



Third Session - Thirty-Seventh Legislature

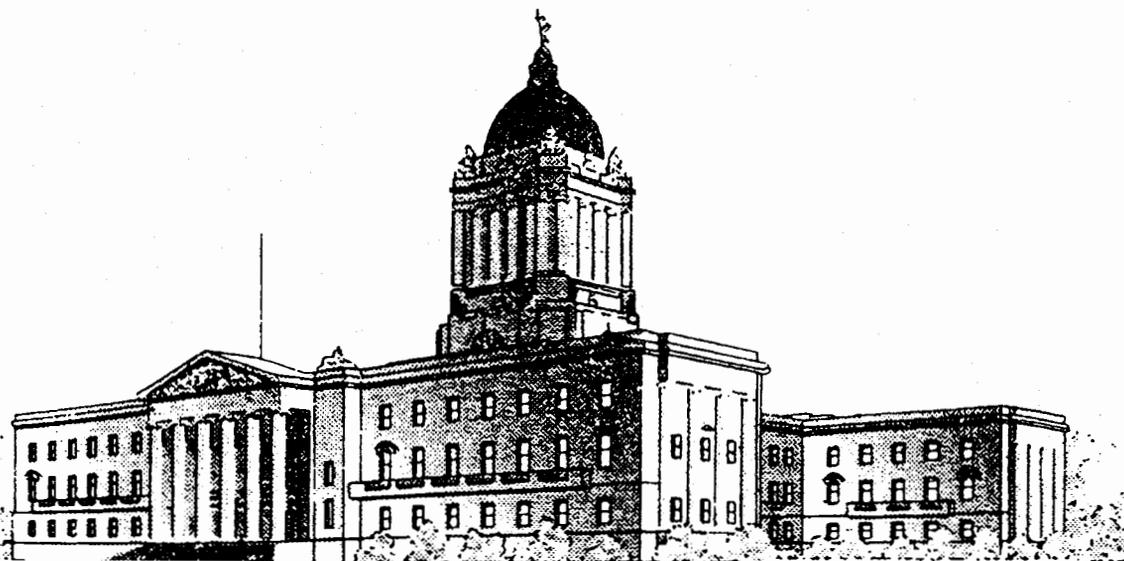
of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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The Honourable George Hickes
Speaker*



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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.	Wolseley	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.	Rupert Island	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, June 19, 2002

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Transcona-Springfield School Division

Mr. Ron Schuler (Springfield): I beg to present the petition of Bob Simcoe, Kristina Farmer, Gloria James and others praying that the Legislative Assembly of Manitoba request the Minister of Education (Mr. Caldwell) to reverse the decision to split the Transcona-Springfield School Division and allow it to remain as a whole or to consider immediately convening the Board of Reference to decide the matter.

Universities Property Tax

Mrs. Joy Smith (Fort Garry): Mr. Speaker, I beg to present the petition of James Stoyka, R. Kitchen, T. Wrigley and others praying that the Government of Manitoba consider ensuring that local property and education taxes do not rise as a result of the offloading of provincial responsibilities onto the City of Winnipeg, the City of Brandon, Fort Garry, Assiniboine South, Winnipeg No. 1, St. Boniface and St. Vital school divisions.

READING AND RECEIVING PETITIONS

Transcona-Springfield School Division

Mr. Speaker: The honourable Member for Springfield (Mr. Schuler), 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?

Some Honourable Members: Yes.

Mr. Speaker: Clerk, please read.

Madam Clerk (Patricia Chaychuk): The petition of the undersigned citizens of the province of Manitoba humbly sheweth

THAT on November 8, 2001, the Minister of Education (Mr. Caldwell) announced a split in the Transcona-Springfield School Division but despite repeated requests has been unable to identify any benefits of this decision to the students and taxpayers of said school division; and

THAT this decision was not preceded by adequate public consultation as outlined in section 7 of The Public Schools Act; and

THAT this decision would result in significant hardship for the students in both Transcona and Springfield that would affect the quality of their education; and

THAT the proposal by the Minister of Education on February 12, 2002, neither alleviates nor remedies these hardships; and

THAT this decision results in an increased financial burden on the taxpayers of both the Transcona-Springfield School Division and the province of Manitoba; and

THAT on March 13, 2002, the number of resident electors required by The Public Schools Act requested the Minister of Education to convene a Board of Reference to decide the matter.

WHEREFORE YOUR PETITIONERS HUMBLY PRAY THAT the Legislative Assembly request the Minister of Education to reverse the decision to split the Transcona-Springfield School Division and allow it to remain as a whole or to consider immediately convening the Board of Reference to decide the matter.

Universities Property Tax

Mr. Speaker: The honourable Member for Fort Garry (Mrs. Smith), 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?

Some Honourable Members: Yes.

Mr. Speaker: Clerk, please read.

Madam Clerk (Patricia Chaychuk): On January 11, 2002, the Government of Manitoba announced a five-year phased-in property tax plan for four of the province's universities.

The Government of Manitoba's plan shifts the universities' property tax bill directly onto the taxpayers of Winnipeg and Brandon.

The cost to the City of Winnipeg for 2002 will be \$1.3 million, rising to \$6.64 million in 2006, for an accumulated loss of \$19.9 million over five years.

The loss of almost \$20 million over five years will have a negative consequence for the City of Winnipeg's efforts to lower property taxes and make Winnipeg more competitive.

While all taxpayers in Winnipeg will be adversely affected, those taxpayers residing in the school divisions of Fort Garry, Assiniboine South, St. Boniface, St. Vital and Winnipeg No. 1 will also see increases in their local education taxes.

The Fort Garry, Assiniboine South, Winnipeg No. 1 and St. Boniface school divisions will lose \$1.86 million in total for this year, rising to \$9.34 million in 2006, for an accumulated revenue loss of \$28 million over five years.

The Government of Manitoba has made it clear that it will not in any way make up the loss of tax dollars the universities currently pay to municipalities and school divisions.

We petition the Legislative Assembly of Manitoba as follows:

To request the Government of Manitoba to consider ensuring that local property and education taxes do not rise as a result of the offloading of provincial responsibilities onto the City of Winnipeg, the City of Brandon, the Fort

Garry, Assiniboine South, Winnipeg No. 1, St. Boniface and St. Vital school divisions.

* (13:35)

MINISTERIAL STATEMENTS

Flood Update

Hon. Steve Ashton (Minister of Transportation and Government Services): I have a statement, Mr. Speaker.

As Minister responsible for Emergency Measures, I have an update for the House on the flooding in southeastern Manitoba. Heavy rains over the last 24 hours and forecasts calling for more precipitation could bring further water into the areas affected by flooding. A flash flood watch has been issued for areas of southeast Manitoba, and heavy localized rains could result in water levels in certain areas going above the crests experienced last week.

The Roseau River has experienced a slight rise as a crest moves north from the United States, a trend we expect to continue through next week. While the Red River is slowly declining, the forecast for thunderstorms in the Winnipeg area has resulted in operation of the Red River Floodway. This action was taken yesterday upon a decision of the floodway operation review committee with the intention of mitigating the risk of basement flooding and sewer backups as a result of high water levels.

Mr. Speaker, 220 people have been registered as evacuees from southeast Manitoba, although the actual number is probably higher as a result of people who have not registered. The flooding has resulted in a number of road closures and significant damage to a number of roads and structures. I have tabled the information for the House on the impact on our roads. Ten municipal governments have declared local states of emergency and thirteen have passed motions requesting disaster financial assistance.

This event is clearly a disaster, Mr. Speaker, and our Government is working to help the communities and municipal governments that are fighting the flood waters. Manitoba Emergency Measures Organization is co-ordinating

the work of nine provincial departments, and we are also receiving assistance from four offices of the federal government and a number of other organizations.

In the last week we have seen proof that municipal governments in southeastern Manitoba have taken their responsibilities for emergency preparedness very seriously. As we prepare for another crest of flood waters next week, this plan will be even more important than ever, and the provincial government is ready to assist in any way we can.

If I could, Mr. Speaker, I would like to commend everyone, the local residents, everybody who has been responding to the emergency. It has been quite a remarkable effort by everybody involved.

Mr. Jack Penner (Emerson): We thank the minister for the statement in regard to the heavy rains again last night. The danger of further flooding is very real and imminent.

It is important to note that many of the people who were evacuated and affected by flooding, whose homes were some of the homes up to four feet in water and many of the other properties damaged, cars up to over their hoods in water and other damage that had occurred, are asking the question: When will the Government of Manitoba give them a clear answer as to what qualifies and what does not qualify and what is covered under the programs and what is not under the programs?

* (13:40)

It is clearly evident they are looking at the '97 flood and the programs that were in place at that time. There were federally and provincially agreed to programs that were offered at that time. The people in the southeast area are now asking will we qualify for those same kinds of programs. They are not receiving the answers.

As a matter of fact, some of the municipalities are telling me they are still waiting for last year's flood event settlement from the Province of Manitoba. They received 50 percent of it, a portion of the coverage, but are not receiving full settlement. So they are wondering where this

Province of Manitoba and this provincial government is.

I want to say to the minister the message that clearly needs to be sent to those people to give them a level of comfort to know they are going to be treated fairly and evenly, as they were in 1997, that needs to be done soon and needs to be done, I would suggest, immediately. Because there are many, many people who are concerned, especially the elderly and those who have school children who are not able to get them to school, those who have livestock who do not have feed for their livestock and have had to evacuate their livestock, how will that be dealt with, Mr. Minister, is the question they are asking.

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

Mr. Speaker: Does the honourable member have leave?

An Honourable Member: No.

Mr. Speaker: Leave has been denied.

TABLING OF REPORTS

Hon. Drew Caldwell (Minister of Education, Training and Youth): I am pleased to table today the Teachers' Retirement Allowances Fund 2001 Annual Report.

INTRODUCTION OF BILLS

Bill 37—The Non-Smokers Health Protection Amendment Act

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, I move, seconded by the honourable Minister of Finance (Mr. Selinger), that leave be given to introduce Bill 37, The Non-Smokers Health Protection Amendment Act; Loi modifiant la Loi sur la protection de la santé des non-fumeurs, and that the same be now received and read a first time.

Motion presented.

Mr. Chomiak: The Non-Smokers Health Protection Amendment Act will limit the promotion

of tobacco where young people are allowed, as well as put further restrictions on supplying tobacco to children.

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 Gimli Early/Middle Years School 45 Grade 7 students under the direction of Mr. Rob Jantz and Mrs. Laureen Grimolfson. This school is located in the constituency of the honourable Member for Gimli (Mr. Helwer).

Also in the public gallery we have from John De Graff School 44 Grade 6 students under the direction of Mr. James Warkentin. This school is located in the constituency of the honourable Member for Rossmere (Mr. Schellenberg).

Also in the public gallery we have from the Lions Place 16 visitors under the direction of Mrs. Colleen Epp. These visitors are in the constituency of the honourable Minister of Intergovernmental Affairs (Ms. Friesen).

Also in the public gallery we have Reverend Linda Trono and Joel Trono-Doerksen who are guests of the honourable Member for Burrows (Mr. Martindale).

Also in the public gallery we have with us today Dr. Mark Taylor of the Manitoba Medical Association, Mr. Murray Gibson of the Manitoba Division of the Canadian Cancer Society and Mrs. Arlene Draffin-Jones of the Manitoba Lung Association. These visitors are the guests of the honourable Minister of Health (Mr. Chomiak).

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

* (13:45)

ORAL QUESTION PERIOD

**Agriculture Aid Package
Manitoba Portion**

Mr. Jack Penner (Emerson): Mr. Speaker, tomorrow the federal government is likely to

unveil a \$5.2-billion cost-shared multi-year package to deal with the problems that were created by the introduction of a \$90-billion increase in the U.S. farm bill. We believe that the federal government must take full responsibility for bearing the cost of any trade injury payments arising as a result of the U.S. farm bill. However, the federal government is expected to ask that the Province cover at least 40 percent of the program that the federal government is going to announce.

Today the Premier told a local radio station that when it comes to Manitoba paying 40 percent of a new farm program, and I quote: We do not have the money he said. We cannot help you.

Given that the Province has not yet been able to negotiate a deal that would see the federal government pay the full cost of the new program, is the Premier now telling Manitoba farmers that they will be getting 40% less than all of the other farmers in all the rest of Canada, in Manitoba?

Hon. Gary Doer (Premier): This Legislature has passed an all-party resolution. I would think that the member opposite would want the Premier to represent the all-party resolution that called 100% funding of federal money.

Mr. Jack Penner: It is ironic, Mr. Speaker, that our Premier and our Minister of Agriculture (Ms. Wowchuk) have constantly told Manitobans that they are negotiating—

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, on a point of order. Would you please remind the honourable member that, of course, supplementary questions require no preamble?

Mr. Speaker: On the point of order raised by the honourable Government House Leader, I would like to take this opportunity to remind all

honourable members that *Beauchesne* Citation 409(2) advises that a supplementary question should not require a preamble. I would ask the honourable member to please put his question.

* * *

Mr. Jack Penner: Mr. Speaker, the Minister of Agriculture (Ms. Wowchuk) and the Premier have constantly told Manitobans that they have a great relationship with the federal government. Is the Premier today prepared to commit to covering Manitoba's portion of the new farm program until such time as he and his minister are able to negotiate with the federal government a settlement that would see the federal government pick up 100 percent of the bill? Will he in the interim pay 40 percent to ensure that the farmers get their money?

Mr. Doer: This is somewhat reminiscent of a couple of weeks ago where members opposite counselled us to immediately agree to arbitration which they had proposed. If we had taken the advice of members opposite, the \$12 million that we were able to negotiate in partnership with the MMA on labs that save the taxpayers \$12 million over the next three years would have been lost to us.

So I am surprised that members opposite, based on media leaks, would immediately wave a white flag and say I surrender to the federal government. We have an all-party resolution in this House. Let us stand together on behalf of farmers and demand Ottawa equal the United States in terms of subsidies.

Mr. Speaker: Order.

Point of Order

Mr. Speaker: The honourable Member for Emerson, on a point of order.

* (13:50)

Mr. Jack Penner: Mr. Speaker, I just want to remind the Premier of the province that in 1988 when Swan River was flooded, the decision was made by the Province of Manitoba and the then-government to cover the entire cost of the flood protection and the flood mediation that was taking place and negotiate later on with the

federal government to pay for those bills, and it took us eight years to collect that money. All we are asking this Premier: Is he prepared to go to bat for his farmers?

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

Mr. Mackintosh: Mr. Speaker, that is just an affront to the rules. Clearly that was just a rude interruption. There is no point of order.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. On the point of order raised by the honourable Member for Emerson, he does not have a point of order. I would like to take this opportunity to remind all honourable members about the purpose of points of order.

A point of order is to be used to draw the Speaker's attention to any departure from the rules or practices of the House or to raise concerns about unparliamentary language. Points of order should not be used for rebuttal or for debate. I would ask the co-operation of all honourable members.

* * *

Mr. Speaker: The honourable Member for Emerson has the floor.

Information Tabling Request

Mr. Jack Penner (Emerson): I ask the Premier whether he is prepared to today table all the documents and correspondence that he and his minister have had with the federal government on this very issue on a trade bill.

Is he willing to share that with the farmers and the people of Manitoba to ensure that we are made fully aware of what his response or what the federal government response has been to the correspondence that the Premier has put forward in writing?

Hon. Gary Doer (Premier): I could certainly table or provide to the member the letter I wrote to the Prime Minister that actually contained the all-party resolution that was passed in the Legislature, which I believe gives us all-party unanimous support.

Mr. Speaker, I could also table or get copies to table eventually a letter that the Leader of the Opposition (Mr. Murray) wrote, and it was contained in many rural newspapers. I had the Minnedosa paper that says the federal government must take responsibility for bearing the cost of any trade injury payment as a result of the U.S. farm bill. I agree with the Leader of the Opposition.

Agriculture Aid Package Manitoba Portion

Mr. Harry Enns (Lakeside): Mr. Speaker, I direct a question to the First Minister (Mr. Doer). I direct the question in the spirit of the resolution that we passed in this House that the Premier alluded to and indicate my support to the position that he has announced, that it truly is a federal responsibility. But I remind him of the fact that in 1989, when we faced horrendous fires, forest fires, in this province and had to move some 50 000 residents, a lot of them First Nations residents, out of the North, the Province did not quibble about whose responsibility it was.

We in fact paid out some 32 millions of dollars because the need was there, and we argued about it later. We finally got the money. It is in that spirit that I ask the First Minister, on behalf of farmers desperately in need, some of them going through a double tragedy right now as we speak with flooded fields: Will he give that assurance, that the full compensation measure will be provided to Manitoba farmers, and then argue about sharing costs later on?

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Mr. Speaker, the member talks about disasters that have taken place in Manitoba. When there have been disasters, the Province acts fast, as we are acting in south-eastern Manitoba right now, but the member is mixing up disaster with trade injury.

The issue that we have here is a result of George Bush signing a U.S. farm bill that is going to increase the support to U.S. farmers and put our farmers at a disadvantage. Farm organizations, provincial leaders, Opposition members have all stood together and said this is a federal responsibility.

I would urge the members from the Opposition not to start waving a flag now and stand united with our farmers and insist the federal government live up to their responsibility in addressing trade injury.

Position of Prairie Provinces

Mr. Harry Enns (Lakeside): Mr. Speaker, to the Minister of Agriculture or the First Minister (Mr. Doer): In so many of these issues of prairie concern, it is important the three Prairie Provinces stand together. We know where Saskatchewan stands. Can the Minister of Agriculture tell me Saskatchewan and Alberta are supportive of her position?

* (13:55)

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Mr. Speaker, we have had a lot of discussion. The member of the Opposition knows when the premiers met in Saskatchewan the Deputy Premier of Alberta was there representing the Premier of Alberta and stood strong on this position.

We have other provinces as well who are very concerned that the federal government is looking to renege on their responsibilities and shift costs onto the provinces. All provinces feel very strongly, given it is Mr. George Bush who paid the bill in the United States, that it is the responsibility of Mr. Chrétien to pay this bill. He cannot be a 60% Prime Minister.

Thomas Sophonow Wrongful Conviction Compensation

Mrs. Joy Smith (Fort Garry): Mr. Speaker, in the Minister of Justice's November 5 Sophonow Inquiry news release he stated, and I quote: It is also my sincere hope that compensation will help the healing process.

For over seven months, the minister has dragged his heels on providing full compensation to Mr. Sophonow. The minister is too busy arguing with insurers and city officials to be concerned about fully compensating a wrongly convicted individual. Mr. Speaker, can the minister tell Manitobans how his willingness to fight Mr. Sophonow in court over the issue of

compensation is assisting in Mr. Sophonow's healing process?

Hon. Gord Mackintosh (Minister of Justice and Attorney General): Mr. Speaker, I believe I had this kind of question yesterday from the honourable member. I do not think there is anyone who has the independence, the integrity, the authority to give recommendations and advice to Manitobans and other levels of government in terms of the compensation for Mr. Sophonow than Mr. Justice Cory, a retired judge of the Supreme Court of Canada. That advice is very loud advice. I think, with the independence and the fact that he sat through the entire proceedings and was well aware of all of the issues raised, there should be due respect and deference to his recommendations.

We accept every recommendation made by Mr. Justice Cory, and we will not cherry-pick the recommendations. We accept them wholeheartedly, and we have forwarded the amount that Manitoba was recommended to forward to Mr. Sophonow. It has gone.

Mrs. Smith: Mr. Speaker, that advice was given many, many months ago. Now, 94 percent of callers to a media-feedback question agreed the Doer government has been dragging its heels on paying Sophonow.

Can this minister tell Manitobans how many tax dollars he is prepared to spend fighting Mr. Sophonow's lawsuit instead of fully compensating him? Is it one million, two million, three million, five million? How much is it?

Mr. Mackintosh: Mr. Speaker, I do not know if the member has heard this or read this, but this Government has forwarded to counsel for Mr. Sophonow over \$1 million, representing the 40 percent that Mr. Justice Cory recommended the Province pay in respect of the travesty of justice that Mr. Sophonow has suffered. That was the commitment we made when the report was released. It was a commitment made and it was a commitment delivered on.

Mrs. Smith: Mr. Speaker, in all due respect, that commitment was made months and months ago. Dragging his feet along the way, the minister now is at a new point. The minister's excuses are

not resonating with Manitobans. The question is simple: How much tax dollars, time and provincial resources is the minister now prepared to waste victimizing Mr. Sophonow instead of doing the right thing and providing the full compensation?

* (14:00)

Mr. Mackintosh: Mr. Speaker, to say again, there was a recommendation made by a jurist, a giant among jurists, a person who is beyond reproach. We complied with the recommendation. The monies have flowed to counsel for Mr. Sophonow. Whether Mr. Sophonow continues with some legal action, that is his decision to make, but if the member opposite would want the taxpayers of Manitoba not to have diligence to determine if insurer contributions were available, I think that would be unfortunate, but it was our responsibility to deal with insurers first and that caused some delay.

I think we have an issue of looking to see how insurance policies are worded for the Province. I think it is important that those kinds of monies be able to flow on a swift basis and that there be consistent and clear language in the insurance policies to make sure that the insurers do have a role, one that we sought on behalf of all Manitobans and Mr. Sophonow.

Bill 14

Justification

Mr. Harold Gilleshammer (Minnedosa): This week the court ruled that The Public Schools Act gives the Minister of Education the authority to move forward by regulation to amalgamate school divisions making Bill 14, for the purposes of amalgamation, redundant and unnecessary. That being the case, what we have left is a power grab. Why does the minister feel he needs the power to micromanage school division budgets?

Hon. Drew Caldwell (Minister of Education, Training and Youth): Well, Mr. Speaker, for the better part of a year members opposite have been quite outrageous in their comments towards me, towards my actions. One day I am breaking the law, in fact, most days I am breaking the law. We just have to peruse Hansard. Day after day, day in and day out members opposite make outrageous accusations.

I am very, very pleased at the judgment of the court, Mr. Speaker. The court agreed with the judgment of the Department of Education, Training and Youth, with members on this side of the House, that moving ahead with amalgamation is indeed within the law and indeed good public policy.

Mr. Gilleshammer: Perhaps the minister did not hear the question: Why does he have to proceed with a bill which takes power away from school divisions? Why does he need to micromanage the budgets of these school divisions?

Mr. Caldwell: Well, Mr. Speaker, I find it passing strange that members opposite ran an election campaign and ran for election in 1999 on a platform calling for referendums to judge any school division in the province that had the temerity to raise property tax revenue, something that divisions throughout the province had to do year in and year out because members opposite withdrew over \$100 million of funding to the public school system.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Gilleshammer: Perhaps the minister did not understand the question. Why does he need to enshrine in legislation his ability to micro-manage these budgets, to have them submitted to him for approval by the amalgamating school divisions?

Mr. Caldwell: Mr. Speaker, I want to know, as do most Manitobans, why members opposite are obstructing this getting to committee and letting the people speak. I urge members to let the people speak in committee.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Red River College Downtown Campus—Student Safety

Mrs. Heather Stefanson (Tuxedo): Mr. Speaker, students from Red River community college are with us in the gallery today to seek

answers to some of their concerns regarding their move to the downtown campus which is scheduled for this fall, and I would like to welcome them to the Manitoba Legislature today.

Mr. Speaker, Louise Dyck, mother of Elsa Dyck, a current student at Red River community college and a guest in our gallery today, recently wrote a letter to the Minister of Advanced Education (Ms. McGifford), and I would like to table that letter for the House today.

Mrs. Dyck says, and I quote: It is with utmost disgust I have read your answer, referring to the minister's response to my question in Hansard on June 11, and I continue with her quote: that displays total disregard for the educational well-being and physical safety of 300 Red River community college students being shunted to the downtown campus before the site is adequately prepared to provide for their educational needs or their safety.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Point of Order

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

Mrs. Bonnie Mitchelson (River East): I wonder if you could call the Minister of Family Services (Mr. Sale) to order. He is making comments from his seat that show considerable disrespect for the people that are looking to ensure that they are safe and secure as they participate in our educational institutions.

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

Hon. Gord Mackintosh (Government House Leader): Well, there is some sensitivity on the other side obviously, Mr. Speaker, from whatever remarks might have been said. But if we are getting up on points of order for remarks from members' seats, we would never get out of Question Period because it has been consistent from members opposite, remarks continually.

Mr. Speaker: Order. On the point of order raised by the honourable Member for River East, I would like to take this opportunity to ask the co-operation of all honourable members when a member has the floor to raise a question or a minister has the floor to answer a question. At times it is very difficult to hear, and so I would ask the co-operation of all honourable members.

* * *

Mrs. Stefanson: Mrs. Dyck says, and I quote: It is with utmost disgust I have read your answer that displays total disregard for the educational well-being and physical safety of 300 Red River community college students being shunted to the downtown campus before the site is adequately prepared to provide for their educational needs or their safety.

Instead of answering the question, you, meaning the Minister of Advanced Education (Ms. McGifford), prattled on about your pride in your political agenda.

Mr. Speaker, will the Minister of Advanced Education or the Acting Minister of Advanced Education guarantee to Mrs. Dyck, the students present in the gallery today and many more that they represent that adequate security will be provided as well as mandatory operational items such as an elevator, lockers, a library, a print shop, a bookstore, a cafeteria, and that adequate parking will be provided for the students before the minister insists on opening the Princess Street Campus to fulfil this Government's own political agenda?

Hon. Gary Doer (Premier): I listened to the question of the member opposite and, with the greatest of respect, some of the items listed, such as bookstores, are issues of convenience, which I respect, as opposed to issues of safety. The new Red River community college campus is across from the Safety Building. If there are any concerns, I will get a copy of the letter from the individual cited and any concerns that students might have. If there are any issues of safety, we certainly want to ensure that that is built into the operational plans.

When we came into office, we made a commitment to implement the Roblin report

which called on the Government to double the number of community college spots in Manitoba to deal with the economic opportunities that were lacking because of a lack of community college spaces in Manitoba. We are on track to keep that promise in terms of doubling the number of community college spots. I recall also there were negative articles about the expanded courses bursting out into the hallways of the Red River community college campus because of the increased investments for students.

Mr. Speaker, the issue of safety for students is an issue of safety for us, and we will certainly look at any one of those specific concerns. Safety of students is our priority as well as the students' priority.

Mrs. Stefanson: I ask the Premier then: What will it take to ensure that adequate security is provided for and facilities are in place for Red River students who will be moved to the downtown campus this fall? Does someone have to be injured before this Premier will take action?

Mr. Doer: There are some issues of convenience, issues such as a bookstore and other items that the member raises in the specifics of the question. We are adding literally thousands of spots to community college training across Manitoba. It was a recommendation that was made in the early nineties.

* (14:10)

In a perfect world, the members opposite when they were in government would have implemented the Roblin report, and we would be much further down the road in terms of facilities to deal with the demands in our economy, in this optimistic economy for more skilled, trained people. We want our young people to go to Red River community college and that is the reason why we are going to expand the downtown campus.

I will look at every issue of safety. I would point out to members opposite this campus is located across the street from the Public Safety Building of Winnipeg and so we do believe—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer: Well, if there are concerns about safety that have been raised, I will certainly review that with the minister and the administration. The president of the Red River community college, Ms. Thachuk, Mr. Speaker, I am sure, is just as concerned about safety of students as everyone else, and so is our minister, and so is our Government.

Mrs. Stefanson: Mr. Speaker, will the Premier take action now, do the right thing and ensure that students' safety will not be put at risk because of this Doer government's incessant desire to fulfil its own political agenda?

Mr. Doer: Mr. Speaker, I would note to members opposite, and not withstanding the kind of extreme rhetoric from the member opposite, if implementing Duff Roblin's recommendation made to the previous government seven years ago is the so-called label that the extremist question portrays, then so be it.

The bottom line is, Mr. Speaker, we are expanding and doubling the number of community college training programs and courses available in Manitoba. We believe that is crucial for increasing the number of young people that stay in our province, have skills and training and educational qualifications for the optimistic employers that want more trained and skilled people.

The Business Council of Manitoba, the Winnipeg Chamber of Commerce, the Manitoba Chamber of Commerce, the Downtown Business Association, all the universities support the idea of a new downtown campus. But, yes, we are not even in there yet and there are questions being raised. We will have a safe environment for students, but there will be more students being trained in Manitoba by the time we have completed our mandate than when we began. For that we do not apologize, Mr. Speaker.

Milk Pricing Affordability—Northern Manitoba

Hon. Jon Gerrard (River Heights): My question is to the Minister of Agriculture. We are all parties working together to try to get fairness for

our producers at a time when there are extra subsidies from the United States, and my question today also deals with fairness for people in Manitoba. Affordable access to nutritious foods like milk is one way that we can make a big difference in the lives and the health of Manitobans, Mr. Speaker.

So I ask the Minister of Agriculture, who has the overall responsibility in terms of milk prices: What is the Government doing to make sure that milk is more affordable for northern Manitobans?

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Mr. Speaker, the issue of availability and price of milk in the North is a very, very serious issue and one that we have had many discussions on and one we have worked with the Manitoba Milk Producers. Manitoba Milk Producers have offered milk into schools so that it would be available, but really it is a transportation issue.

One of the steps we are taking is improving transportation in the North so that milk will be more available and at a reduced price. Mr. Speaker, there are many options that can be looked at and the Manitoba Milk Producers are working with us to improve the health of children and all residents of the North.

Mr. Gerrard: My supplementary to the Minister of Agriculture: I ask why the Minister of Agriculture maintains the present situation with a very high price for milk for people in northern Manitoba when the Government has a policy that there will be exactly the same price for liquor in northern Manitoba as southern Manitoba, Mr. Speaker.

Hon. Tim Sale (Minister of Family Services and Housing): It is a very important question that has been asked. I am pleased to tell the House that we have, working through Healthy Child Manitoba, an interdepartmental committee which is working on options for achieving affordable milk prices.

In the shorter term, Mr. Speaker, we have made available through a partnership with Safeway and with Parmalat a minimum of three litres of milk per week for pregnant and nursing

mothers in northern Manitoba, in remote sites using UHT milk and in sites where Safeway has a store in those communities using their distribution channels.

I am grateful to both companies for being partners and helping us with the costs of the administration of that program by printing and administering the coupons, by ensuring that women will have access in the most critical periods of pregnancy and nursing to affordable milk, in fact free milk for nursing and pregnant women in northern Manitoba.

Mr. Gerrard: Progress with pregnant and nursing mothers is fine, but it is young children who are growing up who are also very critical. I would ask the Minister of Agriculture why her Government has done very little better than the former Tory government in improving the situation for milk prices for people in northern Manitoba.

Mr. Sale: It is always amusing when a former federal Cabinet minister who voted to cut health, higher education and social services by \$7.2 billion wonders why a provincial government that does not have jurisdiction on reserves where most poor children live in Manitoba has not solved the problem that his government federally created in the first place.

We are working with our Aboriginal partners. We are working with First Nations to get food at an affordable price, but it is the government you used to represent that cut services and will not provide adequate supports to First Nation persons living on reserve, particularly First Nations children. Shame.

School Divisions Amalgamations—Benefits

Mr. Stan Struthers (Dauphin-Roblin): My question is for the Minister of Education. In yesterday's *Free Press*, a story outlined how amalgamation will benefit students and programs in the Fort Garry and Assiniboine South school divisions. Despite these benefits, members opposite continue to put forth doom and gloom and oppose school division amalgamation here in Manitoba.

Could the Minister of Education, Training and Youth advise this House if any other school divisions have highlighted the benefits of their work in amalgamation?

Hon. Drew Caldwell (Minister of Education, Training and Youth): There are many school divisions, in fact, all school divisions have recognized benefits that flow from amalgamation, Mr. Speaker.

I will reference an editorial in the *Steinbach Carillon* by Tim Plett, Mr. Speaker, entitled Border Land School Division will work: The new Border Land School Division is clearly coming together well. The sprawling new division linking together Boundary and Rhineland school divisions of the Sprague school district and a small portion of Red River School Division is going to work. It pretty well demonstrates the majority of the reasons why Education Minister Drew Caldwell took the step of imposing amalgamations at a number of small school divisions across the province.

Mr. Speaker, the existing boards are demonstrating a will to make amalgamation work and clearly recognize the administrative advantages of combining three small school divisions into one single larger division with one set of administrative officers, and their willingness to make the new division work is the greatest advantage they bring to amalgamation.

* (14:20)

Mr. Speaker, I would urge the MLA for Emerson (Mr. Jack Penner), in his constituency the new Border Land School Division, will rise—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I have two reminders. First of all, when making a reference to a member of the Chamber it is members by their constituencies and ministers by their portfolio even if it is quoting from a newspaper. The other reminder, I would like to remind all honourable members, when the Speaker stands, the Speaker should be heard in silence and all members should be seated. I would ask the co-operation of all honourable members.

Flooding (1997) Disaster Assistance

Mr. Marcel Laurendeau (St. Norbert): Mr. Speaker, as the flood waters are rising throughout the province of Manitoba, the flood of '97 is coming back into the memory with a few of my constituents and constituents in other ridings that were affected in 1997.

Mr. Speaker, back in '99, the then-minister of environment responsible for the diking program had told the constituents that their holdback would be refunded as soon as the floodproofing was agreed to by the City of Winnipeg and the Province.

I have asked this question of the First Minister (Mr. Doer) in Question Period before, I believe, in the past year. I have spoken to the Minister responsible for EMO. I have also been in touch with the department. The department has told me that the money will be paid out once the local improvements have been approved. That will not be for another six months to a year.

I was wondering if the Premier could step in and make sure that these monies could be refunded to the constituents.

Hon. Steve Ashton (Minister of Transportation and Government Services): Indeed, the member is quite aware, and I am glad he did take the opportunity to have the briefing, that we are essentially dealing right now with the final list that will be provided by the City of Winnipeg.

I have, through my office, and I know that the Minister of Conservation (Mr. Lathlin) has as well as the Premier taken a direct interest in this matter. We will certainly be working with the City of Winnipeg and encouraging them to finalize that list so that we can indeed process and finalize these payments for the people in that area.

Mr. Laurendeau: Mr. Speaker, seeing as these monies are being owed to the constituents since 1997, I was wondering if the minister could ensure that there will be an interest rate paid to these constituents who have had to take out bank loans to cover the debts that were incurred during the flood of '97 and if they could speed

up the process so that they do not have to wait till the local improvements have gone through this entire system, because there is 100% agreement on having it done. There should be no reason to hold it back.

Mr. Ashton: Mr. Speaker, indeed, on this matter, as I indicated, I had a direct involvement with this. We are certainly working with the other partners in this, including the City of Winnipeg. I can also indicate that we are going to be working very hard with the current flood situation. In fact, I can say on the record that we anticipate being able to improve very significantly our response in regard to the current emergency so that we do not have some of the kinds of delays we saw in '97. I can put that on the record, that we are anticipating very soon making an announcement affecting southeastern Manitoba.

Mr. Laurendeau: Mr. Speaker, will the minister then commit to the interest rate to be paid so these people are not responsible for carrying the interest charges on this 20% holdback?

Mr. Ashton: Mr. Speaker, I do not want to get into details of the program. I know the member is aware of this, that a lot of this revolves around a process that was put in place, a process that existed with the previous government to ensure that in this particular case there were identified projects, approved projects. In fact, one of the issues has been that the work be completed in order for people to be able to receive the program. We are trying to work with the City.

Once again, it is important to protect taxpayers' money in this as well, but we recognize the anxiety for people in the area. I can say on the record and I have said it before, the Premier, the Minister of Conservation and myself, we have all taken a direct interest in this. I will be working with the member on this because we do believe this should be moved along.

Lake Winnipeg East Side Development

Mr. Glen Cummings (Ste. Rose): I certainly would encourage the Minister responsible for Emergency Measures (Mr. Ashton) and his

Government to proceed posthaste. It is a commitment that those residents are being short-changed on.

My question is to the Minister of Conservation. The east side of Lake Winnipeg is certainly one of the last frontiers in this province and is likely to see quite a growth in development, and certainly there is potential been talked about there for years. Has the Minister of Conservation got a development plan currently in front of him, or has he participated in any discussions to develop a master development plan?

Hon. Oscar Lathlin (Minister of Conservation): Mr. Speaker, I thank the member for the question. I can advise him that the process that was started about two years ago is well underway. The first phase has been completed, and now we are into the second phase. We have appointed an East Side Lake Winnipeg Round Table, and they are currently working with the communities of the east side of Lake Winnipeg. This round table is being chaired by one Phil Fontaine. People around here, I am sure, know who Phil Fontaine is. So the work has been started, and we will be giving periodic reports as to what progress is being made.

Mr. Cummings: Mr. Speaker, the current Premier (Mr. Doer) was a great proponent of an environmental assessment being done on the east side of Lake Winnipeg. In fact, I remember being questioned very carefully about whether or not there would indeed be a comprehensive environmental assessment done. Will this minister or his Premier now commit to carrying through on that project?

Mr. Lathlin: Well, Mr. Speaker, I can indicate to the member that the work that is being done right now is very preliminary. There are discussions that are going on right now with the communities. Once the process is well underway, I think we would be in a position to start talking about or start anticipating what could come out at the end of the process that we are on now. So, for me to say today that there will be an assessment done, I think, would be premature. I want to wait for the process to advance a little more so that there is enough data there on which to make decisions.

Mr. Cummings: Mr. Speaker, is it now, then, the policy of this Premier to choose other avenues to review developments, rather than the comprehensive environmental assessment that he once advocated?

Hon. Gary Doer (Premier): We are using a comprehensive strategy. In fact, when we first came into office, the proposed expanded cut area that had been identified for a potential user on the east side was stopped. We assessed the fibre and were able to determine right away, rather than expand the cut area, that the existing fibre in the already allocated fibre-cutting area was sufficient to meet the needs of the plant. So, sustainable reviews, as the minister has taken, have allowed us to make much better long-term decisions.

We are also interested in a balance between the economic jobs that are created on the east side, the Aboriginal economic development and, Mr. Speaker, the spectacular rivers that exist on the east side as natural advantages for tourism, for backpackers and Aboriginal communities that remain adjacent to them. The Bloodvein, the Berens, Manigotagan, the other rivers that are on the east side of Lake Winnipeg are second to none anywhere in North America for their potential. So we have to balance that off, those world-class rivers off as well, and that is what the Minister of Conservation is doing, and he is doing it with all the stakeholders, the loggers, the Aboriginal people, the people interested in ecotourism, the communities that are adjacent.

That is the approach we are taking, and we are not expanding the cut area without identifying the fibre, and I am glad the Minister of Conservation has saved us expanding the cut area, because he is able to identify fibre in the existing cutting area. That was a good decision, Mr. Speaker.

Mr. Speaker: Time of Oral Questions has expired.

* (14:30)

Introduction of Guests

Mr. Speaker: I would like to draw the attention of all honourable members to the public gallery

where we have with us Mr. Brett Huson of the Gitksan Nation. This visitor is from Hazelton, British Columbia, and he is the guest of the honourable Minister of Aboriginal and Northern Affairs (Mr. Robinson).

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

MEMBERS' STATEMENTS

Québec By-Elections

Mr. Harry Enns (Lakeside): Mr. Speaker, normally when by-elections are held in provincial jurisdictions they are of but little interest other than to that jurisdiction involved, but yesterday's by-election in the province of Québec is of national interest for several reasons. I would like to explain them, and they are specific reasons, to the members of the New Democratic Party.

First of all, the surprising showing of young Monsieur Dumont and his group, who is now being rumoured as a potential new premier and new government in that province. It is, of course, a disappointment to an erstwhile leader of the national Conservative Party, Mr. Charest, and the Liberal Party in that province, and they are being shut out, not just being shut out but in fact placing third in all of those seats. For all of us, as Canadians, the faltering progress of the separatist government under Premier Landry offers us some hope that the concept of Canada is alive and getting better.

For me, the real interest was the platform on which Mr. Dumont ran, on which a growing number of Québeckers are resonating to. After all, Québec represents 25 percent of the Canadian electorate, the platform being for a greater role of the private sector in health care, for flat taxes à la Stockwell Day. This is what the Québec voters voted on yesterday. This is what kind of government is going to be there, in other words, a significant move to the right.

As the New Democratic Party is searching for a leader who will lurch and plunge them further to the left, they will also sink into oblivion on the national scene.

Erica Young

Ms. Linda Asper (Riel): Mr. Speaker, students in Riel constituency learn through travel. I am pleased to help them financially and to encourage them to share their experiences upon their return. One of these students, Erica Young, Senior 4 at Collège Jeanne-Sauvé, spent two weeks in December 2001, as part of a student expedition to Antarctica. A Canadian company, Students on Ice, brought students and scientists together from around the world to live on an icebreaker.

Erica était convaincue qu'elle devait être membre de l'expédition. Elle a entamé un travail ardu de collecte de fonds, en tout 8 500 \$. Ses parents l'ont beaucoup aidée, ainsi que le Collège Jeanne-Sauvé, l'école Marie-Anne-Gaboury, des entreprises et des individus. Pour entreprendre le voyage en Antarctique, Erica estime qu'il faut être hardi, apprécier la nature et vouloir apprendre.

Elle croit que, je cite: Il faut aussi être un peu idéaliste. J'apprécie l'Antarctique parce que c'est le seul continent qui n'a pas connu la guerre. Les chercheurs de tous les pays partagent leurs données. J'ai pu puiser de l'océan glacial des échantillons de vie microscopique pour les chercheurs. J'ai également extrait des échantillons de glace à plusieurs mètres de profondeur.

Erica a déclaré que l'Antarctique est un continent glacial mais majestueux. Elle était très heureuse qu'en plus des chercheurs une poète a été invitée qui a lu ses textes très frappants.

Translation

Erica was convinced she had to be a member of the expedition. She undertook an arduous effort to raise a total of \$8,500 in funds. Her parents assisted her greatly, as did Collège Jeanne-Sauvé, école Marie-Anne-Gaboury, businesses and individuals. To undertake the trip to Antarctica, Erica thinks you have to be daring, to appreciate nature and to want to learn.

She believes, and I quote: You also have to be a bit idealistic. I appreciate Antarctica because it is the only continent that has not experienced war. Researchers from all countries share their

data. I was able to extract for the researchers samples of microscopic life from the polar sea. I also extracted samples of ice from several metres below the surface.

Erica stated that Antarctica is an icy but magnificent continent. She was very pleased that in addition to the researchers a poet was invited and read her very striking pieces.

English

On-board lectures covered everything from the history of exploration to climate change, to Antarctica's food chain. Daily landings and Zodiac cruises allowed the students to do some hands-on learning. Erica will never forget these educational experiences. Congratulations to her for pursuing her goal to explore a unique continent.

Softball Hall of Fame and Museum

Mr. David Faurschou (Portage la Prairie): Mr. Speaker, on May 25 of 2002, there was an event in Portage la Prairie that was long awaited by softball players and fans from all across Manitoba. After four years of preparation and negotiations, the Manitoba Softball Hall of Fame and Museum has officially opened its doors. The Manitoba Softball Hall of Fame and Museum was established to preserve the history of the sport in Manitoba and to recognize individuals, teams and organizations for outstanding achievement and contributions to the sport of softball. To date, 12 individuals and two teams have been inducted into the Hall of Fame.

During my visit to the museum on opening day, I took great interest in seeing a photograph of the late Olive Bend Little, a Hall of Fame inductee. She was very deserving of this honour because her career speaks for itself. In 1943, she joined the All-American Girls' Professional Baseball League as a Rockford Peach for the league's inaugural season. This team and league were a focus of the 1992 Penny Marshall film *A League of Their Own*. With Rockford she pitched four no-hitters and was an all-star before the end of her career in 1945. After 1945 she returned to her birthplace at Poplar Point to raise her family.

Mr. Speaker, I might just note that she is a member of the Bend family. This Chamber is abundantly familiar with Bobby Bend, a former minister of the House.

The board and staff of the Fort la Reine Museum were instrumental in making the softball museum a reality. Because of them the museum will house softball memorabilia for at least the next five years. Museum displays will represent the different eras of softball from when it was first started to an increase in popularity in the 1920s to its official appearance in the 1996 Olympic Summer Games. Of course, we would not want to forget the Canadian women's accomplishments during the 1999 Pan-American Games when they held the Americans to a one-to-nothing victory.

Mr. Speaker, I do want to say one additional thing in recognition of the Hall of Fame's president Mr. Kent Morgan of Winnipeg and Mr. Vic Pidhirny of Portage la Prairie, the vice-president. Thank them for all their good work.

St. Vital Municipal Dump

Ms. Nancy Allan (St. Vital): I rise today to announce how pleased I am to see another once decrepit area of my constituency which is being rejuvenated. A desolate spot that used to be the St. Vital municipal dump along the Seine River at the corner of Marlene Street and Beliveau is being transformed into a green space that everyone in the community can enjoy. This transformation is being initiated by the Marlene Street Tenants Association, the Save Our Seine group, the Urban Green Team, Collège Jeanne-Sauvé, the Sea Cadets and some other hardworking neighbours.

Recently I joined these volunteers as we cleaned up trash and planted 400 trees and bushes. Though the St. Vital dump closed long ago, the site used to serve as a snow dump and has accumulated a lot of sand, gravel and salt. These conditions make regrowth very difficult. After the garbage was cleared, extra work was required to add topsoil, and biodegradable fabric blankets were placed around the trees in order to properly plant the greenery.

Mr. Speaker, the Seine River is one of Winnipeg's most beautiful but also most threatened natural areas. I am pleased to see that city residents are taking the initiative to preserve its borders. I would like to thank the City of Winnipeg's naturalist, Cheryl Heming, for her expertise and assistance during the cleanup and planting. I would also like to express my gratitude to all of the local community members and other workers who were involved in this valuable project.

* (14:40)

I rose recently to recognize the revitalization work that was being done behind the Morrow Avenue community centre, and I am very pleased today to rise again with similar news and hope that this spirit of co-operation and renewal continues all across St. Vital.

St. Laurent Smithsonian Métis Exhibit

Hon. Jon Gerrard (River Heights): Mr. Speaker, I would first pay a compliment to the Minister of Conservation (Mr. Lathlin) for paying attention to my questions of two years ago, making some progress on the Kyoto accord, the Manitoba response to the Kyoto accord, and indeed receiving some improved marks from the Sierra Club as a result.

I also want to congratulate the community of St. Laurent which has been chosen to be part of a new Canadian exhibit at the Smithsonian Institute in Washington. St. Laurent will represent Métis peoples of North America in the exhibit, which will be called *Our Lives* and will start in the fall of 2004. The Smithsonian officials told St. Laurent it was chosen because of its cultural vibrancy and its preservation of the Métis language Michif.

St. Laurent is the largest Métis centre in Canada where Michif is still spoken. It is one of nine communities between the Arctic Circle and the southern tip of Argentina selected for the Smithsonian's new national museum for native Americans. This national museum for native Americans is scheduled to open in the fall of 2004 and will occupy its own building next to the U.S. Capitol.

The Inuit in Nunavut and Kahnawake First Nation in Québec are the other Canadian communities chosen to be part of the exhibit. My congratulations to the people of St. Laurent and to their representation in this new Smithsonian museum.

ORDERS OF THE DAY

GOVERNMENT BUSINESS

House Business

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, I wonder if you could canvass the House to see if there would be leave to sit from six o'clock till ten o'clock this evening for opportunities for the Opposition to speak on Bill 14, and, if so, that there be no quorum recognizing the standing committee meeting tonight.

Mr. Speaker: Is there leave for the House to sit from six till ten o'clock tonight to debate Bill 14 and no quorum count? Is there agreement? No. No agreement.

Mr. Mackintosh: Mr. Speaker, would you please call debate on second reading on Bill 14.

DEBATE ON SECOND READINGS

Bill 14—The Public Schools Modernization Act (Public Schools Act Amended)

Mr. Speaker: Resume debate on second reading of Bill 14, The Public Schools Modernization Act (Public Schools Act Amended), and the proposed motion of the honourable Member for Lac du Bonnet (Mr. Hawranik) in amendment thereto, standing in the name of the honourable Member for Emerson who has nine minutes remaining.

Mr. Jack Penner (Emerson): Mr. Speaker, to continue where I left off yesterday, it is clearly evident that Judge Kaufman in his closing comments indicated there is every reason to be assured that voluntary amalgamations can take place under the current act without any amendments to it. I think we should, as legislators, pay some attention to what a judge such as Mr. Kaufman rules in his assessment under

the challenges made by the Springfield school division.

I want to read a part of the letter from the Rhineland School Division which states: The steering committee for the new Border Land School Division has worked very hard to ensure we will be ready to move forward as a new school division on July 1, 2002. The administration team has been put in place and the members of the interim board have been named in anticipation of the amalgamation taking effect on July 1.

I want to say to the minister, to this Government, ask them to, I beg them to, immediately call the Board of Revision, call the Board of Revision to hear the application, a voluntary application for the merger of two school divisions and the only consolidated school district that was left in this province. An historic event it would be if they were able to appear before the Board of Revision to make their case and ask for the application to be approved by this Government, Mr. Speaker.

Maybe this Government is paying heed to what its members said prior to this forced amalgamation this Minister of Education (Mr. Caldwell) is bringing before this House and before the children and the people of Manitoba. He is using his authoritative approach to force the Consolidated School District of Sprague to become part of the Border Land School Division, as it will be called once it is approved.

Again, that is an indication of the patent of this Government. Mr. Speaker, that is the socialistic approach. I think we have seen that approach in country after country. Every one of those countries' governance bodies have failed. I say to you this Government will also fail because of its authoritative approach and dictatorial methods they are using to bring forward to culmination this kind of legislation.

I want to read and put on the record some of the things some of the now ministers said previously about this very piece of legislation back in 1995 and '96. I say that the Minister of Industry, Trade and commerce then said, back in 1996, 1995, June 7, she is quoted in Hansard as saying: When you are looking at the

amalgamation of two divisions, for example, there are not only the administrative needs to amalgamate the policy decisions that are different between two divisions that require negotiation, and to merge the two divisions—that, administratively, is going to take a great deal of time and effort. There are also the financial implications which result from trying to merge two divisions with different collective agreements, Mr. Speaker.

We agree with that. We know that school divisions are facing exactly that. She is asking the question: Would the Government consider facilitating this type of co-operative sharing and look at that as an option?

Mr. Speaker, the option that she was referring to was that some jurisdictions, I believe, Calgary, for example, settled at the highest level. What is this Government's plan to help school divisions? Is there going to be some direction from this Government to ensure that all the settlements will not be made at the highest settlement? If it is, will this Government participate in compensating those school divisions for those costs?

It is my understanding, she goes on, for example, that the Saskatchewan government basically took the recommendations of the boundaries and encouraged divisions to participate, provided a small incentive, and that there was a voluntary approach.

We agree with the voluntary merger as Rhineland and Boundary have done. We agree with what Rhineland and Boundary have done in accepting the Sprague Consolidated School District as becoming part of the Border Land School Division. We do not agree that this could not be done without this Bill 14 being passed in the House prior to the merger. We believe that there is an adequate provision under the bill without amendment, without amending it, to allow for the organized manner in which this voluntary merger has stepped along to now. We believe that there is a real opportunity for this Government to demonstrate that they will also co-operate, as those school divisions have, in bringing their merger to a culmination.

* (14:50)

Mr. Conrad Santos, Deputy Speaker, in the Chair

Now the minister is sitting there, bull-headedly objecting to that merger and foisting large costs on those divisions and uncertainty about whether they can or cannot merge. The calling of the Board of Revision would settle this immediately and quickly. They could then go ahead and merge without having this authoritative piece of legislation, this authoritative amendment foisted on them in the future.

That Border Land School Division will be required to submit a budget to the minister which the minister can at will change. We believe that that kind of authority should not be given to any minister, whether that minister be minister of municipal affairs, Minister of Education, or any other minister in this House. That kind of authoritative approach should not be tolerated by the people of Manitoba and will not be tolerated by the people of Manitoba.

Mr. Harold Gilleshammer (Minnedosa): Mr. Deputy Speaker, I appreciate the opportunity to speak to this legislation, one that is drawing increased concern from across the province, particularly from school trustees and the people that they represent. There is a general feeling that people have been shut out of the process and that their thoughts and concerns and ideas on this really do not matter.

I do wish that the minister who had put out a press release asking for debate on this bill would be in attendance so that he could participate and join in the debate, but at least have the opportunity to understand some of the concerns that are being raised by people across the province.

The first time that I met with the people from Springfield, I was taken aback by how deep-seated their feelings about this legislation were. I recall someone asked them whether they had had a hearing with the minister, whether they had met with government, and the answer was, yes, that they had a very brief meeting. We asked them what was the outcome of that meeting or what was the reaction from that meeting, and I remember one of the women saying that the minister essentially said go away and shut up.

That was the manner in which he certainly affronted this group, that their views and their values, their ideas, were of no consequence or no concern to him, and more and more, as we talk to people across this province, we are certainly getting that feeling that this Government has been very heavy-handed, that they have moved forward with this initiative without the proper consultation, and that even subsequently people who have wanted to talk to them about the outcome of this legislation have not had the opportunity to legitimately be heard.

I speak particularly of the Manitoba Association of School Trustees, who are duly elected in this province by the people in their school divisions, and they have felt very much that they have been treated like second-class citizens when it comes to the table in the minister's office, that he has given them some time, but he certainly has not listened. He has not concerned himself with the issues that they have brought forward, and they do have major issues with this legislation. They have attempted to bring them to his attention by meeting with him, by sending him letters, and I will refer to some of the letters that have come in from across the province in recent days.

Why should we be surprised, Mr. Deputy Speaker? Here we have a minister who, in ramble-like fashion, fired the board of Morris-Macdonald School Division, and that was the beginning of his rampage with Morris-Macdonald and his treatment of school divisions across this province. He has treated them with disrespect. He has treated them with disdain, and they very much feel like they have not been listened to.

I raise the issue of the minister's and the Government's moral authority to be so heavy-handed with government. I recently saw in *The Manitoba Teacher* a graph that was printed in the January-February edition, showing the levels of provincial support that governments have given to school divisions. In 1981, the level of support was 82.4 percent, and through the eighties that support diminished. In 1988, it was 71.7 percent. Then, as we moved into the nineties, it was lowered to 60 percent, 61 percent, and, under this Government and this minister who talks about historic levels of

support for school divisions, it has fallen even further.

On this graph from *The Manitoba Teacher*, and I tabled this in the House the other day, in the budget year 2001-2002, it had fallen to 59.5 percent. In a letter that the Minister of Education (Mr. Caldwell) sent to the chairs of school boards, superintendents, trustees, the Teachers' Society, business officials, parent councils and so forth, it very clearly states here that in the current year the level of support has fallen to 59.2 percent. This is the lowest support for operating school divisions that school divisions have seen in modern times.

Now the minister denied this the other day and, I think, brought a red herring into the discussion by talking about the support for capital, support for pensions, support for property tax credits. These supports do not make an impact on the classroom. This support for capital is for building and repairing schools across the province, and it does nothing in terms of adding teachers or having more science supplies or having anything to do with the process of learning that goes on in the classroom.

Now the minister denied the other day that this was an historic low, and I did table this graph with him. I also tabled this letter that he wrote and that he seems to have forgotten about, but I question the moral authority of a government that takes such a heavy-handed approach to their relationship with school divisions when they are giving the lowest support, the lowest public support in terms of dollars for the operation of our public schools that we have seen in modern times.

The *Winnipeg Free Press* pointed this out, in an editorial the other day, that the minister and the Government are moving more and more to control the budgets of school divisions and it was even suggesting that, maybe, school divisions should back off and let him do that, let him have the total control and let him be the one who is responsible for the day-to-day operations of school divisions, whether it is the number of teachers in a school, the number of students in a classroom, the number of buses that they are able to buy, whether they shut down schools.

All of these budget decisions that are being made by boards are more and more being encroached upon by the Minister of Education (Mr. Caldwell) and this Government. Again, I question the moral authority that this Government has, given the fact that they are giving less and less in terms of percentages for the operating of the public schools in Manitoba.

So it is not only us in the Legislature on this side of the House who have seen the shortcomings of this bill, but I tell you the minister has frequently referenced the Norrie report. I find that interesting because it was about a few months into the debate before he discovered that the Norrie report existed and I think then took a copy out to Brandon and had Earl Backman sign it for him. Now he says he firmly believes in the things the Norrie report put on file with us some years ago.

One of the things that the Norrie report did was indicate that the amalgamation was a major, major undertaking, one that would take some detailed planning, one that would take some time to roll out across the province. In fact, the Norrie report very clearly stated that because of these complications and because of the upheaval it was going to cause within the school system, that, in fact, it should be rolled out over three years.

I think people accepted as they looked at this report that this was a major undertaking on the part of government to restructure school divisions in such a dramatic fashion and that if this was going to happen, that there had to be a certain amount of detail that had to be looked after. This is something that is sadly lacking from the manner in which this Government is going about implementing school division amalgamation. They are ramming it through without the support in many cases of the boards, without the support of the public, without the support of the Manitoba Association of School Trustees and the divisions and the boards that they represent.

Instead of sort of rolling this out in a logical fashion, they are trying to ram it through the Legislature. They have already put in place the regulations, but, in fact, they do not need this legislation. It is clear from the act, and the courts

the other day indicated that the Government could, by regulation, create the changes in the division that they had intended to without the need of bringing a bill to this House. But Norrie I think really had a lot of good advice, whether you agreed with the boundaries that he drew or not, had a lot of good advice for government that the minister claims he has read, but everything that he has done has been contrary to the cautions and the advice that Mr. Norrie and his commission have given here. In fact, nothing in what the Government has recommended in terms of new boundaries can be found in Norrie.

* (15:00)

I have indicated before that there were many school divisions that were left out of this process. I referenced Turtle River, I referenced Turtle Mountain, I referenced some of the urban divisions, that this was a very political document in terms of amalgamating school divisions that the government of the day felt they could run roughshod over in terms of putting this amalgamation together. So, while the Norrie report had that balance that the Premier (Mr. Doer) often talks about, it is sadly lacking in the bill that this Government has brought forward, and this has been picked up I think by many school divisions across the province.

The Norrie report also speaks to the costs. The Norrie report recognized that there would be costs to amalgamating school divisions. This Government went out on a limb on day one and said, no, there is going to be \$10 million in savings. Every time we have asked this minister where those savings are, he has been unable to quantify those savings and he is unable to point out where those savings were achieved.

In fact, his deputy was quoted the other day in the *Winnipeg Free Press*, saying the reason we are going to micromanage school divisions is that we were afraid that school divisions were going to add to the costs of the amalgamation, add to costs, and it would look bad for us. Therefore, we added parts to this bill that are very heavy-handed. They added parts to this bill which are going to give them the ability to look at the administrative costs in school divisions. It is going to give them the ability to look at the total budget. They are going to demand that

school divisions submit their budgets prior to finalizing them. It gives the minister the authority and the power to make whatever changes he wants in the budgets of those school divisions.

In other words, he is going to find that \$10 million of savings. He is going to find \$10 million within the budgets of the amalgamated school divisions, and he is going to be able to say I have achieved those savings. But at what cost? At what cost is that going to happen? He is going to insert himself into the staffing patterns in school divisions. He is going to insert himself into the school divisions' budgets to the point where he is going to determine where they spend their money. I daresay he is going to have an effect on the mill rates within those school divisions, something that has been unheard of in this province in the past, something that the minister and this Government are taking into their hands as a new wave and a new relationship with the school divisions in Manitoba.

The fact of the matter is we are going to have a two-tier system in Manitoba. We are going to have school divisions which manage their budgets and go ahead with their governance in the way that they have traditionally done so, albeit with less support from this Government in terms of finances. The other tier is going to be school divisions which are being amalgamated and which have to report directly to the minister.

The headline in the paper, I think, captured it very well. It says: The minister takes over division budgets.

This, I submit to you, is a very heavy-handed way of dealing with duly elected people who put their name forward for election in school divisions, who are very proud of the fact that they are school trustees. They are very proud of the job that they do in Manitoba. Now this authority is going to be taken over by the Minister of Education (Mr. Caldwell). It is nothing but a very strong, bold power grab that the minister is embarking on. Parts of this bill I think are going to put into place certainly legislation and regulations that we have never seen before in this province.

One of the areas that concerns me is the whole question of the Board of Reference. The

Board of Reference has always been an independent body that has been there to adjudicate differences between school divisions, whether you want to transfer some land from one school division to another, whether you want your children to attend another school. The Board of Reference has been a very, very useful device that governments and school divisions have used in the past. They are the independent third party who will adjudicate these differences that occur from time to time between school divisions, between families and neighbours and people who want to transfer land and in fact be part of another school division.

This legislation is going to severely limit the use of the Board of Reference, because it is only going to get used when the Government and in this case the minister agrees that it should happen. This again is an attempt by this minister to shut off public debate. I wish he was here to hear this debate today, Mr. Deputy Speaker, because I think it is important that he understand what we are talking about when we refer to this legislation.

Mr. Harry Schellenberg, Acting Speaker, in the Chair

But the Board of Reference has always been a very fair process in dealing with these differences between school divisions. Now this Government and this minister is going to severely limit the use of the Board of Reference. I think that is really, really regrettable.

There are other parts of the legislation that give the minister the power to make regulations, regulations that are going to affect the way that school divisions relate to one another and the Government. There is a part in here where he thinks that, perhaps, he has missed something after he lists all of the regulations that he is going to be able to pass and all of the areas he is going to be able to monitor, administer and look after. Then he sort of puts an et cetera in there, and if there is anything I have missed, if there is anything else that school divisions are doing, I give myself the power to make regulations to control what school divisions are doing. Again, it is a power grab on the part of the minister and the Government, one that does not sit well with trustees and school boards across Manitoba.

Mr. Conrad Santos, Deputy Speaker, in the Chair

Also, there is a part of the bill which talks about controlling administrative costs, that they should be at 4 percent for, I believe it is urban school divisions, 4.5 percent for rural and 5 percent for northern, without prefacing that by saying that most school divisions are already operating within those limits. The minister has created the feeling across the province with the public that there are great savings to be had in administrative costs. I will grant you that is often a popular way of looking at budgets, whether it is school divisions, whether it is hospital authorities. If you want to rally people forward, you just have to say, well, we are going to cut down on administration. The fact of the matter is the administrative costs currently in most school divisions are within that 4% limit. Some of the things that are being lumped into the administrative budget have not been there before. I know the minister has made some changes to that, and I am pleased that at least on one issue he is listening to people.

Also, the part that probably is the most offensive in the bill is the fact that amalgamating school divisions have to submit to the minister, prior to finalization, their budgets. He has it within his control to make changes. Again, this is without any reference to the ratepayers in that school division, without any due respect for the trustees, and more and more whatever school divisions and school trustees are doing they need the approval of the minister. Again, this is a very heavy-handed approach, very much a departure from the way school divisions have been autonomous in the past, and I think it is a sad day for Manitoba school divisions that that is part of this bill. I would hope, when we get down to the clause-by-clause discussion of this bill, that government would look at that, take a step back from that and be prepared to accept or to make amendments.

* (15:10)

One of the other areas that people have been wondering about in terms of this legislation, of course, is the criteria that was used. It is very hard to discern afterwards when you look at the final product, when you look at the map that has

been presented to Manitobans of new school divisions in rural Manitoba and the city, what possible criteria were used to draw these boundaries. Another question is: Who actually drew them? There was not a commission. There was not a body that was appointed to do this. One would have to assume that they were crafted in the minister's office and taken to Cabinet as such as the minister changes.

Also, people are wondering what appeal process has been put in place, because I know there have been changes in the Duck Mountain School Division which was once divided three ways. Now through, I believe, intervention by government MLAs, changes were made. Similarly, in the Agassiz School Division and Transcona-Springfield School Division where part of Transcona-Springfield was destined to go to Transcona, that was later taken out of there through intervention, I think, in the House here, and probably an embarrassing moment for the member from Transcona, but he is a big boy and he can take that.

Also, there were other areas that were announced, the Pinawa-Pine Falls area is part of the amalgamation. I think, to the embarrassment of the minister, he found out that if he was going to amalgamate Pinawa, the federal government was going to walk away, just absolutely walk away from any financial support that they would offer for the education of people in Pinawa. Similarly, there were problems with Pine Falls, but, again, what process of appeal has been used here? When I talk to the people from Springfield, yeah, they got a meeting, but they got the feeling that they should just shut up and go away. That was the feeling that the minister gave them. So there are questions around who drew the boundaries, what were the criteria and, again, what avenues of appeal were put in place.

I want to refer to some of the letters that have been coming in on amalgamation. Certainly, there is a feeling that there is a time crunch that has been put in there by the Government, but more and more, I think, school divisions and the trustees are seeing that the time crunch is not a real one, that the Government by regulation to go ahead with this without this bill and, as a result, are writing about this.

The Dauphin Ochre Area # 1, they sent a letter in under the signature of the chair of the board of trustees, where they indicate that they take some objection to the inclusion of new powers for the Minister of Education (Mr. Caldwell) in the areas of budget approval and another level of bureaucracy that is unnecessary and sends a clear message to trustees and administration regarding their fiscal abilities, so the chairperson of the Dauphin school board, and I would think the Member for Dauphin would be more than a little bit concerned about that, but he does not seem to be because he is not fighting for that board and those people in Dauphin. Trustees guard carefully the resources allotted for education, and our ratepayers expect their trustees to be fiscally responsible in meeting their local needs, given that 46 percent of operating revenues are derived from property taxation. So there is another number in the Dauphin school division, the local ratepayer is responsible for an even higher amount, 46 percent of the operating fund that goes into that school division. They are registering their displeasure with the legislation, and I see that they did send a copy to their MLA. I would hope that he would represent them at the caucus table and indicate why they are unhappy.

They go on to say that they are seeing these changes enacted in legislation, and they say we are passing through a significant era in the history of education in Manitoba. It is important that we have clear and concise legislation for the decisions being made. We do not feel that the ministerial powers given to effect change in education through regulation, now or in the future, is in the best interest of Manitobans. Again, this is an affront to the school trustees who feel that the Government is going to do by regulation, which is not a public process. The making of regulations is something that is done at the Cabinet table, and it does escape the scrutiny of the public. It does not give the public an opportunity, the trustees an opportunity to put their thoughts on the record, to have some influence. So the Member for Dauphin, I think, would be well advised to take a look at that letter and perhaps work with his colleagues to make some changes in this legislation.

Again, another school division, River East School Division No. 9, and this is from the chair

of the board again, they want to register their concerns about the requirement for amalgamating divisions, to submit budgets for the next three years to the minister before final approval and to make such changes as may be directed by the minister. They see this as most problematic. They talk about the time lines and the time crunch that they are going to be in, in trying to get their budgets done, given that the Minister of Education announces his funding, usually January 15 or later. Sometimes it goes towards the end of January. Then, a month later, these amalgamating divisions are being required to place before the minister, for his approval and his acceptance, their budget. They find that, again, very problematic, and they have related that to the minister in a letter.

As well, the Mountain View School Division, again, this is the new amalgamated division which consists of Dauphin Ochre, Intermountain and Duck Mountain, and they, too, register their great concerns that the legislation is unfair. They say there is a concern that Bill 14 significantly increases ministerial powers with respect to educational matters, particularly in the area of financial accountability. Additionally, it appears that there is a proclivity to govern educational matters through regulation rather than legislation. They are saying hopefully the Government is prepared to make some changes when we go to committee on this. I think, if the minister were so inclined, maybe he should signal this House as to what changes he is prepared to make, what his thinking on this bill is, whether he is going to accept any amendments, what direction he is going, so again another division that has grave concerns.

Similarly, Assiniboine South, which is being forced into amalgamation with Fort Garry, indicates there are four areas of concern to them. They have sent this letter to the minister. They reflect on the amalgamated divisions being forced to submit budgets as being objectionable. The control of administrative cost is a secondary concern. The subsequent regulation which school divisions are wondering about, they are not sure what is going to happen with subsequent regulations, but the minister is giving himself power and authority to make additional regulations and the request to the Board of Reference, again, an area I covered earlier.

These are fundamental changes and fundamental concerns that school division after school division is bringing forward, Assiniboine South, Mountain View, River East, Dauphin, and many others.

You might say: Why is this the case? Why are they coming forward with these challenges to the minister and the Government? Well, many of them were at the annual meeting where the Premier of this province said to them there would be no forced amalgamations. It is not the Manitoba way. They took him seriously. I think they saw the hand that was extended to them as a partnership, that there were not going to be forced amalgamations, but there was a Manitoba way.

Well, more and more, we are seeing the Manitoba way of this Government. When it comes to health care, they will only appear at a hospital if the hospital takes the people out of the hallway and hides them somewhere in case the press see them.

We see this with Manitoba Hydro. The Government has yet to bring in a bill, but the Manitoba way, according to the Premier, is to take whatever funds we need from Crown corporations, a million dollars a day being taken out of Manitoba Hydro to feed the spending habits of this Government. They did get their hand slapped when they tried to do that with Autopac.

* (15:20)

The Minister of Labour (Ms. Barrett), who seems to fumble just about everything she tries to do, was going to take millions and millions of dollars out of Autopac to spend on universities. Five days after that announcement, the Premier alarmed, I think, at the reaction that he and his members were getting, changed his mind on that.

Now we see the Manitoba way is, if you need money for a downtown arena, you can go to Workers Compensation and ask them to pony up \$7.5 million to help make this happen. Well, Manitobans have strong feelings about their Crowns. They do not want money that is dedicated for one purpose to be used as a slush fund by government. So Manitobans are increasingly

seeing what the Manitoba way is with this Government, and they are not happy about it.

Mr. Deputy Speaker, I would have loved to have been at that Cabinet meeting where they were moving forward with this. We had the Deputy Premier who was very much opposed to this initiative and put all sorts of thoughts on the record and was overruled by the Premier, I imagine, and the rest of the Cabinet, but I really wonder if they had seen the final product, whether they had seen the final product that was coming forward, or whether they just left this in the hands of the Minister of Education (Mr. Caldwell), because I think truly they should be embarrassed by the product that he came up with. It was a half-done job and really is creating havoc across this province.

Even the Deputy Minister of Education was on record at the hearings that were held in 1993, and he talked about the costs of amalgamation. He made a very strong case that there was no money to be saved here, and so did the Deputy Premier (Ms. Friesen) at that time, that there was no money to be saved. In fact, she put out a press release to that effect, one that received widespread coverage across this province. Obviously, she has been overruled on that. The deputy, who, I understand, is leaving the employ of the Government, had very strong feelings about smaller school divisions being economical and that the quality of education was better. He, too, was overruled by the minister, and, as a result, we have the product that he has come forward with.

I should mention one other school division, the Garden Valley School Division and the board of trustees and their presentation on Bill 14. I can tell you that Garden Valley is geographically a small school division but one that has very, very, strong, positive thoughts about education in their area. They have maintained in that area some of the smaller schools in Manitoba because they see the value of those small schools, and they have run one of the most economical school divisions in Manitoba.

But they go through some of the same messages that other school divisions have in reference to this bill. They are affronted by the fact that the Board of Reference will be shackled

by this legislation, and the right to appeal which is sort of paramount across government. If you look at all departments, all of them have appeal processes which I think have worked well in the past when governments make decisions, whether it is on an individual basis or on a group basis. Government has been served well by the fact that there is an appeal process, and the Board of Reference is, to all intents and purposes, by this legislation, being neutered.

The Garden Valley School Division also talks about the greater powers that the Minister of Education is going to take into his hands, and they see this as a very negative component of this. They feel that these open-ended regulatory powers which the minister is going to give himself are going to be problematic in the future.

They also see that under section 22 it expands the role of the minister in the day-to-day operations of school boards. The minister will have the power to withhold funds, and those of you who have worked with school divisions or have worked with any groups that are dependent on funds, the fact that government can threaten or actually withhold funds is a way they can use to actually get their way with these organizations and groups. So Garden Valley is also on record, and I would hope that they appear at committee and put some of those thoughts forward.

The MAST organization who meet with the minister from time to time and also meet with opposition members from time to time make the point that this bill does not provide school boards with the legal framework they require to fulfil the responsibilities with which they have been charged regarding amalgamation.

Again, it speaks to the rushed manner in which we are having to deal with this legislation. The Government had the opportunity to bring this in last fall. By their decision they brought it in in May, and it really does not give government, it does not give school divisions, it does not give trustees the amount of time that they need, and the bill itself does not give them the legal framework that they feel they need and is of grave concern to them.

As well, there is more to this bill than just this current round of amalgamation because it contains clauses that, if passed, will fundamentally and permanently alter the relationship between school boards and the provincial government at the expense of local control. I can tell you that, if you look at the history of education in Manitoba going back to the last century, the beginning of the last century, or look at other provinces, education has always been very much something that people wanted to have local control over. When they move into a city often in terms of where their housing is going to be located, they dearly want it next to a school or close to a school. They want to be involved with their children. They want to be involved with the parent council. They want to be involved with the teachers. They want to be involved with the school board.

More and more the trustees are seeing with larger divisions, with fewer trustees, with the powers that the minister is taking upon himself that they are losing some of that control. It has been so fundamental in history in this province and in this country that local control is something that parents want. They want to feel that they have some influence and some input into the education that their children are receiving.

The trustees go on to say that the amalgamation process has been flawed from the outset. It is something that we have raised many times in this House. The minister has taken sort of a fly-by-the-seat-of-his-pants approach to putting amalgamation in place. There are many, many flaws in the process that he has put in place to bring about amalgamation. They point out that there was no public consultation, as required by The Public Schools Act. In fact, the minister, I believe, was very much surprised that there was a part of The Public Schools Act which said there was a prerequisite calling for public consultation. It was very, very late in the game that he said his public consultation was the Norrie report.

Trustees have pointed this out, and, as a result, the public generally has not had any input into the amalgamation. As a result they feel very much left out of the process. In fact, I recall when the minister announced the amalgamation. It was going to be one week, and then it was put

back a week, and then it was another week. Clearly, they were redrawing boundaries during that period of time. Again, the fact that there was no legitimate process means that there was not a product put forward that people really felt they could live with. As a result, the trustees in Manitoba have opposed this.

* (15:30)

I would hope that trustees, school divisions, superintendents, but more importantly members of the public would come forward to committee to put in place their concerns, their ideas about the amalgamation of school divisions, because when this happens these boundaries will be set in place for a long time. There is still time to make some changes on the other parts of Bill 14, which has been labelled a power grab by the Government and the minister. He still has an opportunity. The Government still has an opportunity to make changes, bring amendments forward so that trustees will feel more a part of the process and feel that they have some ability to buy into some of the changes that are being made.

I can tell the members of government who are here, and again I am sorry the minister is not, that these changes are very, very much detrimental to the—

Mr. Deputy Speaker: Time has expired.

Point of Order

Mr. Doug Martindale (Burrows): I would like you to remind the honourable member from Minnedosa that our rules prohibit us from referring to either the presence or absence of a member, which he just did in his speech.

Mr. Deputy Speaker: Order, please. I remind all members that reference to absence of members is not allowed by the rules of the House.

* * *

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

Some Honourable Members: Question.

Mr. Deputy Speaker: The question before the House is the proposed motion of the honourable Member for Lac du Bonnet (Mr. Hawranik):

THAT all the words after the word "THAT" be deleted and the following substituted therefor:

Some Honourable Members: Dispense.

Mr. Deputy Speaker: Dispense.

this House declines to give second reading to Bill 14, The Public Schools Modernization Act (Public Schools Act Amended), until such time as the Minister of Education, Training and Youth undertakes meaningful consultations with all affected stakeholders within Manitoba's education system.

Voice Vote

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

Some Honourable Members: Yea.

Mr. Deputy Speaker: All those opposed, say nay.

Some Honourable Members: Nay.

Mr. Deputy Speaker: The Nays have it.

Formal Vote

Mr. Marcel Laurendeau (Official Opposition House Leader): Yeas and Nays, Mr. Deputy Speaker.

Mr. Deputy Speaker: Call in the members.

Mr. Speaker in the Chair

Mr. Speaker: Order. According to Manitoba rules, one hour has expired. Please close the doors. Turn off the bells.

The question before the House is the proposed amendment of the honourable Member for Lac du Bonnet (Mr. Hawranik):

THAT all the words after the word "THAT" be deleted and the following substituted therefor:

this House declines to give second reading to Bill 14, The Public Schools Modernization Act (Public Schools Act Amended), until such time as the Minister of Education, Training and Youth undertakes meaningful consultations with all affected stakeholders within Manitoba's education system.

Division

A RECORDED VOTE was taken, the result being as follows:

Yeas

Cummings, Dacquay, Derkach, Driedger, Enns, Faurshou, Gerrard, Gilleshammer, Helwer, Laurendeau, Loewen, Mitchelson, Murray, Penner (Emerson), Pitura, Reimer, Schuler, Smith (Fort Garry), Stefanson, Tweed.

Nays

Aglugub, Allan, Ashton, Asper, Barrett, Caldwell, Cerilli, Chomiak, Dewar, Doer, Jennissen, Korzeniowski, Lathlin, Lemieux, Mackintosh, Maloway, Martindale, McGifford, Mihychuk, Nevakshonoff, Reid, Robinson, Rondeau, Sale, Santos, Schellenberg, Selinger, Smith (Brandon West), Struthers, Wowchuk.

Madam Clerk (Patricia Chaychuk): Yeas 20, Nays 30.

Mr. Speaker: The amendment is accordingly defeated.

Committee Changes

Mr. Laurendeau: Mr. Speaker, on committee changes?

Mr. Speaker: Committee changes?

Mr. Laurendeau: That is okay. I do not have to do it in the House, Mr. Speaker. Here you go.

* * *

Mr. Speaker: Now we will revert to Bill 14, the main motion, The Public Schools Modernization Act (Public Schools Act Amended), and the debate remains open.

Mrs. Bonnie Mitchelson (River East): I rise to speak. I cannot say that I am speaking on this piece of legislation with any great enthusiasm or support, because I certainly know that the constituents who reside in the River East constituency, in Rossmere constituency, in Transcona, in Radisson constituency, are not really thrilled with the prospect of significantly higher education taxes as a result of this Government's introduction of this legislation.

Mr. Speaker, although the Minister of Education (Mr. Caldwell) has stood up with great fanfare and talked about the millions of dollars in school division amalgamation savings he is going to achieve, we know, and we know from the analysis that the River East School Division has done, that taxpayers in the River East School Division are going to be paying more, not less, as a result of this amalgamation.

One of the things they are concerned about is the fact that they were treated in a different manner from other school divisions in the city of Winnipeg. We know, for instance, that Seven Oaks School Division, a school division—

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

Point of Order

Mr. Marcel Laurendeau (Official Opposition House Leader): Mr. Speaker, I wonder if you might ask the Member for Radisson (Ms. Cerilli) to remove the papers that she has been reading.

Mr. Speaker: According to Manitoba practices, newspapers are not allowed in the Assembly. So anyone who has a newspaper in the Assembly, please remove it.

* * *

Mrs. Mitchelson: I would have hoped that the Member for Radisson would have been listening very intently to the discussion, because the taxpayers in her constituency are going to be

significantly negatively impacted as a result of Bill 14.

Mr. Speaker, we know that Bill 14 is not really necessary. The Minister of Education (Mr. Caldwell) right today in legislation that presently exists has the ability through regulation to make changes in school division boundaries. So if, in fact, he was intent on taking his crayon in the middle of the night and drawing boundaries that were unfair and very politically motivated, he could have done that. He did do that, and he did not need legislation to try to justify the actions that he had taken.

* (16:40)

Mr. Speaker, let me go back to comparing what is happening to the residents and the taxpayers in River East School Division versus the residents and the taxpayers in Seven Oaks School Division. Now, we know that the new Transcona-River East School Division will be twice the size of Seven Oaks School Division, and the residents and the taxpayers of Seven Oaks School Division will not have to pay an extra nickel in school taxes as a result of this amalgamation, while the residents in River East School Division—Rossmere, River East, Radisson, Concordia, Transcona—will have millions of dollars—

Mr. Speaker: Order. The honourable Minister of Labour and Immigration, on a point of order.

Point of Order

Hon. Becky Barrett (Minister of Labour and Immigration): On a point of order, Mr. Speaker. I am attempting to hear the Member for River East speak on Bill 14, and the members for Russell, Springfield and Lakeside are making it very difficult for me to hear the Member for River East. So I am wondering if you would please ask them to come to order.

Mr. Harry Enns (Lakeside): Always wanting to be helpful to any member in this House, I will offer this hearing assistance.

Mr. Speaker: On the point of order raised by the honourable Minister of Labour and Immigration, I would ask the co-operation of all

honourable members. It is very important to hear the person that has the floor. I would ask the co-operation of all honourable members.

* * *

Mrs. Mitchelson: I am hoping that every member on the government side of the House is listening very intently, because I know specifically that the Member for Rossmere (Mr. Schellenberg) is going to have great difficulty justifying to his taxpayers why they are going to have to pay more money when his colleagues that represent Seven Oaks School Division will see their taxpayers get away scot-free as a result of this amalgamation.

I have said before, when I spoke on the amendment, that there are teachers that live in River East constituency who teach in Seven Oaks School Division that have commented to me that they believe that they have the ear of those in high places in Seven Oaks School Division, because their division was not amalgamated. Mr. Speaker, that is the rumour out there among the educators and the teachers, that if you have friends in high places with this New Democratic government, they give you special consideration.

I guess my question would be: Why would the members in the government benches that represent Seven Oaks School Division have the ear of the Minister of Education (Mr. Caldwell) when the Member for Rossmere does not? Obviously, he has no clout. The members on the government side of the House do not listen to him.

I know that this bill, Bill 14, is not the only issue that the Member for Rossmere might not have his colleague's ear. We know when the Government introduced legislation and the Member for Rossmere stood in his place last year and voted for opening liquor sales and pubs on Sundays and we voted against it, I know that he could not look me in the eye. He sat and held his head, held his head in shame because I believe that the Member for Rossmere is a pretty honourable member of the Legislature, and I know that he must have had some difficulty.

I believe that he may have talked to the minister responsible for liquor in the province of Manitoba and expressed some of his concerns, but ultimately he was not listened to. So he stood in his place like he was told to do and voted for the expansion of liquor on Sundays.

I say, Mr. Speaker, that he will find that again the constituents in Rossmere will know that he did not stand up for them and did not speak loudly enough or was not listened to by the Minister of Education when he sat and drew the boundaries for the city of Winnipeg that increased River East School Division, which was already the second-largest school division in the city of Winnipeg, while not touching the school divisions which many of his other colleagues represent.

So let the record show, and we will certainly ensure, that the constituents of Rossmere understand what their representative in the Legislature stands for. We know that the Minister of Education has made a significant mistake in introducing this legislation, and I also do know that, although they are trying to ram this legislation through and they have set a false deadline of July 1 for having this legislation passed, the Minister of Education, Mr.—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. It is getting very difficult to hear again. I ask the co-operation of all honourable members.

Mrs. Mitchelson: Thank you very much, Mr. Speaker. It is interesting to see that the Minister of Education is here and is shouting from his seat, trying to refute, rather than listen, just like he has done to all Manitobans when he has not listened when they have raised legitimate concerns about Bill 14.

Some Honourable Members: Oh, oh.

Mrs. Mitchelson: Mr. Speaker, I wonder if you might bring the Minister of Education to order because he appears, in his very bullying way, to try to outshout me from his seat while I am trying to speak. I am trying to tell him what my constituents are saying about his legislation.

So, Mr. Speaker, I might ask if you would not mind bringing him to order so that I can continue.

Some Honourable Members: Oh, oh.

Mr. Speaker: I do not mind—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I do not mind at all to remind all honourable members that we need to hear the person that has the floor. I would once again ask the co-operation of all honourable members.

Mrs. Mitchelson: Thank you very much, Mr. Speaker. I would hope that the Minister of Education would be listening intently, although I doubt it because I do not think he has listened to many Manitobans. As a matter of fact, the consultation that he holds up as the legitimate consultation that was done with Manitobans was done back in 1994 when the Norrie Commission went out and listened to Manitobans, wrote a report and submitted it to the government of the day. A couple of—

Some Honourable Members: Oh, oh.

* (16:50)

Mr. Speaker: Order. I have asked the co-operation of all honourable members at least three times and I would ask the honourable Member for Rossmere (Mr. Schellenberg) and the honourable Member for Springfield (Mr. Schuler) that, if you want to have a conversation, we have two loges here. Members are welcome to use either one, and so that way the rest of us can hear the honourable member that has the floor. I once again ask the co-operation of all honourable members.

Mrs. Mitchelson: Thank you very much, Mr. Speaker. When the Norrie report was submitted back in 1994 there were a couple of criteria that were looked at in order to determine whether we would move ahead or not on school boundaries and revision of school boundaries. Two of the issues that we looked at to give the consideration, of course, was the quality of education. Nowhere in the report did we see that the

quality of education would improve as a result of amalgamation of school divisions, nor would there be cost savings as a result. So that was certainly the rationale and the reasoning for not moving ahead with the Norrie report, and we know that many members in the then-New Democratic opposition spoke and said exactly the same thing.

The one person that was most vocal about not amalgamating school divisions was the now-Deputy Premier, the Member for Wolseley (Ms. Friesen), who was extremely vocal and very critical of school board amalgamation, indicating many, many times on the record and also through news releases that there would be no cost savings, that communities would be disrupted, that children would have to travel further, that she was completely unconvinced that school board amalgamation was desirable for students, for educators, or for parents, or for taxpayers. She had many, many comments that she put on the record, and certainly in her days in opposition was extremely, very much a very vocal opponent of school board amalgamation.

We also know that the now-Minister of Industry, Trade and Mines (Ms. Mihychuk) had some significant concerns about school board amalgamation and put her thoughts on the record. I wonder where these two ministers now were around the Cabinet table when the Minister of Education brought in his drawing of the new school boundaries. Where were they and what kind of comments did they make, Mr. Speaker, or were they closeted behind closed doors with the Premier (Mr. Doer) and the Minister of Education when they drew their political boundaries, not following the Norrie Commission's report but their own political boundaries based on what their colleagues had to say about how it was going to impact them and their votes in their constituencies?

So we see first-hand the flip-flop and the change in position not only on this issue, Mr. Speaker, but on many issues. But this one specifically, as we are speaking to Bill 14, is one where we have seen members of the Government now, while in opposition with a completely different position than what they present when they become government. I think it is shameful that the taxpayers in the province of Manitoba

have been put through this kind of process without any public consultation by this Government and a Minister of Education who has absolutely no regard for those who are part of running our schools and those whom I have much respect for.

I do know that, in River East School Division, I have always taken great pride in talking about what a good school division we have had, a great administration and great educators that graduate very competent individuals who move on to other endeavours and become very successful members of our community and our society.

Mr. Speaker, it is unfortunate that the Minister of Education (Mr. Caldwell) would not listen to those who have the expertise and the understanding and the knowledge in our communities and especially so as I move outside of River East School Division to Springfield and the residents of Springfield who have had the edict from on high delivered to them by this Minister of Education that they will split, that Transcona will amalgamate with River East School Division and Springfield will amalgamate with Agassiz.

They have made significant presentations. They had their day in court, Mr. Speaker, and they lost, but they will not forget the kind of heavy-handed, top-down approach that this Minister of Education took with them, with the children who have been part of Transcona-Springfield School Division and the parents who feel their children will not have the same opportunities as they had before.

I guess the one glaring area, Mr. Speaker, that I find extremely offensive is the whole issue of what has happened in Morris-Macdonald School Division and the heavy-handed approach that this Minister of Education has taken to the taxpayers in Morris-Macdonald School Division.

Now we know that there were certainly issues with the adult education program. But, Mr. Speaker, I have said before and I will say again I do not know which taxpayer in Morris-Macdonald School Division put money in his pocket or her pocket as a result of what happened with adult education, and yet every

taxpayer in Morris-Macdonald School Division is being asked to dig into their pockets for thousands of dollars more without—*[interjection]*

Well, Mr. Speaker, the Minister of Labour (Ms. Barrett) says from her seat that they were subsidized for many years as taxpayers in Morris-Macdonald School Division. Those taxpayers also did not put a penny into their pockets, but we do know that some friends of the Minister of Labour and other members of the New Democratic Party put significant dollars into their pockets as a result of the inflated enrolment numbers that were submitted by those individuals, and yet the friends of the New Democratic Party are not being held to account and are not being asked to pay back any money. We know that the majority of the money did not stay to support the programs in the Morris-Macdonald School Division. The majority of the money went into the pockets of the Orlikows and the Cowans and the friends of the New Democratic Party, but they are being protected under the guise of an RCMP investigation.

Well, Mr. Speaker, where is the fairness in all of this? If they can protect their friends so that they do not have to pay the money back that they owe, why are they not protecting the taxpayers in Morris-Macdonald School Division until the RCMP investigation is completed? When we get to the bottom of the issue on who owes what, then we can say that justice has been done, but, until that point in time, the taxpayers in Morris-Macdonald School Division are being treated differently than the Orlikows and the Cowans and the friends of the New Democratic Party who put money in their pockets as a result of inflated enrolment numbers in the adult education program.

Mr. Speaker, the Minister of Education can shout from his seat and try to bully me like he has bullied the taxpayers in the Morris-Macdonald School Division and like he has bullied the taxpayers in the Springfield School Division. He may think that he is being cute or he is being smart, but it just shows the arrogance of this minister and this Government.

Mr. Speaker: Order. When this matter is again before the House, the honourable member will have 17 minutes remaining.

The hour being 5 p.m., we will now move to Private Members' Business and we will go to Proposed Resolution 18, User Fees and Tax Relief.

* (17:00)

PRIVATE MEMBERS' BUSINESS

PROPOSED RESOLUTIONS

Res. 18—User Fees and Tax Relief

Mr. John Loewen (Fort Whyte): Mr. Speaker, I move, seconded by the Member for Portage la Prairie (Mr. Fauschou), that

WHEREAS the provincial government has instigated only token tax relief, reducing personal income tax rates in the middle bracket from 16.2 percent in 2001 to 14.9 percent in 2003; and

WHEREAS middle-income taxpayers of Manitoba are the highest taxed in Canada west of Québec; and

WHEREAS, according to the Department of Finance, in the 1999-2000 fiscal year, total revenue was \$6.3321 billion, an increase of \$434.6 million (or 7.4 percent) from the Budget estimate, while in the 2000-2001 fiscal year, total revenue was \$6.7548 billion, an increase of \$340.5 million (or 5.3 percent) from the Budget estimate; and

WHEREAS the provincial government has increased user fees on a number of services—to file a petition for divorce by 13 percent; for driver's licence fees by 15 percent; to register cars, trucks and motorcycles by 20 percent; for private vehicle inspections by 67 percent; and for a dealer permit by 167 percent; and

WHEREAS the Minister for Transportation and Government Services has attempted to justify these increases by arguing that the Government of Manitoba is only trying to be competitive with fee increases in other provinces; and

WHEREAS the provincial government has ensured that Manitoba is competitive in terms of fee increases, but not in tax reduction; and

WHEREAS the Budget surplus indicates that the provincial government has the financial resources to live within its means, yet continues to raise user fees and provide negligible tax relief.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the provincial government to consider living within its budgetary means, rather than increasing user fees and avoiding meaningful tax reduction.

Motion presented.

Mr. Loewen: Mr. Speaker, I want to put a few words on the record regarding the policy of this Government and particularly to this motion. It goes right back to the very first actions that this Government took when coming into office and some of the misinformation that they have presented to the public of Manitoba and in general the whole tone of their approach to managing, or, more clearly, mismanaging, the financial situation of the province of Manitoba.

This is a government that from day one went about searching out ways and means to increase their revenue at the direct expense of the taxpayers of Manitoba. It was clearly not what they promised Manitobans in terms of a new NDP party.

In fact, it was the same old bunch, back to the days in the eighties when they were simply interested in generating as much revenue as possible, whether it was through tax increases or whether it was through user fee increases. What they have attempted to do is go about it in a very secretive way.

One of the very first measures that this Government introduced, when the Minister of Finance (Mr. Selinger) introduced his first Budget, was to a year ahead of schedule delink the tax system from the federal system, a project that had been started by the previous Minister of Finance and which had been scheduled to move ahead a year later.

This Finance Minister, out of panic over the fact that the federal government had made a significant reduction in income taxes, and he, I am sure, was informed by the officials of the

Department of Finance that that would have a fairly significant effect on taxpayers of Manitoba and, in particular, the fact, I think, at the time the rates in Manitoba were 47.5 percent and on their way down, that any reduction in federal income tax would have a corresponding impact on provincial income tax.

So this Government rushed to delink the tax system from the federal government system, and it was proven—and we proved it all across the various income levels of Manitobans—that, in fact, the effect of this Government's rush to delink and the method they chose to set the new personal income tax rates in fact had a negative effect on the people of Manitoba and resulted in everybody across virtually every tax bracket paying more provincial income tax.

So this Government stood up, the Finance Minister stood up in this House and tried to persuade Manitobans that he, in fact, had reduced personal income taxes when, in fact, by delinking and by setting his rates where he set them, he had, in fact, increased the amount of provincial income taxes that people had to pay. *[interjection]*

The Finance Minister and the Member for Assiniboia (Mr. Rondeau) want to indicate that they think this is wrong. Well, I would encourage them to stand up on the record. I would encourage the Minister of Finance to go back through Hansard of the Estimates for that very first year when he refused on numerous occasions to answer direct, point-blank questions on specific cases where individuals' taxes had gone up as a result of his decision to delink. The minister is fully aware of this, and I would encourage him to go back to Hansard because at that time we pointed out specifics on individuals right across a broad range of taxable incomes whose personal provincial income taxes rose as a result of his decision to delink.

One only has to go so far as this Budget to look at the tremendous increase in provincial income tax revenue over the course of, in particular, the first two years of this Government when it was in office, and that, Mr. Speaker, was a direct result of this Government's decision to not only to delink a year early but in this minister's decision as to where to set the rates.

I think, Mr. Speaker, this was a disservice to the people of Manitoba, particularly for this minister at the time to stand up and try and leave the impression with the people of Manitoba that he had reduced taxes. So, in fact, now we have a minister for the last two budgets who has said that he is in a reduction mode where he is continuing to decrease the personal income tax levels in Manitoba.

Mr. Speaker, people in Manitoba would still be better off today, they would have more money in their pockets if this Finance Minister had not delinked and instead had chosen to do nothing. That is a fact and the minister knows that because we have brought this to his attention, and it is unfortunate that as a result Manitoba has moved from roughly the middle of the pack in terms of its provincial income tax rates to having the highest tax rates with the exception virtually of Québec and a couple of minor differences in the Maritime provinces. But this minister knows full well that under his Government, Manitoba has gone off the course of personal income tax reduction and, in fact, has established itself firmly among the leaders in terms of provincial income tax being collected from its citizens.

* (17:10)

The effects of that are long-lasting and are starting to show up everyday in every way. In particular, if the minister would look at his own report from his Department of Finance which was published, I believe, the latest one, I think on June 10, it clearly indicates that in the year ending December 31, 2001, that Manitoba has a net loss in population in spite of increases and in spite of some I believe well-intentioned and good efforts on behalf of some ministers in his Cabinet, some of his colleagues, to increase immigration. Manitoba is now losing more people than are coming in by a substantial number. Mr. Speaker, this has again reversed a trend that the Filmon government had got on the right track where our population was actually increasing. *[interjection]*

Once again, the Member for Assiniboia wants to dispute the facts. Look at the numbers and you will see they portray clearly that we are now losing more people than we are gaining, and

Manitoba will suffer a net loss in population not only for last year, but that trend is continuing and growing. That again, Mr. Speaker, speaks a tremendous amount to this Government's, not only its taxation policy but its own lack of economic policy, and, in fact, as admitted by the Minister of Industry and Trade (Ms. Mihychuk), its lack of an economic plan.

They have been in office over two and a half years. She had to stand up just after the Budget and admit that this Government had not yet developed an economic plan. What was her answer? Well, we are going to form yet another committee, and one day we will have an economic plan. She, of course, will not commit to a date. Again, that is unfortunate for not only every individual in this province, but for every business in this province as well, because, without that economic plan, without that economic framework, this Government is obviously directionless.

With regard to the Budget, once again, year in and year out, this Government is spending more than it should. Its spending is far outstripping its revenue to the effect that, in spite of the fact that when this resolution was written and submitted, which was prior to the Budget, at that time the minister's previous budget had forecast an operating surplus.

What we have this year is an operating deficit. That is very clear. Without a retroactive payment of \$150 million for Manitoba Hydro, which, by the way, everybody fully recognizes now, the minister was one of the few people who knew at the time that in order to take that dividend they were forcing Manitoba Hydro to go out and borrow the money. Without that dividend, this Government would have run an operating deficit of well over a hundred million dollars. That is in spite of very, very significant increases in federal transfer payments over the course of the last three years, in spite of significant increases in personal income tax collections over the last three years, and in spite of overall revenue growth of in excess of \$1.1 billion. This Government has managed to spend not only the \$1.1 billion in extra revenue, they have managed to spend more. That, again, Mr. Speaker, is a disservice to the people of Manitoba.

So I would urge this minister, I would urge all members of Cabinet, and I would urge all members of this Government, even those on the back bench, to carry the message forward to this minister that he needs to be more diligent in balancing his Budget. He needs to be more careful, particularly in how he allows his ministers to increase their spending in their departments at excessive rates. In particular I would point to the Minister of Justice (Mr. Mackintosh), the Minister of Housing (Mr. Sale) and the Minister of Health (Mr. Chomiak) to get their spending under control, because without that this province will fall farther and farther behind.

Is it not ironic that just this week, Mr. Speaker, just the other day the Premier (Mr. Doer) had one of his, probably more than one, a number of his spin doctors work on an article for *The Globe and Mail*? He basically was encouraging, I believe, members of the federal New Democratic Party to re-examine their basic principles. The second point, and I am not sure what particular order the Premier had in mind when this article was submitted to him, but the fact that his second point was to stand up for fiscal balance is in direct contradiction to what he and his Finance Minister and the rest of his colleagues are doing in their own day-to-day work in the province of Manitoba.

This Government pays no attention to fiscal balance. This is a government that spends, spends, spends, and then searches under every leaf, around every corner for how they can raise revenue and try and balance off their spending. Again, this is a government that says one thing one week and another thing another week. At the end of December, the Finance Minister was bemoaning how because of an economic turn-down and supposedly the miscalculation by the federal government in terms of their payments to the Province that he was going to be faced with a situation where he was going to have to withdraw \$185 million to balance his Budget. This he released, of course, as he always does, he chose to release it during the middle of holiday season, I think this year it was December 27 when most Manitobans were on holidays. I cannot speak for what he was doing. He obviously was not in the House paying attention to business, as was none of his colleagues.

But, in any event, Mr. Speaker, the last week in December, he tells the people of Manitoba that he is going to have to take \$185 million out of the rainy day fund, which is significantly more than he had projected in his Budget a mere seven months before.

Then, unbelievably, a week later in early January, we have it under oath from officials at Manitoba Hydro that this minister was asking officials at Manitoba Hydro to run some numbers to see what effect taking—and I do not know what numbers he gave them—you know, \$150 million, \$200 million, whatever he needed out of Manitoba Hydro, which ended up being \$288 million.

A week, a mere week after he told the people of Manitoba that he was going to have to take \$185 million out of the rainy day fund, he goes to his other department, Manitoba Hydro, and tells them to run some numbers. So they run the numbers and what do they find? They find that they have no cash. The minister knows full well that their interim statement, their nine-month statement, December 31, said quite clearly that they had \$14 million in cash. Imagine, he could have checked the bank account and found that out himself, but, no, instead he says, well, it does not matter what you have in cash, we need money. My Minister of Health (Mr. Chomiak) is spending money, my Minister of Justice (Mr. Mackintosh) is running through money like you would not believe. The Minister for Labour (Ms. Barrett) is busy staffing up her department and she needs more money. All of the government departments need more money, and I need to find it.

Now, he knew that under balanced budget legislation he was limited to what he could do. He could not raise income taxes without a referendum, and he was not going to do that. He did not have another trick up his sleeve like he did with delinking. So he had no more option to raise income taxes in Manitoba.

So, Mr. Speaker,

Mr. Speaker: Order. The honourable member's time has expired.

Hon. Greg Selinger (Minister of Finance): Several assertions have been made by the Member for Fort Garry. We will try to put some of those in perspective as we go along.

An Honourable Member: Fort Whyte.

Mr. Selinger: Fort Garry, Fort Whyte. He started out wanting to run in the Fort Garry constituency and wound up running in the Fort Whyte constituency. But I take the member from Fort Garry's point. There was a switch in seat at the last minute.

The member from Fort Whyte—

Mr. Speaker: Order.

Point of Order

Mr. Loewen: Well, just to correct the minister, he indicated that the member from Fort Garry had put some comments on the record. I just remind him that I represent the constituency of Fort Whyte, where I first announced my intention to run and which I represent today. So I just ask you to ask the minister to reflect that in his comment.

Mr. Speaker: On the point of order, it is not a point of order. It is just clarification.

* * *

* (17:20)

Mr. Selinger: Yes, the member from Fort Whyte once again has abused the rules of the House making a point of order which was not a point of order, nothing surprising, given the many other inaccurate statements he has made in the last 15 minutes.

The member from Fort Whyte has indicated the Province has instigated only token tax relief. Well, if you compare the tax relief that the government in power has offered in its first three budgets compared to what was done in the last 12 years, you will find a substantial improvement in tax relief during the last three budgets as compared to the budgets from 1989 up until the last provincial election.

To start with, whereas the previous government cut the property tax credit \$75, this Government has increased property tax credits by \$150. The contrast there is stark and dramatic and definitely has improved property taxes for people paying education on their property tax. This Government has offered people real relief. The previous government increased the property tax burden by over 7 percent when they cut the property tax credit during their term in office.

In addition, we have, for the first time, reduced the education support levy by 10 percent in this Budget. This is something the previous government had the opportunity to do, did nothing as usual: big talk, no results. Typical behaviour from the member opposite. The property tax reductions translate into an average 6% decrease in Winnipeg and 9.4 percent in the province as a whole. The education support levy reduction this year is valued at \$10 million in savings for Manitoba's homeowners. Previous government did nothing like that in all the years they were in office, absolutely nada.

In addition, in our first budget, we did reform the personal income tax in Manitoba. The previous government, Mr. Speaker, had 12 years to make significant personal income tax reform, and nary did they move on that at all, until just before the last election. They complained significantly about the surtax but did nothing about it. They complained significantly about the flat tax but did nothing about it. In our first budget, we eliminated both of those taxes, something the members opposite had 12 years to do but did not move on it.

When we eliminated that flat tax and net tax, we increased the transparency of the tax regime in this province of Manitoba. In addition to that, Mr. Speaker, we introduced a family tax reduction, we reformed that, to have much broader coverage for the family tax reduction, to include middle-income families with the responsibility of raising children. We gave them targeted tax relief, something the members opposite had an opportunity to do and, again, did not act on during their term in office.

As well, we increased the threshold on the middle income tax bracket to \$65,000, significantly increasing the band of income, increased

that the middle income earners could claim at a lower rate of taxation, the middle rate of taxation.

As well, we increased deductions for persons with disabilities. We increased all the non-refundable tax credits in Manitoba by about 39 percent, and we increased the credit for charitable donations by about, I believe it was, in the order of 10 to 12 percent, something not moved on at all by members of the previous government.

We removed 15 000 low-income Manitobans from the tax rolls, and that is not token tax relief. That is significant tax relief, something the members opposite did not do during their term in office.

By the year 2003, the average Manitoban will enjoy a 10.5% decrease in their provincial income taxes, based on our first two budgets. Our reductions for income tax and education property taxes will translate into savings of over \$218 million by the year 2003. This is a record of tax reductions unmatched by the previous government in their entire term of office.

If the member opposite would just take a look at some of his tax stubs, some of the tax returns that he may have filled out for himself, he will notice that the disposable income that he has achieved in our first three budgets is far more significant than anything achieved under the previous government in over 11 budgets that they prepared. As a matter of fact, the Toronto-Dominion Bank has said that Manitoba's disposable income is one of the highest in the country, based on tax relief offered in our last three budgets. That disposable income is something that is not happening in other parts of the country. So people have more money in their pockets, and that is reflected by the tremendously strong consumer confidence that we see among Manitobans, as reported on page 1 of the *Free Press* today.

Now, the member has made a number of specific inaccurate statements in his presentation to the House today. He indicated that the delinking from the federal tax system increased people's taxes, but yet he has never been able to show one Manitoban who had a tax increase on

their pay stub. Tax increases have only gone down. The amount that they have had to pay for taxes has only gone down. I asked the member this in the first budget: Just show me one pay stub in Manitoba where the provincial tax had gone up. He has never been able to produce one pay stub yet where people's taxes have gone up, not one pay stub. Given his vast, vast connections throughout Manitoba, you would think he would be able to do that.

He also indicated that personal income tax in the Budget has gone up, and that is because we have had a growing economy, a growing economy which has produced more wealth in Manitoba. So we have had the ability to reduce income taxes at the same time as the revenues of the Government, until this year have grown. That is something that we can be justly proud of, that the economy has grown in the last three years. Economic optimism is at an all-time high, and consumer confidence is at an all-time high. Even though we have had a slowdown in the economy in the last year and the tragic events of September 11 have had a global impact on economic activity, Manitobans have remained relatively optimistic. They have remained quite buoyant and optimistic about how things are going in their home province.

The Member for Fort Whyte (Mr. Loewen) has also indicated that we are spending more than we should. Our per capita spending is the third lowest in the country, but we have made significant investments in education and health. Before we came to office we had the third lowest participation rate in post-secondary education, particularly in the community college sector. If you are going to have an economic policy for a province, you have to have an education policy. The previous government ignored that. They were not providing opportunities for young people in Manitoba to get a post-secondary education. As a result, we have taken a different approach. We have reduced tuition fees, which for people paying tuition fees and their families is another form of tax relief. It is another form of reduction in the cost of education for Manitobans.

People have told us they would like to see that reduction in the tuition fee up front so that everybody can benefit from it. It is a universal

policy for all those attending post-secondary education. As a result, we have seen more than 11% increase in the participation in the post-secondary education system, something that was not happening under the previous government. As a matter of fact, people were getting discouraged. They were saying: We cannot afford to go to university; we cannot afford to go to post-secondary institutions because the annual increase is greater than the rate of inflation in tuition fees occasioned by the inadequate funding by the members opposite for our post-secondary institutions as well as our public schools in Manitoba. Those inadequate investments in education were the reason that property taxes were going up in Manitoba as well, the reason that property taxes were becoming a big burden because most school divisions were having to increase their special levy to offset the zero increases for many years by the previous government in education funding. The record is clear on this.

Now the member has also indicated that we have to control spending. There is no question we do have to do that. This Budget has a 2.5% increase in spending, the lowest in five years, certainly lower than anything that the previous government had brought in in a budget. Let us remember their pre-election budget was \$330 million over budget at the end of their first quarter as they went into the election window. They were spending in the hopes of being able to buy another electoral victory in the province of Manitoba.

They did not budget for the nurses' increases that they negotiated in a collective agreement. They had not budgeted for medical remuneration increases that they negotiated. They said it was looked after, but when the government changed and we came into office, we found they had not properly budgeted for these increases they negotiated on the eve of an election.

* (17:30)

Now the members opposite make a big deal out of the fact that, due to the extraordinary profits we have achieved through export sales of Manitoba Hydro based on the foresight of previous NDP governments in building the Limestone project, we have decided to take a

special payment or a dividend from Manitoba Hydro this year. I can only remind the members opposite that their approach to financing the Fiscal Stabilization Fund was to sell off the Manitoba Telephone System and to put the proceeds from that, over \$260 million, into this Fiscal Stabilization Fund.

So they took a transfer from the Crown corporations to balance their books, but they did not leave us any Crown corporation. They provided dividends to the private shareholders of that privatized Crown corporation and now 80 percent of those shareholders do not reside in Manitoba. Eighty percent of those shareholders live outside the province of Manitoba, and the profits are flowing to those people, and they are not accruing to the benefit of Manitobans. Our approach was different. We have protected Manitoba Hydro on legislation. There is now a referendum required in terms of privatizing it. I should remind the members that it is just this week that the Conservative government of Ontario balanced its budget with a \$700 million to \$800 million sell-off of Ontario Hydro assets.

The desire to privatize to balance the budget is alive and well in our neighbouring province of Ontario where the Conservative government has followed the lead of the former government of Manitoba in privatizing assets to balance the books. But those decisions are often very short-sighted because they are one-time-only decisions. Once those assets are privatized, they are no longer available to generate benefits for Manitobans. In the case of the Manitoba Telephone System, the telephone rates have gone up about 67 percent, and Manitobans now have the second highest telephone rates in the country, whereas the Manitoba Hydro rates are the lowest in North America.

So, Mr. Speaker, the member opposite has a lot to learn about managing government assets. His approach of privatization, selling things off—

An Honourable Member: That is not my approach.

Mr. Selinger: It is your approach. It is the approach you supported of the previous government. You ran for them based on their record, and their record is one of privatizing provincial

assets, and you supported that. That is why you ran for them.

The other thing that I should put on the record is that our R & D investments in Manitoba, we have made significant investments in research and development, and Manitobans like to see long-term, far-sighted investments. Our research and development investments are the fourth highest in the country. The Member for Fort Whyte (Mr. Loewen) complains about high spending, but does he complain about the investment in the nutraceuticals centre? Does he complain about the investments in research and development in our hospitals? Does he complain about the investments in the Health Sciences Centre, St. Boniface Hospital, which will generate significant economic activity in this province, which will allow high-tech jobs to come to this province? Does he complain about the investments made in agriculture, and do his caucus members agree with him on that?

Mr. Speaker, he complains about a lot of spending, but we have provided significant relief to the farming community in Manitoba with special payments in the first two budgets, payments that allowed Manitoba farmers to diversify and improve their ability to earn an income. We saw a 17% increase in the receipts in the farming community last year based on their ability to diversify.

So, Mr. Speaker, when you take it all together—

Mr. Speaker: Order. The honourable member's time has expired.

Mr. David Faurichou (Portage la Prairie): I have listened with interest to some of the comments made by the Finance Minister (Mr. Selinger) this afternoon. I am amused by some of the references that are being made when you say the particular increase in year-over-year provincial expenditures is only 2.5 percent, but why do we not just talk about actual dollar values instead of percentages, because, as you can appreciate, 2.5 percent of over \$6 billion is a heck of a lot more than 2.5 percent on \$5 billion

expenditures, which was there, just under \$5 billion for administration.

But, Mr. Speaker, I would like to bring to the House two examples of what the current state of affairs on the finance side of this province means to ordinary Manitobans. In Portage la Prairie, we are at the current time looking for more persons to be in the employ of the pharmacies. We are, in fact, looking for four individuals to fill vacancies in the various pharmacies in Portage la Prairie.

Yet one pharmacist whom I spoke with just last week has her house up for sale, and she has every intention of moving to Alberta. She is a single parent and she looks to the future and to providing for the youngster that she is responsible for. She did a clear evaluation as to how best to do that, and she has made that evaluation and has made the decision to move to Alberta, because she can no longer afford, even in her profession, to maintain the standard of living and to provide for her young son what she believes are the needs of that youngster. So she is leaving Manitoba, and she is taking with her her expertise and understanding of a profession which we not only need in Portage la Prairie but we need in this province.

Mr. Speaker, on the other side, we do need individuals who are trained and in support of agriculture, and this year a pharmaceutical and chemical company which is also providing agricultural products, as well, transferred a young man along with his wife to Manitoba, so that they would be able to provide two supports for agriculturists in their decision making as to what pesticides might be the best to use on their farms and in their crop production.

When they arrived, purchased a home here in Manitoba and started to go about their business, they were presented by the Finance Minister's department with a bill for income tax that was due immediately. She received a bill for over \$2,000, and he received a bill for just under \$3,000, almost \$5,000 that these two young professionals were going to have to write a cheque for, to the Finance Department of Manitoba, simply to carry on their profession in this province vis-à-vis what they were carrying on in Alberta, because, as you are aware, Mr. Speaker,

when people transfer into Manitoba, they have to pay the tax of Manitobans. This was a first-hand experience of what it was going to cost them to come to Manitoba.

Both individuals were receiving promotions within their respective companies, and so they thought it was a very good move. However, they could not afford to cut a cheque for almost \$5,000 in order to do that. They were unwilling to do that, and so they asked their respective companies to transfer them back to Alberta.

* (17:40)

Mr. Speaker, we are losing professionals, not only home-grown professionals, but we are also losing the opportunity to attract professionals because we are not competitive. I do not care what members on the government side of the House want to say. They will take the numbers and spin them in the best fashion they know how, but we are talking reality here. The best and the brightest are leaving our province, and that is a fact.

Recent statistics have proven that over the past decade we have lost over 200 000 Manitobans to other jurisdictions, and let there be no misunderstanding about it, within those 200 000 Manitobans, indeed they are the best and the brightest individuals who ultimately we here in Manitoba will need if we are going to have a bright future.

Well, Mr. Speaker, I know that there is very limited time in which to discuss issues on this very, very important matter, but members opposite on the government side of the House speak glowingly of their record. Well, let us really, truly look at that record as recognized by the federal government. This province of ours, Manitoba, is growing increasingly dependent upon the federal government. That means that we are increasingly a have-not province. Is that something to be proud of?

I ask each individual on the government side of the House to look themselves in the mirror and say, hey, look at what we are doing; I am very proud of making Manitoba a have-not province, and I am going to continue to do all I can to make Manitoba more dependent upon the federal government.

Mr. Speaker, that is shameful, shameful. How can they look to their sons and daughters and say that we here as Manitobans want to be dependent upon other provinces to do a better job in their economies so that they can provide to us here in Manitoba our way of life? Good Lord, I cannot understand how anyone can take pride in saying that I am now dependent upon my fellow Canadians to support me here in Manitoba.

Mr. Speaker, let us get right down to the Government's actual expectations of support from the Government of Canada. Last year, they estimated that we were going to receive \$1.3 billion. This year they are expecting to receive from the federal government \$1.48 billion.

Mr. Speaker, we are going backwards. We took great pride as members of the previous administration, when we were inching forward, to be less dependent upon the federal government and our neighbouring provinces to provide our goods and services here in the province of Manitoba. We were up to almost 73 percent, Mr. Speaker, that were home-grown resources for our Government here. Now, where are we at? Where are we at? I ask the Member for Radisson (Ms. Cerilli) who has all the answers: What are we at?

Mr. Speaker, I asked a very logical question, and obviously the Member for Radisson is not comprehending what I am speaking of. She asked about Manitoba Telephone System, which was a Crown corporation, which was sold by the previous administration. What does that have to do with the current state of affairs of the Manitoba government? None, absolutely none whatsoever, yet they keep bringing it back.

If we want to go right back, let us look at the provincial debt and what the New Democratic Party has provided for that debt. We did not even have a debt before the New Democratic Party came to power here in Manitoba. Are they proud of that?

An Honourable Member: '92, '93.

Mr. Faurshou: That is right, '92, '93. The member from Flin Flon brings it forward. If he goes back and evaluates where that deficit came

from, it was the interest rate and the payments made upon the debt that resulted in the deficit. If they are responsible for the debt in the province, then they are ultimately responsible for the deficit for that year.

Ultimately, Mr. Speaker, I think some of the individuals across the way should take a course in business or go out into the business workforce to try and understand what it means to meet a payroll, to go out and be responsible for someone else raising a family, making certain that business survives so you can provide employment so that someone else can make a better life for their family.

I look to the members opposite and ask that question. The looks are ultimately dumbfounding, because it is way over their heads. So let us continue on down the page here, where we want to look for additional transfers of money. They are looking this year, bottom line, as my time runs out here, Mr. Speaker, that this current administration is looking to the federal government to provide \$2.3 billion to the Government of Manitoba, up from \$2.1 billion last year.

Mr. Speaker, this Government is taking us in the wrong direction. People are placing their votes in this confidence of this Government with their feet, and they are leaving this province. There is no way, shape or form, because Statistics Canada provided us with the numbers, and we lost Manitobans to every jurisdiction except Saskatchewan. That is some track record to be standing on and being proud of. So, when we look at where we are going here in the province, we are going in the wrong direction.

Mr. Speaker, when one evaluates the performance of this Government, yes, Manitobans are resilient. They do want to look to a bright and prosperous future. So we want to think optimistically, but I think the optimism that is related in the statistics of a recent survey are looking past the current administration. They are looking to a new administration that will be coming into office in a couple of years, led by the honourable Member for Kirkfield Park (Mr. Murray), the Leader of the Progressive Conservative Party. That administration is going to have to pick up the bits and pieces that have been left over by this current Government. We

are going to have to make Manitobans, once again, proud of their provincial government, which right now I cannot honestly look to anyone that can say they are proud of the performance of the Government at the present time.

I just want to say, on behalf of a parent that has two individuals in university at the present time, the demolition, the dissolving, the dropping of the tax credit meant more to our family than the freezing of the tuitions, Mr. Speaker, because that, to our family, meant a greater loss than the Minister of Finance (Mr. Selinger) likes to extol here, that that was a step in the right direction for providing the resources for advanced education, which, ultimately, we all benefit from in this province. This province is going to rely on its young people. I am very frank here. There was one person, a member of the Government's side of the House who wants to pass this resolution, and I concur with him, that we should pass this resolution here this afternoon, and I would now yield the floor so that we can pass this resolution. Hear, hear. Let us do it.

Hon. MaryAnn Mihychuk (Minister of Industry, Trade and Mines): Mr. Speaker, I stand today to just indicate how sometimes words in this House are presented to provide a certain view. You know, it is like statistical analysis. You can present a certain way, but actually, when the numbers are looked at in an objective way, I think the record speaks for itself. This Government has reduced taxes well beyond what it promised in the election, well beyond what it was expected to do, and in fact, we have seen tax reduction in just about every sector of our economy, from personal income taxes to property taxes, small business taxes. In fact, even the corporate business tax has been reduced, the first time since the Second World War.

* (17:50)

These options were available to the Progressive Conservative government in the nineties, a time that many considered very, very depressing times. On the front page of the *Free Press* today, optimism in that time was about 25 percent. Today, Manitobans celebrate with optimism at 80 percent. Manitobans understand that

they have more in their pockets, greater wealth, home values are going up, people are moving in.

Mr. Speaker, I would like to, for the record, indicate that we are somewhat distressed with the fact that Manitobans are leaving the province, and this year we saw some 3000 people. This is an unfortunate circumstance, and we have to strive harder to provide opportunities for Manitobans. In fact, we want to encourage Manitobans to come back, immigrants to come in, and others to join us in the Manitoba family. But, you know, during the Filmon years, in the dark years, we saw exodus of 10 000 Manitobans leaving in any one particular year. This was three times greater than the situation now.

Yes, we need to do better. Yes, we will do better. Quite frankly, I think there are some statistics that need to be put on the record. That is that we have reduced taxes, income taxes, property taxes, corporate taxes, small business taxes. And property tax credits have gone up with us and down with the Tories. They like to increase taxes; we like to cut taxes. This is the new NDP. It is a time to forget the old ways of thinking and look at the actual statistics and the facts. The facts say Manitobans are optimistic and are confident of the future, like what government is doing, and we are very proud to be leading that record. Thank you, Mr. Speaker.

Mr. Conrad Santos (Wellington): Mr. Speaker, tax cuts are for those people who do not want to work. According to Gandhi, one of the basic social themes is wealth without work, because their interest, they amass wealth by not exerting their effort, their energy, by investing in stocks and bonds and owning wealth, which produces other wealth. They do not want to be taxed for that kind of wealth. The Member for Portage la Prairie (Mr. Faurchou) said it. You cannot take it with you.

It is written: *N'amassez-vous pas les trésors de la terre. [Do not accumulate earthly treasures.]* But you have to acquire wealth that lasts forever.

The basic power of any government is the power to tax, but that has been pre-empted now by some financial group of men who want to recreate government according to the corporate

model of the bottom line. In other words, they cannot act, they cannot do any program without having money. But money is a curious thing. Although the whole of the universe revolves around money, this is just a physical thing. Unless those who exert that influence had some kind of public social purpose, then the love of money derives from earthly powers.

The question is if we want to solve the social economic problems of society, do we have really to rely on a limited bottom line? If we do, then we can justify cuts in government services. We can justify laying off civil service employees. We can justify anything, because it is the corporate model. We do not want to do that. How do we then judge the functioning of our Government? What criteria shall we use in solving social and economic problems? Mr. Speaker, according to one retired United Church pastor, we have to consider social needs as distinguished from social wants. The needs of people have a higher priority than the ones of a few powerful groups in society.

Mr. Speaker, we in the provincial government have considered the social needs of those people by reintroducing community revitalization programs, building communities, Neighbourhood Alive! program. We have introduced such programs in order to revitalize the social needs of the people in the community.

Another criterion is do we have the skilled people to do all these things, these social services. Therefore, we are pouring money into education, into training, into learning a skill of people so that they will be able to manage those resources to meet all social needs. For example, we have borrowed government money, \$6.2 million, in order to have skilled workers in this province.

In the choices of alternative ways of doing things, it does not mean that private virtue is always a public virtue. If you ask an economist, a private virtue may be a public vice. How is that? Take the example of thrift. Thrift is a very good virtue in the private sector. If everybody is thrifty in the social sector, in the social economy, there will be no transactions. The economy will collapse. So people have to be spending money when we talk about the social

perspective, but thrifty is a virtue in the private individual but a vice to society.

We cannot say that it is the power of government to take our money through taxation unless in the past, if you analyze it carefully, in the BNA Act, the power of our money supply is given to the federal government, but the federal government, because it is motivated by the love of money of some people in control, in 1917 they passed the Bank Act and gave the power to create money supply to the chartered banks.

Chartered banks are private corporations, not a public entity. They are only accountable to themselves. So the provincial government and the federal government have to borrow money from the chartered banks and have to pay interest, and this is the root cause of all these deficits and all these debts and national debts and all this justification why Revenue Canada can go after people's income that they work for their living. The government borrows from the chartered banks under the Bank Act.

Why is that, you ask yourself? You cannot live within your means unless you are an individual, but a private virtue of an individual is a public vice because, if the government lives within its means, it has to cut civil service. It has to cut programs. It has to cut emergency, basic needs of people, like hospitals. It has to close hospitals. These are public things. These are public goods, not private needs.

If I am an ordinary individual, it is a virtue for me to live within my means. But the government is a government that is there to render services to the entire community. That is why it is given the basic, inherent sovereign power to raise money.

That is a corporate practice that is imported into the government in order to recreate government according to corporate structure, which is wrong, because it leads to all kinds of problems in governing a people, because, by the bottom line, you can justify anything in government. You will cut services. You will cut civil servants. You will cut the livelihoods of people who work for government. That is wrong morally, politically, philosophically.

Mr. Speaker: Order. When this matter is again before this House, the honourable member will have seven minutes remaining.

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, June 19, 2002

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