this a little bit more, but maybe they thought that Canada would never go to it.

You talk about scientists again. I am sure we will have a lot of different scientific views, but I am sure that the gas companies, the oil

companies have probably got the same kind of advice when they were proceeding with unleaded gas. Usually, that is led by something like California and the smog. I think the same debate will take place on ethanol, and the same debate will take place in five or six or seven years on hydrogen fuel cells as well. So we think we should have some good advice.

So we are going to open it up. We are not going to just stand up here in the House one day and make an announcement. We think that would be imprudent. It is a huge issue. There are a lot of people affected by it and a lot of opportunities. It is not just if we do it, but what we do and how we do it to make sure that Manitobans can benefit the most. That plant in Russell can go ahead. You know that would be what we would want to see. This could be the bridge to do that. Let us do it.

Mr. Murray: You know, again, all of this stuff will come out in the hearings, but what will be interesting, and I do not know this, but perhaps one of the reasons the big oil companies have sort of shied away from it is if you take 10 percent of the volume, that basically is volume lost to those retailer—well, when I say retailers, I mean big oil companies. That is just something that may come out in discussions and hearings, but because you are really putting a new product of 10 percent into the province and the other issue here is that a number of companies that might start up.

The First Minister talked about Beausejour. Certainly, the one in Killamey we are familiar with, as we are with the one in Russell. They may have an over-capacity in terms of the product here, that is desired here in Manitoba, but those are the issues that have to be sort of looked at.

* (16:30)

Certainly it is much more appropriate to proceed on the basis that perhaps we can start marketing ethanol to other provinces. I know that Saskatchewan, I believe, is trying to ramp up a little bit. I know one of the issues that Mohawk had was they were trucking, or not trucking, they were sending by rail a lot of their product, their ethanol product, back into Alberta,

and maybe there is a market there that can be explored as this sort of goes through the process.

Could the Premier indicate to the committee sort of a time line, when he sees committees going out around the province and sort of a time frame when they are expected to report back to the Legislature?

Mr. Doer: We saw the timing as making an announcement of a committee some time before the end of seeding, starting the committee hearing some time after seeding and having some of the work go on before the harvest, just to be sensitive to agricultural cycles. We are just now discussing with one individual his possibility of being on this committee.

We are not planning for it to be a partisan committee. We want it to be two or three people who have some views in this area and can facilitate the meetings and do the research and the follow-up for us and separate those scientific views about this being positive and this being negative.

Mr. Murray: Maybe just a bit on that, just to get a sense of the committee. So it might comprise of sort of three or four experts of various backgrounds. Would they go out and do presentations or would they be facilitators? I am just trying to get a sense of how the public would get involved in the process.

Mr. Doer: We would see them having a discussion document to start leading the debate. I mean, the obvious question, should we do it? What should we do to get there? What is a logical critical path? Should it be a model like Minnesota, or should it be another model like Iowa? Should it be the status quo? Should we just not touch it? Is it just a matter of a little bit of support for Russell and Beausejour and Killamey? Are we overstepping? What are the advantages now in this discussion period?

It will actually happen at the same time the discussion is going on on climate change. So the timing of it we think will be useful, and we are glad we had the climate change task force last year which did recommend that we move to the next step in reducing fossil fuel emissions to the atmosphere.

We want to make sure that it gets everybody thinking about it, so retailers and wholesalers and other people and communities can start thinking about it and start advancing their own plans. I am aware that there are three or four different initiatives going on in three or four different communities right now in Manitoba, and I am sure there are others. I have been told there might be others since we made our announcement.

So the timing is within a couple of weeks. I am not sure of the exact date but it is not long and it is intended to be kind of a—we are not going to dictate to the committee itself how exactly they should do it, but we want to encourage debate and discussion. I intuitively do not understand why we do not have this policy in Manitoba to begin with, so I just want to find out sometimes when something looks obvious, maybe it was obvious all along or maybe it was not, and there was a reason why it was not obvious, and it was things you should have considered or things that could have been more negative.

So I just intuitively like the idea, but I just want to find out what—there is always a downside, but I am an optimist, as the member opposite is, and, you know, you want to be optimistic.

Mr. Murray: Is the role of the committee sort of that they would come back with a recommendation to the Legislature? I guess what I am wondering about is that if they might come back with a recommendation that ultimately might become legislation.

Mr. Doer: Well, we would see the committee report being released publicly if there was any requirement, for example, the Minnesota model of 10 percent, that it would absolutely require legislation, and it would be debated fully in this House. I guess the degree of regulatory recommendations they make would dictate the degree of legislative requirements. So if they just kept it at status quo we would not have to change anything with status quo, but more support for some of the fledgling ethanol operations; that would be an administrative consideration, a budgetary consideration. If it was massive subsidies, but voluntary, as I say, I think those

systems worry me completely and totally. But the Minnesota model would require legislation, and it would be debated in this House.

Mr. Murray: One of the things that would be a bit of a concern is the approach of subsidizing the industry, versus passing those subsidy costs onto those people that are purchasing the product. I know, as the First Minister mentioned, that currently there is a subsidy of some two cents a litre that does exist in Manitoba, and just would like to get the Premier's thoughts on a subsidy versus passing it on to the pump; in other words, those people that would use it. I know that the First Minister might say: well, let us see what comes back, if it is voluntary or if it is involuntary, you know, where the committee goes. I just wanted to get a sense from you if subsidy would be in the form of tax breaks on the subsidy side, or would the additional cost be passed on at the pump level.

Mr. Doer: Well, we would like to look at this also in the context of what is going on with the trade injury proposal from provinces to producers, the amount of money we are already putting into income support programs, because of the artificial market down south and in Europe. We would like to also look at this on the basis of—our goal would want to be the maximum uptake with the minimum subsidy.

Mr. Murray: Good. Mr. Chair, I am prepared to move everything up to the Premier's Salary.

* (16:40)

Mr. Chairperson: Line 1. General Administration (b) Management and Administration (1) Salaries and Employee Benefits \$2,118,300—pass; (2) Other Expenditures \$343,200—pass.

1.(c) Federal-Provincial Relations Secretariat (1) Salaries and Employee Benefits \$335,300—pass; (2) Other Expenditures \$77,900—pass;

1.(d) Government Hospitality, no expenditure—pass;

1.(e) International Development Program \$500,000—pass;

2.2 Amortization and Other Costs Related to Capital Assets \$14,900—pass.

Resolution 2.2. RESOLVED that there be granted to Her Majesty a sum not exceeding \$14,900 for Executive Council, Amortization and Other Costs Related to Capital Assets, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: That takes us back to the Minister's Salary and we request the staff to leave the table.

2.1. General Administration (a) Premier and President of the Council's Salary \$45,500.

Mr. Murray: I move

WHEREAS section 7(1) of The Balanced Budget, Debt Repayment and Taxpayer Accountability Act provides for a 20% salary reduction to each member of the Executive Council should the Government project a negative balance in their third quarter financial report; and

WHEREAS the Minister of Finance provides to this Assembly a third quarter financial report projecting a positive balance only through the illegal transfer of \$150 million for Manitoba Hydro; and

WHEREAS not only is this transfer retroactive, it is according to section 43(3) of The Manitoba Hydro Act illegal and every person who violates this provision is liable to a fine of not more than \$5,000 or to imprisonment for a term not exceeding one year;

THAT for failing to deliver to the citizens of Manitoba a balanced budget and for illegally raiding Manitoba Hydro of \$288 million, including \$150 million to cover Budget 2001's operating deficit, the First Minister be subject to the penalties as prescribed under section 7(1)(a) of The Balanced Budget, Debt Repayment and Taxpayer Accountability Act; and

THAT, as a result of section 7(1)(a), line 7.1(a) the First Minister's salary be reduced by \$9,000.

Mr. Chairperson: This motion is out of the ordinary because it is full of WHEREASes, contrary to the traditions of this House. The motion, to be properly put, should merely state the last two lines. If the mover is willing to amend it by deleting all the WHEREASes, it would be a proper motion. Is that agreed? *[Agreed]* The motion then will read, as amended:

THAT, as a result of section 7(1)(a), line 7.1.(a) First Minister's Salary be reduced by \$9,000.

That is the motion. This is a debatable motion. Any debate on the motion?

Mr. Murray: Mr. Chair, I want to respond and make a couple of comments that I believe we have introduced this motion because we on this side of the House believe that the Doer government has not lived up to the intent of balanced budget legislation, that as it is intended at the end of the year the books from the previous year should in fact show a surplus.

By the admission of this First Minister (Mr. Doer) and the Finance Minister (Mr. Selinger), the books at the end of this just past budget year showed a deficit, admitted by the Minister of Finance and the First Minister, to the tune of \$150 million. In order to balance the books for the last year the Doer government made a decision to raid Manitoba Hydro to the tune of \$288 million; \$150 million of that was to be used against last year's deficit. Without raiding Manitoba Hydro, there ultimately would be a deficit of \$150 million.

I believe that balanced budget legislation was put into place so that governments, regardless of their political stripe, would in fact live within the means that are out there for any other taxpayer, whether they be business entrepreneurs or whether they be people that are living within their household income means. They have the task, quite rightly so, of understanding what their revenues are and understanding what their expenses are. They do not

have the luxury of going out and trying to raid any place to get monies to balance their budget in the event that household expenditures exceed their revenues. We do not believe it should be any different for government. That is why balanced budget legislation was put into place.

So we very much believe that what we see with the Doer government is that they have not only raided Manitoba Hydro, but we also believe that they are doing something that is retroactive. In other words, there has not been legislation introduced to go in and raid this money that has been passed. So they are, in effect, going into Manitoba Hydro to retroactively take out \$150 million again for last year's books. We know that, already with the Budget that they presented for this coming year, their expenditures have exceeded their revenues. So already they are using Manitoba Hydro again to ensure that they balance their books for this coming year.

I, again, just would caution the government of the day that that is a luxury that I do not think there is anybody outside this Chamber would salivate to have. Whether they are running into a tough time with their business trying to get it going, and they find that their revenues are down, that they have the opportunity to go out and find a magical amount of money.

The First Minister refers always to the fact that they do not have a Brink's truck. Well, we on this side feel that perhaps they found the Brink's truck, and the Brink's truck came in the form of Manitoba Hydro.

* (16:50)

I just think that we strongly believe this motion we brought forward is something that is very important, that it is something I hope the First Minister and all Cabinet members of the Doer government would take seriously because it is really a luxury to have the ability to find yourself \$150 million in debt and running a deficit, and being able then to go out and just say, hey, we know where we can get more money, and we are going to do that by raiding a Crown corporation and taking the surplus to put into last year's books.

We very much, Mr. Chairperson, on this side of the House, believe that the motion that

we bring forward is one that should call for discussion. I believe that we on this side of the House very much would support the motion.

Mr. Chairperson: Any other member who wants to speak on the motion? Is there another member who wants to speak, second time?

The question before the committee is motion which says:

THAT, as a result of section 7(1)(a), line 7.1.(a) the First Minister's Salary be reduced by \$9,000.

Shall this motion pass?

Some Honourable Members: Agreed.

Some Honourable Members: No.

Voice Vote

Mr. Chairperson: All those in favour of passing the motion, say yea.

Some Honourable Members: Yea.

Mr. Chairperson: All those opposed to the motion, say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In the Chair's opinion, the Nays have it.

Formal Vote

An Honourable Member: Yeas and Nays, Mr. Chair.

Mr. Chairperson: To request for a recorded vote, we need two people. *[interjection]* The honourable Opposition Leader of the House and the honourable Leader of the Opposition, two people.

Call in the members.

All sections in Chamber for formal vote.

* (17:30)

The question before the committee is:

THAT, as a result of section 7(1)(a), line 7.1.(a) the First Minister's salary be reduced by \$9,000.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 20, Nays 27.

Mr. Chairperson: The motion is accordingly defeated.

Point of Order

Mr. Chairperson: A point of order being raised, the honourable Government House Leader.

Hon. Gord Mackintosh (Government House Leader): I understand, Mr. Chair, that the committees will continue to sit in two places but will recess in here.

Mr. Chairperson: Is that agreed that the Chamber section of the Committee of Supply be in recess?

Mr. Marcel Laurendeau (Official Opposition House Leader): We can do that after we have concluded the department for the First Minister. We have not quite done that yet.

Mr. Chairperson: The other sections of the Committee of Supply will continue.

* * *

Mr. Chairperson: We need to pass line item 2.1.(a) Premier and President of the Council's Salary \$45,500—pass.

Resolution 2.1. RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,420,200 for Executive Council, General Administration, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: This completes the proceedings for Executive Council.

Mr. Laurendeau: I think if you canvass the House, there might be agreement to recess for five minutes while we wait for the report from the other committee, which should be reporting in the next five to six minutes.

Mr. Chairperson: Is there agreement to recess for five minutes? *[Agreed]* Let us have the recess.

The committee recessed at 5:33 p.m.

The committee resumed at 5:42 p.m.

Mr. Chairperson: Recess is over.

Mr. Mackintosh: Mr. Chair, is there agreement of the committee to set aside proceedings of Supply just temporarily to put the Speaker in the Chair and then have Supply resume?

Mr. Chairperson: Is that agreed? *[Agreed]* Call in the Speaker.

IN SESSION

Mr. Deputy Speaker: The House is now in session.

House Business

Hon. Gord Mackintosh (Government House Leader): Mr. Deputy Speaker, on a matter of House business, in order to complete the Estimates for Finance this afternoon, is there agreement of the House not to see the clock until up to 6:30? That is in Room 255 only.

Mr. Deputy Speaker: Is there an agreement of the House not to see the clock until 6:30 in Room 255 for Estimates of the Department of Finance only? Is that agreed? *[Agreed]*

Mr. Mackintosh: Just two other matters of House business, Mr. Deputy Speaker. I would like to announce that the following items are being referred to the Standing Committee on Public Accounts for the meeting on May 27 for consideration by that committee: the Provincial Auditor's Report on Value-for-Money Audits for the period ending June 2000; the Annual Report of the Operations of the Office of the Provincial Auditor for the fiscal year ending March 31, 2000; Volume 4 of the March 31, 1999, Public Accounts; volumes 1, 2, 3 and 4 of the March 31, 2000, Public Accounts.

Mr. Deputy Speaker, I also wish to obtain the unanimous consent of the House to vary the sequence for the consideration of Estimates, outline the Sessional Paper 124 tabled April 30, to change the Estimates lineup for Room 255 so that the Department of Aboriginal and Northern Affairs is listed in place of the Department of Agriculture and Food for May 23 only.

Mr. Deputy Speaker: It has been announced that the following items are being referred to the Standing Committee for Public Accounts for the meeting on May 27 for consideration by that committee: the Provincial Auditor's Report on Value-for-Money Audits for the period ending June 2000; the Annual Report of the Operations of the Office of the Provincial Auditor for the fiscal year ending March 31, 2000; Volume 4 of the March 31, 1999, Public Accounts; volumes 1, 2, 3 and 4 of the March 31, 2000, Public Accounts.

Is there unanimous consent of the House to vary the sequence for consideration of Estimates as outlined in Sessional Paper 120, tabled on April 30, 2002, to change the Estimates lineup for Room 255 so that the Department of Aboriginal and Northern Affairs is listed in place of the Department of Agriculture and Food for May 23? This change to apply for May 23 only. Is that agreed? *[Agreed]*

Mr. Mackintosh: According to the unanimous consent, I understand that business has been completed in the House, and we can now resume Committee of Supply.

COMMITTEE OF SUPPLY (Continued)

EXECUTIVE COUNCIL

* (17:50)

Mr. Chairperson (Conrad Santos): Committee please come to order.

Ms. Bonnie Korzeniowski (Chairperson of the section of the Committee of Supply meeting in Room 255): Mr. Chairperson, in the section of the Committee of Supply meeting in Room 255, considering the Estimates of Finance, the honourable Member for Steinbach (Mr. Jim Penner) moved a motion to reduce the minister's salary.

The motion reads as follows:

Amended by leave: THAT, as a result of section 7(1)(a), line 7.1.(a) the Minister's Salary be reduced by \$5,680.

Mr. Chairperson, this motion was defeated on a voice vote, and subsequently two members requested that a formal vote on this matter be taken.

Formal Vote

Mr. Chairperson: A formal vote having been requested, call in the members.

All sections in Chamber for formal vote.

The question before the committee is a motion that was moved in the Estimates of the Department of Finance. That motion was defeated on a voice vote and a formal vote was requested. The motion reads:

THAT, as a result of section 7(1)(a), line 7.1.(a) the Minister's Salary be reduced by \$5,680.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 16, Nays 27.

Mr. Chairperson: The motion is accordingly defeated.

The hour being 6 p.m., committee rise in the Chamber only. The committee in Room 255 will go on as we have decided before, as we have agreed.

Call in the Speaker.

IN SESSION

Mr. Speaker: The hour being past 6 p.m., this House is adjourned and stands adjourned until 10 a.m. tomorrow (Thursday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, May 22, 2002

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