



Fourth Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

Member	Constituency	Political Affiliation
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BARRETT, Becky	Wellington	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
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GAUDRY, Neil	St. Boniface	Lib.
GILLESHAMMER, Harold, Hon.	Minnedosa	P.C.
HELWER, Edward	Gimli	P.C.
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LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar	The Pas	N.D.P.
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MACKINTOSH, Gord	St. Johns	N.D.P.
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Vacant	Charleswood	

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, March 23, 1998

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Winnipeg Hospitals Food Services—Privatization

Mr. Gerard Jennissen (Flin Flon): Madam Speaker, I beg to present the petition of Chris Erbus, Fred Marasigan, Naps Lampsen and others praying that the Legislative Assembly of Manitoba urge the Minister of Health (Mr. Praznik) to put an end to the centralization and privatization of Winnipeg hospital food services.

Mr. Conrad Santos (Broadway): Madam Speaker, I beg to present the petition of Randy David, Don Sellines, Dave Casey and others praying that the Legislative Assembly of Manitoba urge the Minister of Health to put an end to the centralization and privatization of Winnipeg hospital food services.

READING AND RECEIVING PETITIONS

Winnipeg Hospitals Food Service—Privatization

Madam Speaker: I have reviewed the petition of the honourable member for St. Johns (Mr. Mackintosh). It complies with the rules and practices of the House. Is it the will of the House to have the petition read?

An Honourable Member: Dispense.

Madam Speaker: Dispense.

THAT the Urban Shared Services Corporation (USSC) has announced plans to privatize laundry, food services and purchasing for the Winnipeg hospitals; and

THAT it is estimated that more than 1,000 health care jobs will be lost over the next year as a result, with many more privatized in the next two or three years; and

THAT under the terms of the contract, Ontario businesses will profit at the expense of Manitoba's health care system; and

THAT after construction of a food assembly warehouse in Winnipeg, chilled, prepared food will be shipped in from Ontario, then assembled and heated before being shipped to the hospitals; and

THAT people who are in the hospital require nutritious and appetizing food; and

THAT the announced savings as a result of the contract have been disputed, and one study by Wintemute Randle Kilimnik indicated that, "A considerable number of studies have compared costs of service delivery in health care between self-operation (public sector) and privatization. Invariably, privatization is more expensive."; and

THAT no one in Manitoba seems to benefit from this contract, especially patients.

WHEREFORE YOUR PETITIONERS HUMBLYPRAY that the Legislative Assembly of Manitoba urge the Minister of Health to put an end to the centralization and privatization of Winnipeg hospital food services.

Madam Speaker: I have reviewed the petition of the honourable member for Point Douglas (Mr. Hickes). It complies with the rules and practices of the House. Is it the will of the House to have the petition read?

An Honourable Member: Dispense.

Madam Speaker: Dispense.

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WHEREFORE YOUR PETITIONERS HUMBL Y PRAY that the Legislative Assembly of Manitoba urge the Minister of Health to put an end to the centralization and privatization of Winnipeg hospital food services.

* (1335)

ORAL QUESTION PERIOD

Home Care Program Privatization—Cost Benefit

Mr. Gary Doer (Leader of the Opposition): In town hall meetings last year and on April 7 last year in this Chamber, the Premier (Mr. Filmon) indicated that the government of Manitoba would save \$10 million with the ideological proposal to privatize home care in the province of Manitoba. Subsequent to that, the Minister of Health last December stated that there is no significant saving in the privatization of home care and that they in fact are looking at their contract with Olsten in terms of future activity.

I would like to ask the Premier: who was right, the Minister of Health last December or the Premier all last year when he created all this crisis for patients, for

disabled people, for workers, for all kinds of other Manitobans? Was he just telling us the truth at that point, or is the Minister of Health telling us the present play on privatization of home care?

Hon. Darren Praznik (Minister of Health): Madam Speaker, I feel somewhat déjà vu in this question because this question was actually discussed, not just last winter in this House but it was discussed actually, if I remember correctly, in spring when I had questions, I believe, from the member's colleague who sits next to him regarding home care at the time that the contract, the one-year trial contract was awarded to Olsten.

What we are trying to do, Madam Speaker, is to find ways of better delivering health care in a sustainable fashion. At the time the planning went on in home care—remember it was based on the best information available. Our own home care system did not have at that time, and we were in the process of building, a very good record-keeping system. At that time we attempted to see if improvements could result from a tendering process. In that tendering process we had five bidders who met the quality test. Only one produced a bid that was lower than what we could deliver the service for ourselves, and so we continued with that test. Our comments have been made according to that result.

Mr. Doer: I did not discern an answer to the question, particularly in dealing with the contract that comes due on April 1, 1998. We did not get any specific position from the minister. He just continues to contradict the information the Premier (Mr. Filmon) gave the people of the province and the public of Manitoba in terms of his alleged savings of \$10 million.

Health Care System Bed Availability

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, on February 19, the Minister of Health challenged the opposition and anybody else to, quote, find beds, so he could reopen the beds across Manitoba. Obviously the Premier had not informed him that the Premier himself had closed down 800 beds alone in the city of Winnipeg.

Madam Speaker, over the weekend, the Minister of Health is now saying that he plans to find some beds

next fall that he can reopen to deal with the crisis in health care. I would like to ask the Premier again: did the Premier close too many beds in Manitoba when he introduced all the cuts through two previous Ministers of Health? Did he close too many beds, as we had warned, without any long-term plan for replacing those programs? Will the Premier apologize to the people of this province for all the strain and crisis they put on families here in Manitoba for making those decisions?

Hon. Darren Praznik (Minister of Health): Madam Speaker, if we as a provincial government had not acted responsibly with the finances of this province, if we had continued to borrow money and increased the public debt as members opposite encourage us to do on a daily basis, when this province, like other jurisdictions that have gone through that, hit the wall and are no longer able to borrow money, that is a crisis. That is when services that the public need are not delivered.

With respect to beds, members opposite—even sitting in this House prior to being Minister of Health, I remember the debates being held on health care reform, and I do not recall members of the opposition saying that there was not a need to do a movement from acute care to home care in other facilities. Everybody agreed on that principle. Getting the exact number of acute care beds is not a science. Sometimes it is difficult. We have managed the system to the maximum capacity. We have had to because of reductions in support from Ottawa. Now, as we enter somewhat little bit better times—we have a little bit more maneuvering room; we wish we had that money back from Ottawa—we are able to look at ways of increasing our capacity and getting exactly what that right number is, but it is not an additional 800 acute care beds as the Leader of the Opposition would imply.

*(1340)

Staffing

Mr. Gary Doer (Leader of the Opposition): The government will know that the government was closing down these beds and firing the health care staff at a time they were building up the so-called rainy day fund or the Fiscal Stabilization Fund—up to \$600 million when they were firing people and closing these beds down. That is why the public very definitely

understands the lack of any caring on that side of the House in dealing with health care.

I would like to ask the Premier (Mr. Filmon): what has been the impact of the closed beds, his broken capital promise for personal care homes and the firing of some 1,500 staff? What has been the impact on health care in terms of our long-term ability and capacity to hire needed medical staff and nursing staff for beds for Manitoba patients when they need them?

Hon. Darren Praznik (Minister of Health): Madam Speaker, I am very glad that the Leader of the Opposition today has recognized how important it is, at least I garner from his comments—the importance to get the right staffing levels and be able to move staff. As we see more personal care homes—and this government has continued to build personal care home beds throughout our mandate. We have added I do not know how many hundreds of personal care home beds across the system, and despite a pause period, we are committed to adding over 500 additional new beds to the system. As we work forward, I have to really underline the point, and I look to the Leader of the Opposition for his support.

Some time in the next year and a half when the Misericordia changes its function, we will have between 250 and 300 acute care nurses that we will need throughout the rest of the Winnipeg hospital system. We would like to be able to move them to jobs that will be there without changing their seniority or their benefits and their pay. We would hope that the Leader of the Opposition and the New Democratic Party will join with us in securing the necessary ability for the Winnipeg Hospital Authority to do that.

Personal Care Homes Bed Availability

Mr. Dave Chomiak (Kildonan): Madam Speaker, Manitobans should not be surprised that they do not place any credibility in the comments of this government or this minister with promises of new beds, when in fact you look at the government's own report from 1990. They talk about personal care home beds, and I am reading from the government's own report—and they have a copy of it—where they recommended, by 1996 in Winnipeg alone, they should

build 1,440 personal care home beds based on demographics, and they promised it in 1995 before the provincial election. They broke that promise, and that is the reason we have a crisis today, and why should we have any credibility in this minister's promising more beds now?

Hon. Darren Praznik (Minister of Health): Madam Speaker, this administration has been committed to responsibly dealing with the finances of our province. We have continued to build personal care homes. We have added significantly to our personal care home bed numbers across this province.

There was a period where we did have to put a pause on capital construction, but let us remember, regrettably, we do not work in a vacuum. The fact of the matter is, like all provinces in Canada, we had to deal with a significant reduction of funding from the national government, some \$240 million annually. We also had an obligation to the same citizens of Manitoba to ensure that their province's finances were on a proper footing and balance. Otherwise, if we did what the New Democrats have done in government, which is continue to borrow, then medicare would not be sustainable, and I cannot think of anything worse that could befall our province than not to be able to afford our health care services.

Mr. Chomiak: Madam Speaker, I turn to the Premier (Mr. Filmon). How does the Premier explain his own blue ribbon task force report calling for 1,440 personal care home beds to be constructed in Winnipeg by 1996, then promising it in 1995, then going back on that promise, and then listening to his own Minister of Health, who said: well, we do not have room for beds; then, we have room for beds; maybe we are going to put in beds; the Premier said 18 months. How can Manitobans have any stake in believing the words of this minister or this Premier with respect to beds in the province of Manitoba?

Mr. Praznik: Madam Speaker, the beds are committed, the dollars have been identified, and within the Ministry of Health we are gearing up our Capital Branch to be able to advance those projects as quickly as is humanly possible, and it will not be too long before the people of this province will see those beds under construction.

Mr. Chomiak: Madam Speaker, my final supplementary. How does the minister expect us to believe that, when we know today, for example, there are 10 beds at Riverview Health Centre waiting empty since May 1997? The unit is furnished and ready, and Manitoba Health has not authorized funding for staffing, and therefore those beds in a personal care home remain empty. How does the minister expect us to believe that more beds are going to be opened?

Mr. Praznik: Madam Speaker, I have learned never to take at face value the information that members opposite bring in this Question Period. There may be some other issues there to date to get beds into operation.

But I do know this, when it was identified—[interjection] Well, the member for Concordia (Mr. Doer) raises the Odd Fellows as if it was some magic solution. The Odd Fellows was a Level 1 and 2 care unit. It was not capable of managing people with Levels 3 and 4. We, in fact—[interjection] Well, of course. The home had people with Levels 1 and 2. That is what it was geared for. That is what it could accommodate. That is the kind of care it could provide. As those people aged and required Levels 3 and 4 care, they had to be put in Levels 3 and 4 beds. Levels 1 and 2 often can be looked after with home care.

So the member keeps raising Odd Fellows. Odd Fellows is a perfect example of the kinds of changes that have taken place. It would not have been any kind of panacea that the members opposite make it out to be.

* (1345)

Health Care System Emergency Services—Rural Manitoba

Ms. Rosann Wowchuk (Swan River): Madam Speaker, health care services and emergency services continue to be uncertain in rural Manitoba because of lack of planning on the part of this government. Although there was an agreement from July 1 to deal with emergency services in rural Manitoba, that agreement expires on March 31, and there is no plan.

Can the Minister of Health tell the people of rural Manitoba how he is going to deal with this, and will we be guaranteed emergency services in hospitals in rural Manitoba after March 31?

Hon. Darren Praznik (Minister of Health): Madam Speaker, I cannot resist the comment. When the member talks about no plan, what in fact we found in rural emergency services was exactly that. When health care was delivered by independent, individual hospital boards, we had a hodgepodge of different methods of paying physicians. That is in fact what sparked the withdrawal of services, and it was exactly the same type of governance system that members opposite continue to promote and defend in this House.

The plan with the rural emergency was to commence the review and assessment because it was an experiment; it was a new model. That will take place, and we will review it. We will keep it in place until we negotiate a change to it, which we cannot do until we have had the joint review with the Manitoba Medical Association.

Ms. Wowchuk: Madam Speaker, is the minister then telling us, and is he prepared to tell the people from Winnipegosis, who have signed hundreds of names to a petition, that emergency services that are in place right now will not be discontinued as of March 31?

Mr. Praznik: Madam Speaker, yes, she can certainly convey that to her constituents rather than any of the other kinds of statements that are not true and often come from this Assembly. I will say this: that it is our intention over the next number of months to assess the effectiveness of that program and to look at what changes we may need in that particular agreement to better deliver service.

I know one of the comments that is continually made to me, by both doctors whom I have met with and by regional health authorities, is the need to expand the number of graduations in the pay schedule. So that is something we are going to be looking at. It will not just end and not be replaced with anything.

Ms. Wowchuk: Madam Speaker, can the Minister of Health then tell this House why he has not communicated to rural hospitals and told them that the plan is going to continue, instead of leaving them in limbo and uncertain and having people sign petitions because they do not know where this government is going, and they do not believe that this government has any plan as far as emergency services for rural Manitoba?

Mr. Praznik: Madam Speaker, the regional health authorities, who are party to those discussions and negotiations, are aware that the Manitoba Medical Association appreciates that there is a process of reviewing that particular agreement. I would suspect that this has to do more with individuals generating this type of petition activity than it does with reality.

Department of Housing Budget

Ms. Marianne Cerilli (Radisson): Madam Speaker, the Department of Housing took the greatest cut in this government's budget this year despite huge needs in the government's own housing stock as well as needs in the homes of the majority of Manitobans. They reduced the budget by 2.5 percent compared to last year's estimate and 34 percent compared to the actual spending of two years ago in the department.

I want to ask the Minister of Housing: why is he ignoring the role of housing in terms of health, community development and revitalization, and can he give us some explanation of why these huge reductions in his department?

Hon. Jack Reimer (Minister of Housing): I look forward to getting into Estimates discussions with the member for Radisson because there are a lot of various components and various factors in regard to the budget and the ramification as to where the funding goes; some areas are up, some areas are down. There is also the fact that has been pointed out from time to time, the fact that there are fundings that are not needed anymore because programs are not being subscribed. So that does not mean that there is necessarily a reduction in the funding. A lot of the time it means that some of the programs are not being picked up by the various components in the community.

* (1350)

Home Renovation Programs Funding

Ms. Marianne Cerilli (Radisson): Can the minister explain why, after extolling the benefits in news releases of their pre-election home renovation programs that there was \$74 million of construction activity, they

no longer have any home renovation programs in their department, and can he explain why they are ignoring this important service for the majority of Manitoba homes?

Hon. Jack Reimer (Minister of Housing): The member is correct. The home renovation program proved to be very successful in its application when it was in the community. It is something that the federal government has also come forth with other programs for funding in help programs. We have various programs still available through the Housing department for renovations and for people that have assistance. It is a matter of asking and subscribing to these positions, and we will still have funding for that type of application.

Ms. Cerilli: Does the minister know of the need for home renovation programs in the province of Manitoba, with waiting lists for the federal RAP program of over 465 applications over a two-year waiting list? Why has this minister not, since 1990, matched the federal dollars for the RAP program, and why has he not invested at all in home renovation programs since then?

Mr. Reimer: One thing that I have noticed in the short time that I have been Minister of Housing and in other components, when you get into an arrangement with the federal government, a lot of times on these matching funding programs, they are into it for awhile and then they are gone. And then it means that we have to try to pick up the thing, and a lot of the times we have to be the ones that have to carry them after the federal government has gone into it and started it.

These are programs that, naturally, we are always interested in trying to work with our partners in the federal government and on the municipal level and try to come to some sort of adjustments and agreements regarding housing. We will continue to look at these types of programs to see whether there is a way that we can complement them, catalyst with them, or maybe make them even better.

Seven Oaks General Hospital Service Potential

Mr. Gary Kowalski (The Maples): My question is for the Minister of Health. I have heard the minister

say that he is working as quickly as he can to alleviate the shortage of long-term beds to alleviate the shortage of acute care beds. But he is not an architect, he is not an engineer, he is not a carpenter and he cannot produce them overnight.

In the north end of Winnipeg we have an edifice that, I believe former Health ministers Bud Sherman and Larry Desjardins had something to do with being there. In that hospital, the Seven Oaks Hospital, there is floor space, there are wards not being used, there are beds that are not being used. When will this minister use the full potential of Seven Oaks Hospital so that we do not have waiting lines in emergency rooms?

Hon. Darren Praznik (Minister of Health): I would like to thank the member for The Maples for that question. I know we have had discussions about the future of Seven Oaks over the last number of months, and I know he brings a concern of a great number of people who use that facility in that part of the city and in neighbouring ridings—represented by the member for Gimli (Mr. Helwer), for example.

The Winnipeg Hospital Authority, as it endeavours to do its planning, wants to ensure that our facilities are used at their maximum, and with a change in function at the Misericordia Hospital, this now provides us the ability to look at those functions. The exact detail is being developed now and should be reported to the WHA board I believe sometime in May, and I would certainly hope and invite the member to see that information as it is developed.

Mr. Kowalski: My question for the minister is: what can I do as the MLA for The Maples, in which that hospital stands, to make sure, to encourage them to do it as quickly as possible, activate and make use of the full potential of Seven Oaks Hospital?

An Honourable Member: Vote for the NDP.

Mr. Praznik: Madam Speaker, some members opposite talked about support for the New Democrats. Well, if they did that, if the member did that, we would be going backwards because they have not supported the kind of amalgamation of employing authority that is going to be needed to move staff. They would prefer to lay off 250 nurses at a hospital rather than move

them. I can tell the member this, that I would invite him to meet with officials from the Winnipeg Hospital Authority—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

Mr. Praznik: Thank you. I would invite and encourage him, as that work is being completed, to be briefed on it and to work within the community with that information.

* (1355)

Mr. Kowalski: I ask the minister's personal guarantee that he will do everything possible to make sure that Seven Oaks Hospital is used to its full potential.

Mr. Praznik: Madam Speaker, one of the dilemmas that has been facing Health ministers of all political stripes in Manitoba over the last number of decades has been the number of acute care facilities that we have had in this city, and that as our need for acute care services has declined and our need for long-term care and home care has increased, it is very difficult to run the system when you spread those services around seven facilities. With the Misericordia Hospital accepting a new role in long-term care, that means that we will be better able to focus on the remaining six hospitals. Quite frankly, it was the need to address the Misericordia issue, which has now been addressed and planning is underway, that allows us to get best use out of Seven Oaks, Concordia, Grace, Victoria, Health Sciences Centre and St. Boniface.

Futch Family Settlement

Mr. Gord Mackintosh (St. Johns): Madam Speaker, to the Minister of Justice. On Thursday the minister had the callousness to say he actually welcomed the Futch family having to sue this government, a lawsuit he prompted by refusing to even attempt a settlement so there could be some justice for these victims of the Headingley riot. Now we understand there is a newspaper report saying they only were seeking \$80,000.

My question to the minister is: what aspect is he welcoming the most, victimizing the family once more, this time in the civil courts, the unequal resources between this family and the government of Manitoba or this government's message to victims that if you want justice from this government, make me?

Hon. Vic Toews (Minister of Justice and Attorney General): Madam Speaker, I have indicated on prior occasions that our sympathy lies with the family. We are always concerned about improving our system. I am committed to the task of improving our system wherever there is a problem, and yes, I have a great deal of confidence in the legal system and in the courts to ensure that all the appropriate facts are brought out in this matter. So I know that the family is well represented by very able counsel, and I believe that the full discussion of this matter in the courts will lead to a full and appropriate disclosure of all the relevant facts. Unfortunately, given the member for St. Johns' misrepresentation from time to time, the true facts do not get out.

Mr. Mackintosh: Could the minister possibly explain why, we understand, it is willing to sit down and attempt settlement with inmates injured by the Headingley riot but not members of the public like the Futch family who suffered an irrevocable harm?

Mr. Toews: Madam Speaker, the obligation I believe of the Attorney General is to ensure that the government of Manitoba receives appropriate legal advice in respect of any issue from whomever it comes. You know, that has been our position with respect to the Futch family. We have sat down with them as a department to look at the basis of their claim.

One of the things that we would not do, which the member for St. Johns seems to encourage, is to make some kind of a secret deal. I will not make a secret deal in respect of that kind of a matter, because if we do make a secret deal, that would be the first member to stand up and accuse us of doing secret deals. I am not here to make secret deals; I would prefer to see all the facts in all these matters come out.

Mr. Mackintosh: I am wondering and Manitobans are wondering if this is the minister of legal intricacies or is this the Minister of Justice.

Mr. Toews: Well, Madam Speaker, I will ultimately have to stand on my record. But I know what the record of the member for St. Johns is. For the first time in history, a public sector union had to stand up and give a press release to tell the people of Manitoba that he is continually misrepresenting their stand in criminal justice cases, and that is wrong.

Multilateral Agreement on Investment Government Position

Mr. Tim Sale (Crescentwood): Madam Speaker, to the Minister of Industry, Trade and Tourism. It is our understanding that a number of governments in Canada have written expressing very, very serious concerns about the Multilateral Agreement on Investment and the current state of the negotiations on a draft which is now some 11 months old.

I wonder if the minister could tell the House whether Manitoba has written expressing any concerns, and if it has done so, would he table the letter that he has written so that all Manitobans might know the position of this government in regard to the current negotiations.

Hon. James Downey (Minister of Industry, Trade and Tourism): No, Madam Speaker, I have not written to the federal minister, but I met with him and told him directly on February 19.

* (1400)

Hog Industry Municipal By-laws

Ms. Rosann Wowchuk (Swan River): Madam Speaker, there have been many incidents where hog barns have been built, proposed, but do not meet the approval of the residents of the area. From time to time when we have asked questions of the situation from this government, they have told us that it is the municipalities that are to decide how they should be built. In many cases they have drafted by-laws and regulations of development of the hog industry, but it appears that the government does not approve of these by-laws and is asking municipalities to change them.

I would like to ask the Minister of Rural Development why this government is sending memos

to the secretary-treasurer of St. Andrews saying that they are not happy with the by-laws that they have passed and are asking them to change them.

Hon. Leonard Derkach (Minister of Rural Development): Madam Speaker, I am not familiar with this specific incident, but I will take it under notice and I will get back to the member with the information.

Ms. Wowchuk: Is it the government's policy to register opinions on the by-laws that municipalities pass and ask them to make changes when they are not satisfied with them or do not meet what the government expects out of them?

Mr. Derkach: Once again, Madam Speaker, in this particular instance, I am not familiar with the particular letter or the individual who sent the letter or the municipality. I have not had a complaint from the municipality in that regard, but I would be happy to look into the situation and report back to the member.

Ms. Wowchuk: I am asking the Minister of Rural Development to tell us what his government policy is. Is it the policy of government to ask municipalities to change their by-laws if they do not meet with what the government expects them to be, or does the municipality have the ability to make decisions as to how development will take place in their municipality? Who has the power, the municipality or the minister?

Mr. Derkach: Madam Speaker, in a general sense, in many of our municipalities we have what we call planning districts, and the planning districts do adopt certain principles and development plans for that planning district. In other municipalities where planning districts do not exist, we operate under the provincial policies, and these indeed are communicated with the municipalities and work hand in hand with municipalities in that respect.

Madam Speaker, once again, I would be happy to know the specifics of this case and look into it for the member.

Ms. Wowchuk: Madam Speaker, the Minister of Rural Development says that they work along with people, but we have been told that municipalities have the decision to pass by-laws and do their own planning.

Why is it that the government is now sending memos to municipalities that have passed by-laws and saying that they are not satisfied with them and they want them changed? Is there something that you are really upset with, or do you not want municipalities to have any responsibility? Are you trying to take control of everything?

Mr. Derkach: The member for Swan River said that she would table the memo, and I would certainly appreciate it if she would share that memo with us because then I could reply to the specific situation that she refers to. So I will await her tabling the memo.

Futch Family Settlement

Mr. Gord Mackintosh (St. Johns): To the Minister of Justice. Last Thursday the Futch family had to announce that it was suing this government because, after proposing a settlement with the government, this Minister of Justice said that they were not interested in any settlement discussions with this family.

I ask the Minister of Justice: rather than attempt to divert attention from this issue by silly attacks on some member, as Mike Harris did this month, as Ralph Klein did this month, would this government now reverse its position and engage in settlement discussions with the Futch family?

Hon. Vic Toews (Minister of Justice and Attorney General): Madam Speaker, members, senior officials of my department were involved in discussions with counsel for the Futch family over a long period of time. Unfortunately, because of certain conditions that were a condition precedent to the settlement of this case, those discussions could not proceed any further.

It was my opinion, when the matter was brought to my attention, that it would be in the best interests of all Manitobans to know exactly the facts. Therefore, this matter is, barring any settlement, proceeding to the courts where all facts will be known in front of a Queen's Bench judge. I am confident that the Futch family will have their counsel represent their interests and Crown counsel will represent the interests of the people of Manitoba generally.

Mr. Mackintosh: By his answer, is this Justice minister now telling Manitobans that they do not settle any case brought against the government, or are they just picking on victims, Madam Speaker, victims of crime in this province who are already victimized? They are just going to victimize them once further.

Mr. Toews: Madam Speaker, I know that the government of Manitoba settles many cases, and those settlements are always made public. That is a condition precedent. Wherever I believe the figure is over \$5,000, these matters need to go to an Order-in-Council, and the matter is public. We believe that this is an issue that needs to be clarified, that all the facts need to be brought out, and that this is the appropriate way to proceed.

I want to say, once again, that this is a very difficult situation for the Futch family. We understand that. My sympathies and my government's sympathies go out to the Futch family.

Multilateral Agreement on Investment Government Position

Mr. Tim Sale (Crescentwood): Madam Speaker, can the Minister of Industry, Trade and Tourism indicate what explicitly and specifically is his government's policy in regard to the Multilateral Agreement on Investment, particularly in the area of resource management, performance requirements and social services, which currently are under threat as this treaty is currently drafted? Specifically, what advice has this government given?

Hon. James Downey (Minister of Industry, Trade and Tourism): Madam Speaker, first of all, one should make it clear that it falls within the federal government jurisdiction, the negotiations as they relate to MAI. I do not accept the preamble as to what impact it will have. We have stated our policy and our position to the federal government, and I will—I would expect that to be the next question—in fact, state that our position clearly states that as long as it is within the NAFTA agreement as it relates to investment, that is basically our position as it relates to the MAI.

Again, the federal government—I am sorry to take a little bit longer—have told us at our meeting that they are

not going to be signing the MAI in April, as was initially anticipated. In fact, they do not know when it will in fact be accepted. The Americans have backed off, the Canadians have backed off, so it is very much in limbo at this particular time.

* (1410)

Intent

Mr. Tim Sale (Crescentwood): Madam Speaker, will the minister confirm that the intent of the MAI, as currently negotiated, is still to bind all provinces in areas in which the provinces are sovereign without the provinces' consent in law?

Hon. James Downey (Minister of Industry, Trade and Tourism): No, Madam Speaker, I am not accepting that as in fact what has taken place. I have told him the federal government have in fact backed off signing of the agreement at this particular time. So it is all hypothetical that he is making reference to it at this particular time.

Firearms Controls Safety Courses—Fee Increase

Mr. George Hickes (Point Douglas): Madam Speaker, my question is to the Minister of Natural Resources.

Why is this government penalizing and hurting a lot of the rural and northern communities and northern and rural members by increasing from \$10 to \$27.50 for mandatory safety and firearm training when the government and this minister know full well that a lot of the individuals in a lot of the remote and northern communities depend solely on hunting and fishing to feed their families, and sometimes there are four to five hunters in each family trying to feed their families on a year-round basis? This is a total tax grab of \$10 to \$27.50. How can this government do that to people?

Hon. Glen Cummings (Minister of Natural Resources): Well, Madam Speaker, certainly the premise upon which the member asks his question is one that I reject totally. First of all, this is once in a lifetime normally that someone would take these training programs. Secondly, we have moved it out of

government. The Manitoba Wildlife Federation will be taking over the administration.

One of the biggest issues, which I am sure the member is aware of, and I believe sympathizes with, is that we need to make sure that we do have qualified people available closer to the population which needs this, and that will be part of the results of this program.

Madam Speaker: Time for Oral Questions has expired.

Speaker's Rulings

Madam Speaker: I have two rulings for the House.

During Question Period on December 11, 1997, I took under advisement, in order to review Hansard, two points of order.

The first one concerned an answer given by the honourable Minister of Justice (Mr. Toews) to a question asked by the honourable member for Rupertsland (Mr. Robinson). The point of order raised by the House leader for the official opposition alleged that the minister was not responding to the matter raised and was provoking debate.

There was indeed a point of order. The Minister of Justice should have, in responding to the question, complied with the requirements of Beauchesne Citation 417; that is, he should have responded to the matter raised and should not have provoked debate.

The second point of order was related to the first one. It also was raised by the official opposition House leader and alleged that comments made by the honourable Minister of Justice in speaking to the initial point of order were not relevant to the point of order.

There was a point of order. The honourable minister should have confined himself to addressing the point of order which was about what he had stated in reply to a question; rather the minister made comment on what other members in the House had allegedly said about the larger issue under consideration. I would encourage all members when speaking to a point of order to limit their contributions to the specific breach of the rule or contravention of procedure or practice.

On March 13, 1998, during Question Period the honourable member for Wolseley (Ms. Friesen) raised a point of order asking that the Speaker direct the Minister of Education (Mrs. McIntosh) to answer the question posed by the member for Wolseley. I took the matter under advisement to review Hansard in detail with regard to the question posed and the answer given.

Having examined the Hansard record, I must rule that the honourable member for Wolseley did not have a point of order. The member asked a question about transition time provided to school boards; the minister's answer pointed out that school boards were already aware of the formula and the applicable time lines. What existed, in my opinion, was not a point of order; it was a dispute over the facts.

MEMBERS' STATEMENTS

Air Canada Call Centre

Mr. Gerry McAlpine (Sturgeon Creek): Madam Speaker, I would like to rise today to congratulate Air Canada for its ongoing commitment to job creation in Manitoba. I am referring, of course, to its recent decision to open a state-of-the-art call centre in the former Winnipeg Free Press building. The customer-service call centre set up to open this fall will create 500 new, high-quality jobs over the next three years.

Not only will jobs be created in the call centre itself, but jobs will be created during renovation to this classic building. We welcome companies who are committed to creating jobs in Winnipeg's downtown as they play an important role in revitalizing the city's core. Air Canada has a long tradition of providing employment in the heart of the city, and they are to be applauded for that. In fact, Air Canada employs more than 2,200 Winnipeggers in positions ranging from finance to reservations to aircraft maintenance. They are sound corporate citizens.

Manitoba's economy is strong, vibrant and growing, and this latest announcement is a testament to the confidence companies, large and small, domestic and international, have in our province. The sustained economic growth Manitoba is experiencing in the call centre industry is due, in no small part, to our large and stable labour pool and highly qualified employees with

multilingual capabilities. It is also proof positive that our government's sound fiscal policies with balanced budgets help create jobs.

Once again I congratulate Air Canada for helping to create sustainable jobs and promoting lasting, economic growth in Manitoba.

* (1420)

Income Assistance—Child Tax Benefit

Mr. Doug Martindale (Burrows): People on social assistance do need help getting off social assistance and into paid employment, and there are many disincentives for some of those people to make that transition. So it is appropriate that government assist them in their policies.

However, when it comes to the child tax benefit, this government chose to allow people on social assistance to keep none of the money, and we are not really talking about people here, we are talking about children who would be the beneficiaries of this money. The government had an opportunity to help these people and they chose to do nothing. These people will get absolutely none of the new money from the federal government because it will be deducted dollar for dollar from their cheques. They will get more money from the federal government in the child tax benefit, and it will be deducted dollar for dollar from their welfare cheques.

This would have meant \$605 a year for a family of one child, \$1,010 per year for a family with two children and \$1,415 per year for a family with three children. Instead, they are getting none of this money. This government had an opportunity to do something good, to lower the rate of poverty in Manitoba, and they chose to do absolutely nothing. This government and this policy, when it comes to children living in poverty, is a disgrace.

Isby Bergen

Mr. Jack Penner (Emerson): I rise to congratulate today Isby Bergen of Altona. This past weekend she was named 1997 Citizen of the Year by the Altona District Chamber of Commerce. Isby Bergen is a

spirited senior, aged 90, whose sense of community service is the envy of many younger volunteers. Throughout her life Isby has freely dedicated herself to serving others, and her warmth and compassion have touched many different individuals and groups.

For example, when Isby arrived in Altona in 1940, she went to work for the Altona Echo. There she delved into the history of the region and its pioneers, and she chronicled the lives in newspaper articles so that others would not forget their efforts. This important research work was the basis of a publication in 1982 of Altona: The Story of a Prairie Town, a book that won the Manitoba Historical Society Award for the best book of its kind for the year.

Isby was also an active member in the Altona Women's Institute. During her time with the WI, it tackled many important issues, including working towards the building of the community's first hospital and spearheading the local United Way branch. The agricultural community benefited by Isby's presence through her work in the Rhineland Agricultural Society. One of its most important and popular events was the annual fall fair, and Isby played an important role in organizing its displays. She also played a very vital role in helping to build the Rhineland Pioneer Centre and the Rhineland agricultural exhibition grounds in the town of Altona.

The arts community also profited by Isby's efforts. She was there when the local music festival was born and helped sow the seeds for its success. Many a budding artist can thank Isby for having the opportunity to perform locally.

We thank once again and congratulate Isby Bergen as the Altona Citizen of the Year and her exemplary work for the community.

Ralph Brown School Art Exhibit

Mr. Gord Mackintosh (St. Johns): Madam Speaker, welcome and bitaemo to Ralph Brown School and its art exhibit that is currently on display in the Pool of the Black Star here in this building. I am sure all members who have seen the exhibit will agree that it is a beautiful exhibit. It is extremely colourful, and I think it really adds a great touch to this building.

Ralph Brown School is in my constituency. We are very proud of that school. It is known for, among other things, its English-Ukrainian bilingual program. But, clearly from the exhibit, we know that Ralph Brown truly values art education and the importance of developing those aspects of the brain that can benefit from art, as opposed to other forms of expression and activity.

Ralph Brown School is blessed with some teachers who are indeed artists. I want to just commend the students, the school and principal, Vicky Adams, for coming down and sharing their talents with the members of the Legislature and those who work in this building and those who are increasingly visiting the Pool of the Black Star to see the artwork.

I urge all members who have not yet seen the exhibit to come down and, as well, to express their gratitude and responses in the guest book that is provided.

Morden Credit Union

Mr. Peter Dyck (Pembina): Madam Speaker, last Wednesday evening I had the honour of attending the Morden Credit Union's annual general meeting. The AGM also marked the 50th anniversary of the Morden Credit Union's creation. The aim of the credit union is, and I quote: to be a member-owned organization providing financial and related services to its members and assisting in the development of its communities.

Without a doubt, they have been very successful. The Morden Credit Union continues its efforts expanding services to its members. They currently offer ethical funds and Crocus Funds as investment vehicles. By looking forward, our local credit union is ensuring that tomorrow's options are available today. They are reviewing the potential of providing telebanking services in the near future and now have an Internet website.

A fundamental principle of any credit union is the sharing of profits with its membership. The credit union will again return \$400,000 to its members in the form of surplus shares, and they have redeemed in cash to its members' accounts another \$150,000 from existing surplus shareholdings. The performance of the

Morden Credit Union has been well above average among credit unions around the province.

* (1430)

So, Madam Speaker, I congratulate Morden Credit Union for their 50-year commitment to providing quality and comprehensive financial services to the communities of Morden, Manitou and Miami. I wish them the very best as they continue promoting our communities and their membership's economic needs. Thank you.

We get a shell game because of the Fiscal Stabilization Fund, where you put money in on one hand and then you take money out on the other hand. I think the minister has to admit that he would not have a surplus to show to the people of Manitoba this year if he had not taken an additional \$60 million out of the Fiscal Stabilization Fund to put it into revenue. If he had not put that \$60 million, and he has got it by way of a footnote now instead of a line, which was the case in previous years, if he had not had that \$60 million, he would not have had a \$23-million surplus, he would have had a \$37-million deficit.

ORDERS OF THE DAY

House Business

Hon. James McCrae (Government House Leader): Madam Speaker, as discussed previously, I would hope that we could move now to Interim Supply, and depending on the progress we make tomorrow, as I said, we propose that Wednesday would be an Opposition Day and that we would return to Interim Supply, should that be necessary, on Thursday.

Madam Speaker: It is my understanding that there is agreement now to move into Interim Supply. [agreed]

Hon. Eric Stefanson (Minister of Finance): I move, seconded by the Minister of Environment (Mr. McCrae), that Madam Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

Motion presented.

Mr. Leonard Evans (Brandon East): Madam Speaker, I was standing and I intend to debate the motion.

As I indicated, I had been standing because I believe this is a debatable motion, and we would like to take the opportunity to put a few remarks on the record. Of course, we will have more remarks to make as we progress through the Estimates and quiz the government on its various spending initiatives. I cannot but help reflect that generally what we have got from this government by way of spending and taxing, put together as a budget, is nothing more than a shell game when it comes to the bottom line.

Well, that is the case. The minister is shaking his head, but that is the case. If you did not put the 60 in, you would have had a deficit. It is simple arithmetic. All you have to do is look at your budget documents, look at the financial statements right on page 22, I believe it is, of the budget document, Financial Review and Statistics appendix, and it is quite clear that there is an additional \$60 million added at that point. In fact, there is a footnote. Footnote No. 3 includes \$60 million from the Fiscal Stabilization Fund. The simple arithmetic would show you that this would end up with a budgetary deficit of \$37 million.

To make matters even more confusing, the minister then turns around and takes that \$23-million surplus and puts it back into the Fiscal Stabilization Fund, so that when you look at his table on the Fiscal Stabilization Fund, it shows on page 10 of the Financial Review and Statistics section quite clearly that that \$23 million is now being put back into the Fiscal Stabilization Fund.

It seems to me rather ridiculous, Madam Speaker. I suppose if you wanted to do this, why not only take 37 million and then you would not have to take as much out in the first place and you would not end up putting 23 back in.

This, to me, is a very confusing matter, and I would say it misrepresents the real budget situation. I would even use the words, it is deceiving. It is deceiving, if you say: my gracious, we have a \$23-million surplus, but that, thanks to footnote No. 3, is because we have taken \$60 million out of the fund, and then when you

get to the bottom line, you have \$23 million surplus, you put that back in. There used to be an old song, when I was a kid, called "the music goes round and around and it comes out here." Well, in this case, the monies go round and round between the Fiscal Stabilization Fund and the general accounts, in and out, in and out, to make the government look good on the bottom line. That is what it is all about, and I therefore would say, Madam Speaker, that this makes the budget document more of a political document than one would want to see.

The Fiscal Stabilization Fund is becoming a fudge fund. I know we talk about it as a rainy day fund but I thought it was not raining right now, so why are we taking money out of the fund anyway? So, Madam Speaker, and as I said also previously that \$60 million, that amount that was taken out of the fund and put up with own-source revenue in previous years would have been on a line called Deficit Reduction Transfers, because if you go back to 1992-93, for example, \$200 million was taken out of the fund, put into general revenue to reduce the provincial deficit of that year. So the question is: why is that \$60 million not just put in that particular position so we can all see it, rather than virtually hidden up on own-source revenue with the little footnote No. 3 saying, well, we took \$60 million out of the fund to put there? At any rate, that is in addition to other monies taken out of the fund.

Madam Speaker, another observation I would make is that in this budget and in the government's approach to spending, while we all want to see a lower debt, we all want to see a reduced debt, I would suggest that there is overemphasis put on the debt situation of the Province of Manitoba. Certainly compared to the Ottawa situation, we are in a relatively good position. Our debt as a percentage of the gross domestic product is 22.2 percent. This is the net general purpose debt as a percent of our GDP, 22.2, and I might observe that was more or less what it was back when the government took office. It was around 21-22 percent around that time. It did go up in their mid-term, particularly in the mid-'90s, because the government had higher deficits for various reasons, but now it has been coming back down, so we are today where we were back over a decade ago. But compared to Ottawa, I believe the federal government is running a general purpose debt as over 70 percent of the gross domestic

product, well, 71 percent or whatever, well over 70 percent as a percentage of the GDP and in a far worse position than the Province of Manitoba.

Of course, if we look at other elements, other statistics on the debt, we can note that debt as a percent of revenue debt costs, that is the interest on the debt, as a percent of revenue, has come down slightly, but it never was—well, when this government first took office it was around 10-11 percent. It did go up again during the mid-term of this government, early to mid-90s, again, to be quite open and honest about it, because of a recession at that time which reduced government revenues, in '92-93 in particular when government revenues were down by 8.4 percent. But 9.2 percent as a percentage of total revenue, the public debt cost as a percent of total revenue, or if you look at it as a percentage of total expenditure, you get the same pattern. It was around 10 percent in 1989-90, and they are down to about 9.4 percent now.

The minister in his own document indicates that we compare favourably with other provinces in terms of debt servicing costs. There is a table on page 13 of Financial Review and Statistics showing Manitoba is in the third lowest category; that is debt-servicing costs as a percent of total expenditures in the year 1997-98. Only British Columbia and Alberta are in a better position.

So I suggest, Madam Speaker, that there has been over-emphasis on the debt, and that additional payment on the debt has been at the expense of monies that could well have been spent in health care, and people of Manitoba get very furious. I received a letter today where people complain about the cuts to the health care system—treatment, in this case, in a personal care home of the parents of this individual—and they could not understand why there were these cuts in health care in her particular region, in the Westman area, when we had money in a Fiscal Stabilization Fund and when she reads, and we all read, about an additional \$75 million paid down on the debt.

Madam Speaker, the minister is proud of the fact that he reduced income tax, personal income tax, as a percentage of the federal tax by two points in two stages, bringing it down from 52 to 51 this year and from 51 to 50 next year, and while a lot of people may

benefit from that, unfortunately the greatest benefit will go to those with the highest income. The higher income levels are obviously going to benefit more from that kind of a tax cut, and I would argue that a more equitable approach would have been to ease up on some of the retail taxes that we impose in this province.

* (1440)

In fact, maybe we should go back to pre-1993 when the government then extended the sales tax to levy sales taxes on meals under \$6, on personal hygiene products, on school supplies, on baby expenses. It was a significant increase and a burden on people who were raising children or who were having to buy school supplies and so on. In fact, as we referred to in the past, there is a government document showing the sales tax impact of around \$53 million. That was an increase of \$53 million on the people of Manitoba.

I would suggest, Madam Speaker, if we took a look at the sales taxes and try to give some relief through that system in certain specific categories, particularly for children, for babies, that this would have been much more equitable. In fact, it would have been more stimulative of the provincial economy. We would also urge that rather than this type of across-the-board income tax cut that we have a property tax relief system. We suggested 75, because that is the amount that the government took away back in 1993 when it was estimated at the time of the 1993 budget being brought down, and that, in turn, had a great impact on people. In effect, it was like a tax increase because we removed a tax credit. This is something that we would have urged, and, again, at a more equitable relief for people.

As I said, the income tax cut is fine if you are in the higher income brackets. It does not mean very much for a lot of working people in this province. Surely, if the minister and the government wanted to go the income tax route, they could have done it in a far more equitable way, so that people in the lower categories would get some relief, and the people in the higher income categories should just proceed along without any relief at this point if this is all the government can do.

I know in past statements, many ministers on the government side have blamed Ottawa. You know,

Ottawa made me do it; we have to cut health care because Ottawa has cut us, and we had to keep the lid on other spending, education, social services, and so on. But, Madam Speaker, although indeed the Canada Health and Social Transfer was cut, in the last couple of years it has now been stabilized at around \$499 million, \$498 million, but counteracting that has been an increase in stabilization. I note the stabilization monies have gone from \$1.021 billion last year to \$1.061 billion in the 1998-99 budget year. So, in effect, equalization increase has mostly made up for the reduction in the health and social transfer cuts.

The minister made a statement in the budget debate, and he has stated elsewhere since then, that his approach to budgeting, working towards surpluses and balances, this is how to create jobs in the province of Manitoba. I would submit that this is absolutely wrong. The economic and financial statistics do not make the case for the minister.

If you look carefully at the data, you will see that when we had a sharp decrease in revenue is indeed when we had large deficits, and that decrease in revenue was a direct result of an increase in unemployment. The fact that we had fewer jobs or, putting it another way, the fact that we were not having the job creation we wanted, led to a cut in revenues because people were unable to pay the income taxes or the sales taxes and so on.

So that it is just the reverse from what the minister was promoting or suggesting in his budget document; that it is jobs and, therefore, economic growth that allows for surpluses and not vice versa. In fact, I would suggest that whenever governments run surpluses, especially if you are under a—as long as you have some unemployment—when governments run surpluses, they are actually taking a deflationary move. They are taking monies out of the circulation, and you have a less buoyant economy on that account. Most economists accept this reasoning. That is pretty standard in macroeconomic textbooks, that if governments run surpluses they are withdrawing funds out of the circulatory system we have. Conversely, if governments engage in deficit spending, that has a stimulative impact. Again, I am suggesting this is a situation where you have less than full employment.

In 1992-93, indeed, revenues were down 8.4 percent, and the reason for that is because jobs were down, if you want to put it that way. We had more unemployment, more people out of work, and the revenues fell.

On the matter of the economy, again the minister makes much ado about the growing Manitoba economy, and, let us face it, we have been in a better position the last couple of years than were for many years before, certainly in the mid-'90s. But looking at the—we tried to draw this to the minister's attention last week in the Question Period—if you look at the figures now from the labour force survey, looking at Statistics Canada reports, this little blue document that we can get every month from Ottawa, you see that there is a flattening of employment growth in the last few months. [interjection] Well, depends on which side of the House you are on, Madam Speaker, because I recall the Premier on this side making great speeches as Leader of the Opposition, and he took the same tack, criticized the economy, criticizing the lack of jobs and so on, and that made him happy, you see. It made him happy. So now he is accusing us of being happy by pointing out that there has not been this employment growth.

In December of 1997—these are seasonally adjusted figures, so that is supposed to take the seasonality out so that you can compare one month to the next, rather than one month of the year compared to the same month of the previous year. Employment was 542,600, and then it dropped to 542,400 in January, and it dropped again in February to 541,100 persons. In other words, there was a drop last month of minus 0.2, and from year to date, minus 0.3.

What I am suggesting, Madam Speaker, even though we had some job growth the last year, year and a half or so, if you look at what is happening now, you see this flattening out. I guess the minister has to ask himself: why is the economy flattening out in terms of job creation at this point if things are so great?

Similarly, related to that, the minister should ask himself: why has there been a sharp increase in the exodus of people? I would admit that there has been a reduction in the exodus for a number of years, which was good. The rate of outward migration fell for a number of years, although we always had a negative

situation. But now we are in a position where this has come to a halt and we have had the sharp increase in the exodus of people from the province of Manitoba.

The first three quarters or the first nine months of 1997 we lost nearly 5,000 people to other provinces. That is on a net basis. If you take all those who came in and subtract all those who left, we lost nearly 5,000, which is two and a half times the amount of loss in the same period in the previous year, namely 1996.

* (1450)

Incidentally, if you want to add all this up, you might find that since this government took office, in 1998 we have lost over 61,000 people on a net basis to other provinces. What is particularly interesting in these figures is that while we usually lose to Alberta and B.C., it is not common for us to lose so many people to the province of Saskatchewan. In the first three quarters of 1997, we have lost nearly 800 people on a net basis. I think there is something significant about that. I think it would suggest that maybe the pastures are indeed greener to the west of us in the province of Saskatchewan, not to speak of Alberta and B.C., where most of the people have gone.

That has been the traditional pattern, leaving Manitoba and going to B.C. and going to Alberta, but here we have Saskatchewan which, in some years, it has been the reverse. If you look back, '89, '90, '91, '92, we were gaining people from Saskatchewan. The odd year we lost, but this year we have lost big time. We have lost 800 people in the first nine months of the year, so that should cause the minister to pause and ask himself exactly what is happening to the economy.

I think this is very, very sad, and you might say, well, this is something to do with the urban development of the larger cities in North America, and that is the deterioration, the continued deterioration of downtown Winnipeg. I appreciate there is some effort being made now to again rejuvenate it, but I suggest to the minister and others to take a walk from Portage and Main down to the Bay, and it is just frightening the number of offices, the number of buildings, the number of stores that are closed. They are boarded up, they have got For Sale signs on them; they have got For Lease signs on

them one after the other. There is one block, almost the entire block was boarded up.

I appreciate that we have such a thing as the Portage mall and there are people up there, but, you know, if we had this vibrant, dynamic economy that the minister would like us to think, why do we have this deterioration in the centre of Winnipeg, famous Portage Avenue? Portage and Main up to The Bay, it is really sad to see the vacant, dirty, old buildings. They are an eyesore, boarded up, painted, graffiti, dirt, and what kind of a message does that give to tourists and visitors to our city when they come out of a hotel and maybe walk around in the afternoon or the evening to get a little fresh air, and they see this? It is just amazing, and you do not see that in other western Canadian cities. I submit, you do not see that in Regina or Saskatoon or Calgary or Edmonton or Vancouver or Victoria. You do not see this, but we certainly see it in Winnipeg.

The other day, I learned of some young entrepreneurs who had set up a retail business on Graham Avenue. They tried it for a few months, and they decided there just was not the business to be had. It was time to go, and they are packing up to go to Victoria. This is sad. We do not like to see our young people, our young entrepreneurs, go, but they went because their experience indicated they did not have the market here. It was just impossible to really make a go of it with their particular type of retail business.

I think also what the minister should be concerned about in terms of the economy is what is happening to real wages of workers. Since 1988 when this government took office, since this government took office, the average weekly earnings of workers has declined by around \$79 a month, almost \$80 a month in real purchasing power. The average worker in Manitoba today has \$78.90 per 30-day month less in purchasing power than he or she had in 1988, the year this government took office. In contrast, the federal scene, the national scene, real wages have actually gone up. They have actually increased \$11.74 a week or about \$50.31 per 30-day month.

The question I ask is why is it that real wages have increased nationally but have diminished in the province of Manitoba? The minister has to answer that question. He has to concern himself about that. What

has happened, of course, in this process is that real wages, which are much lower than the Canadian wages back in '88, are even lower today than they were, vis-a-vis Canada, in 1988. In other words, our position has deteriorated in that period of time. In 1988, the real average wage was about \$38 higher per week in Canada than in Manitoba, Canada as a whole, about \$38. Today, the spread is \$69, almost double in terms of us being under the Canadian average, and that is a serious concern.

It should be a serious concern to this government and to this minister. Why is it that our average worker—and when I say worker, I am talking about the industrial aggregate, and that includes not just factory workers, it includes office workers, it includes white collar workers, every industry category you can think of, agriculture, manufacturing, construction, retail trade, transportation, public utilities, the whole works, the whole gamut. Every industry sector taken together, take the average, and that is what the situation is.

I would be the first one to admit and to argue that the Manitoba economy does not perform in isolation to the rest of Canada or in isolation, indeed, to North America or to the world economy. To the extent that we have grown in the last couple of years, I would suggest, Madam Speaker, the extent to which we have grown has been as a result of our being a part of a national economy, because indeed the Canadian economy has expanded in that particular time and will, hopefully, go on expanding, as will the American, but if the American economy slows down, I would submit that the Canadian economy will be slowing down thereafter, and the Manitoba economy will be adversely affected.

I am not suggesting for one moment that provincial policies do not have a bearing—they obviously do—but provincial policies are only one element in the pie. They are only one element at work in determining the level of economic performance in Manitoba.

The Royal Bank is predicting a slowdown over the next two years. As a matter of fact, the minister himself in his budget book has predicted a slower rate of growth for this year compared to last year. The Royal Bank notes that the slower rate of growth will occur over the next two years in Canada, and they also

observe that Manitoba should slow down in line with the Canadian economic profile.

* (1500)

So, Madam Speaker, I am suggesting that what we are looking at here when we talk about economic growth we should be happy with it. But there are a lot of factors, a lot of elements of our economic situation that we should be concerned about: declining real wages; at the present time, a significant outward migration, including to Saskatchewan; and also a flat situation in terms of employment growth. As a matter of fact, when you look at the employment figures, you see that there has been a decline in the last few months in the labour force size. The labour force is smaller in February '98 than it was in December of last year. There has been a decline in January and then again in February, and this is after you take the seasonal factors out. It is not because of winter. It is because, after you take all the seasonal factors out, it would indicate something wrong with the business cycle at this point.

Madam Speaker, I want to make one last observation at this point, and that is the surplus the minister likes to brag about. The financial surplus has been at the expense of a growing social deficit. There is nothing magical about coming up with a surplus if you cut spending across the board, if you cut back in various areas in education or health or social services, or if you squeeze it so that those expenditures do not keep pace with inflation; or, on the other hand, if you have a tax situation where you are continually getting more taxes because of bracket creep, among other things, when you automatically get more income taxes. I note, even with the tax break, that the minister is giving the two points, a one point this year and another point next year, even at that, there is going to be more collected by way of personal income tax from the people of Manitoba.

The fact is, though, that we have an increasing social deficit. Our health care system leaves much to be desired. We hear day after day, not just in this House, but across this province and in all kinds of centres, the tragedies and horror stories about the health care situation. Recently I brought up the situation of the lack of pediatricians in Brandon, and that situation does not seem to be on its way to being resolved. Local

officials say that they do not see any immediate solutions at hand, so—[interjection] There has been a statement made in the paper by the CEO that—[interjection] I can only indicate what I have just read in the paper, and the minister is free to do that as well.

Mr. Marcel Laurendeau, Deputy Speaker, in the Chair

I have seen the CEO from time to time. I have talked to him from time to time, of course, in various situations. I have not discussed this personally with him, but this is the statement that was made and that should concern the minister. At any rate there are all kinds of stories that come up about inadequacies in the health care system, and we have a lot of good people in the health care system. A lot of people are trying, but the fact is that it has been starved. In the budget of the Brandon General Hospital, it has been cut about \$6 million the last four or five years. I submit the government has simply gone too far, and there is evidence of that. There are all kinds of detailed examples of that.

Pharmacare. We give less assistance today with our Pharmacare program than we did a few years back and certainly less than when it was administered under the previous NDP government. It is sad because a lot of people in the middle income bracket or low middle income bracket who are getting less help with the purchase of drugs today may unfortunately decide not to purchase the medicines that their doctors have prescribed simply because of the additional cost.

I remember having a lengthy discussion at one point with a representative, a chemical engineer from Ayerst Organics people who are into producing various kinds of drugs and so on in medicines, and he said categorically, the cheaper you make the drugs for people, the better it is for all of us, because people will take their medicine and hopefully stay out of a hospital or stay out of a nursing home if they take the prescribed drugs that their doctors have recommended. The fact that you increased the cost now to Manitobans and there are categories—maybe if you are very wealthy, it does not matter or maybe if you are very poor it does not make any impact on you, but there is a middle group there that are being negatively impacted, and I think that is a backwards step.

Then I go back to my example that I really get upset about whenever I think about it and that is before this particular minister took office as Minister of Health (Mr. Praznik), and that is the total elimination of the Children's Dental Program in rural and northern Manitoba. That was a fine program, a low-cost program. We have lessened enormously the level of dental health in Manitoba because of the elimination of that program. It is sad. So I say the social deficit is rising.

Similarly in education, larger classes. Universities being very much shortchanged for adequate funding, so much so that the standards that are offered by some of our universities begin to look rather shabby compared to universities elsewhere in the country. I refer to the Maclean's magazine article. Once a year they come out and compare universities and unfortunately, and I am sorry to say this because I am a graduate of that university, the University of Manitoba, that it does not fare as well as it should and could with other Canadian universities. I submit that the basic reason is because they have been starved for funding.

There is no question that people have given up \$75 by way of property tax rebates. The government eliminated those rebates. That is an increased burden on householders, and, of course, I mentioned the extending of retail taxes back in 1993. There are other examples you could look at and say our social deficit is rising. It has risen because this minister has determined that he is going to put so much into debt retirement, and that he is going to run his fiscal ship in such a way as to come up with a surplus.

I have talked about health before, but I just want to mention once again a very shocking situation where we are getting examples of individuals and families going out and hiring private nurses and nursing agencies to come into our publicly funded nursing homes and hospitals to provide service that should be provided by those institutions. You talk about a two-tier system; there it is in spades.

I am beginning to find more and more examples of this occurring throughout this province, and that is something that should be very much a concern of the minister and should have his top attention. Why do nursing homes in this province and hospitals find it

necessary from time to time to bring in private nurses or make contracts with private nursing agencies such as We Care to submit a service, to supply a service that should be provided by the existing staff?

If existing staff cannot cope, it is obvious that they have been underfunded; the nursing home or the hospital has been underfunded for those services. It is time that adequate funding be provided to a nursing home or to a hospital so that this situation is corrected, that we do not require a person to hire We Care and pay hundreds and hundreds of dollars. Well, the one example I gave in Killarney—and I gave the details to the legislative assistant to the minister, the names and so on—I think they were paying something in the order of \$1,100 a month for this nursing home for the mom, a 94-year-old lady in a nursing home. I think the rate they were paying We Care was something like \$800 a month in addition to that for a couple of hours assistance per day throughout the week.

At any rate, I believe they terminated the contract with We Care, and they have made other arrangements. But the principle still stands: they are still bringing in people from outside. They are hiring someone to come and provide the assistance that should be supplied by the home.

Mr. Deputy Speaker, I have gone on at some length, but we wanted to put on record some basic concerns we have about this spending and taxing program of the government and our concerns about the economy, and to again remind the government that they can brag about a financial surplus but what we have seen arisen under this government is a very serious social deficit. What we have to ask ourselves in the long run, with budgets and actions and programs of government: to what extent has the quality of life of Manitobans been improved, or to what extent have we caused them to be lessened, to deteriorate.

The object of any budget should be, surely, to improve the quality of life for Manitobans. That should be the objective, not whether we have a \$23-million surplus or a \$37-million surplus or a balanced budget. Thank you, Mr. Deputy Speaker.

Mr. Deputy Speaker: Is it the will of the House to adopt the motion?

Motion agreed to.

* (1510)

COMMITTEE OF SUPPLY

Supply-Interim Supply

Mr. Chairperson (Marcel Laurendeau): The Committee of Supply will please come to order. We have before us for consideration a resolution respecting the Interim Supply bill. The resolution reads as follows:

RESOLVED that a sum not exceeding \$1,845,435,095, being 35 percent of the total amount to be voted as set out in the Main Estimates, be granted to Her Majesty for the fiscal year ending the 31st day of March, 1999.

Does the Minister of Finance have any opening comments?

Hon. Eric Stefanson (Minister of Finance): Yes, I do. I will be very brief, but I cannot help but respond to a few of the comments from the member for Brandon East (Mr. Leonard Evans), because unfortunately I think he put some inaccurate information on the record, and I certainly challenge some of the comments that he did make in terms of his response to the bill.

First of all, he talks about the budgeted surplus of \$23 million and the utilization of the Fiscal Stabilization account and so on, and I think it would do him well to review what others are saying about this budget. I will just point out to him the response of two or three organizations in terms of what they said about Manitoba's budget. These are people who have the expertise in terms of looking at provincial budgets right across Canada, look at the federal budget and have been doing this for years.

The first one I will read is from financial analysts, Nesbitt Burns. Their headline read: more surpluses in the hopper. I could read many quotes from their response, but I will read just one, and this is a quote from Nesbitt Burns. Manitoba has brought down yet another fiscally sound budget that manages to accomplish a wide variety of goals. Manitoba is

notable not only for being the most lean provincial government in the country—spending is the lowest on a per-capita basis—but also for its tough, antideficit, antitax legislation.

Another financial analyst, Scotia Bank, went on to say that Manitoba's fiscal year '98-99 budget plan projects a small surplus, \$23 million, its fourth consecutive annual surplus while maintaining progress on all its longer-term priorities.

CIBC summarized Manitoba's fiscal circumstances this way, and, again, I quote: A track record of successive surpluses and a strong economy have made this year's tax cuts possible. What has become a solid history of fiscal responsibility is expected to pay dividends over the coming year.

Mr. Chairman, that is just a snapshot of what some of the experts have been saying about Manitoba's budget, and I would encourage the member for Brandon East (Mr. Leonard Evans) to take the time to read and to look at what others are saying about Manitoba's 1998 budget.

Now, Mr. Chairman, the member for Brandon East referred to a song, and he talked about the music going round and around, and I think if he needs to look for that music, all he need do is go back to the period 1981 to 1988, if he is looking for music going round and round, when we had an era of high deficits every single year. As a result of those high deficits, we had an era of high taxes and tax increases each and every year, and we had an era where our debt was going up at 25.5 percent each and every year. If you want to look for music going round and round, that was certainly a period of time, but it was not music that was good for Manitobans or that they enjoyed.

That was a period—and I will not do it again because I do want to get on to questions, but I have read into the record on previous occasions many of the dozens and dozens of tax increases that were brought into Manitoba during the period of 1981 to 1988 under that previous NDP administration, and I also have pointed out that that was a period of time where our debt quadrupled and our debt increased at an average rate of 25.6 percent each and every year, Mr. Chairman. So, again, that was a period of time that was certainly not

supported by Manitobans and obviously not in the best interest of our province.

The member for Brandon East (Mr. Leonard Evans) asked about why are you using the rainy day fund, and he calls into question us using the rainy day fund, Mr. Chairman. First of all, Manitobans suggested that if we had an opportunity we should use it where it makes sense, and in this particular budget we use it in three or four key areas. We use some of it to pay down our debt at a faster rate; we use some of it to cover our share of the 1997 flood costs; we are using \$60 million of it to continue to bridge the significant reductions in funding from Ottawa; and we are using \$50 million for some one-time capital funding for our highways, for our residential streets, for our sewer and water and so on, all very important initiatives. So, again, I am wondering why the member for Brandon East is calling those kinds of things into question and particularly when his own Leader, I believe, just this last weekend—I think his Leader was out in the city of Brandon—was calling for us utilizing that very account, so there seems to be, again, some inconsistency in terms of that message that is coming from members opposite.

The member for Brandon East also calls into question the whole issue of paying down the debt, and this one really does bewilder me, that he and some of his colleagues cannot seem to make the link of the importance of paying down our debt so that by paying down our debt we reduce our interest costs, and by reducing our interest costs that gives us more choices and more flexibility in terms of either spending on priority areas, paying down the debt at a faster rate or continuing to reduce taxes.

I want to read just very briefly to the member for Brandon East (Mr. Leonard Evans) from a budget, and I encourage him to read this budget and I will quote from it, Mr. Chairman. It says: Mr. Speaker, Saskatchewan people know that the buy now, pay later philosophy does not work. We are determined to keep paying down the mortgage on our children's future.

They then go on at length to talk about debt, and they carry on later on in this section: Mr. Speaker, five years ago nearly 19 cents out of every dollar collected in revenue went to pay interest on the public debt. This year, we will pay 14 cents on the dollar. That

means—this is the Saskatchewan budget—more money to invest in people for jobs, education, health, highways and lower taxes, and most important, it provides the financial freedom our children will need to prosper in the new century.

That is directly out of the 1998 Saskatchewan budget that was just tabled last week, Mr. Chairman, in the Saskatchewan Legislature, an NDP government in Saskatchewan making those very telling statements and statements that I agree with in terms of their view of the need to be retiring their debt in that particular province.

Mr. Chairman, the member for Brandon East (Mr. Leonard Evans) calls into question the across-the-board tax cut. Again, we have had the Province of Alberta this year introduce an across-the-board tax cut; the Province of Saskatchewan, in this budget they brought down last week, an across-the-board tax cut; and again, in terms of our ability to stay competitive, it is important to ensure that our taxes are competitive with other provinces and other jurisdictions and an across-the-board tax cut enhanced that ability to maintain our strong competitive position here in our province. At the same time, it does pass on a benefit to all Manitobans, putting more money in their pockets that they can spend as they need, they choose, they see fit, and obviously that money will work its way into our economy in many different ways, and we will all benefit as a result of that.

I guess the one other area I was a bit surprised at or flabbergasted about was the member for Brandon East's support, what appeared almost to be support for the federal government's funding reductions, accused us of blaming Ottawa. Well, I have certainly heard his own Leader on occasion join in, in terms of blaming Ottawa, for the significant reductions in funding for health and post-secondary education. The suggestion that equalization has made up for that reduction is absolutely dead wrong. It has come nowhere near making up for the significant reductions in the last few years, where in the case of Manitoba, we are now receiving \$240 million less each and every year over these last few years as a result of the wrong priorities on the part of the federal government. That would certainly be an area that you would think we could at least get the support of members opposite on in terms of mounting that challenge to the federal government.

In fact, when you look at the M.P.s in Ottawa, it was certainly one of the NDP members of Parliament from Manitoba that spoke out very loudly, criticizing the federal government for those wrong priorities, for not supporting health care in their 1998 budget. I would like to think that that would be an area that we could get their support to pursue that whole issue with Ottawa.

Again, the member for Brandon East and I agree to disagree on the whole issue of what balanced budgets do for our economy. We believe very fundamentally balanced budgets do create jobs. I think our economy is certainly proof of that today, and again, I think his view that potentially running deficits and running up debt and increasing taxes creates jobs is absolutely dead wrong. The proof certainly exists in the provinces that have balanced their budgets the earliest that are now running surpluses. Provinces like Alberta, Manitoba, Saskatchewan are all doing very well in terms of their economies, and I believe a major part of that is because of the balanced budgets.

Again, I could take a great deal of time and read through all of the economic indicators. I will not do that. I encourage the member for Brandon East to do that, because if he looks at most of the traditional economic indicators, he will see that Manitoba's economy performed very well in 1997, particularly in areas like job creation where our total employment provincial average for 1997 was 538,300, an all-time high in our province. Our overall job growth rate was 2.4 percent last year, third best in all of Canada. Our unemployment rate at 6.6 percent was again the best it has been in some 16 years, and when you look at private sector job growth, we were the second best in the country. When you look at the job growth in full-time jobs, we were the best in the country. So, again, that is one economic indicator, jobs, which I think we would agree is the most important, but when you look at most of the economic indicators like investment, private investment, manufacturing shipments, exports and so on, Manitoba fared very, very well in 1997, Mr. Chairman.

But rather than go on, I think the whole objective is to get on to some questions. So with those very brief comments, I am prepared to entertain any questions from members opposite.

* (1520)

Mr. Chairperson: Does the Finance critic from the opposition party have an opening statement?

Mr. Leonard Evans (Brandon East): Yes, Mr. Chairman, we will get into questions and so on, and others, I know, on our side have questions, but this observation about surplus budgets creating jobs just boggles the mind. I ask the minister really seriously: go back and look at your figures, 1992-93.

In your budget you had a huge reduction in revenue, 8 percent cut in revenue from the previous year, and this is when you had the biggest deficit. It would have been three-quarters of a million, but you took \$200 million out of the fund, out of the rainy day fund, and it became \$566 million, but that is still the biggest in the province's history.

Never ever before had we had a deficit as big as your government had in 1992-93, so what are you suggesting then? Well, you should have had a balance in that year and then we would have had more jobs. This is what you are saying. If you had a balanced budget or a surplus budget, we will have more jobs. So why did you not have a surplus budget in that year and have more jobs?

The fact of the matter is, Mr. Chairperson, it is the reverse, and that is what I am saying. It is because we had a decline in employment, a decline in people paying taxes, income taxes and retail taxes, that the revenue of the Province of Manitoba declined over 8 percent. It is the economic situation—and I am being honest and fair about this—that had led to this huge deficit that you had. You had an economic downturn, and the economic downturn meant fewer jobs, fewer revenues for the province, and a big deficit. If your logic is correct, this government should have worked to put a surplus. They could have had a surplus. Just cut, cut, cut, and you would have got yourself a surplus, and then you are arguing, well, that would give you more jobs. Well, I am sorry, that logic does not hold any water, and the economic facts do not support that either.

Again, I do not want to belabour the point, but the minister said, well, look back in the 1980s and of the

terrible deficits, the high deficits the previous NDP government had. I would like them to put it into perspective and see what was happening across Canada and in Ottawa, and you will see in the early '80s, in particular, we had a big recession and every province went into deficit financing. Every province had big deficits. Every province built up debt and furthermore, I might add, Mr. Chairman, that our deficits at that time were geared in such a way that we maximized jobs. We had the Manitoba Jobs Fund, and we were looking pretty good compared to the rest of the country in job creation because of the way we handled our particular spending at that time. So debt, please, has to be a relative thing.

Yes, I can agree if you have less debt, you have less interest to pay and more money to spend, if that is what you want to do, but the fact is that you surely have to relate the debt to your income. I mean, it makes no sense otherwise. If your income doubles and your debt stays the same, surely you are more capable of handling that debt with a doubled income. Debt has to be related to income. This is what we are doing when we say, well, let us look at the debt burden, the public debt costs, that is the interest on the debt, as a percentage of spending—or is it percentage of revenue?—and it is only about 9 percent in your 1998-99 budget, 9.2 percent. As I said, it is about the third lowest in the country. Surely, that is the more relevant way of looking at it than in absolute dollars.

Having said that, I am not suggesting that we do not want to see Manitoba's debt reduced, but we are talking about the rate of reduction when, at the same time, this government is cutting into the health care system, education and social services. I am not for a moment either saying that we are satisfied or happy with the federal cuts to health care. Not at all. This should not have happened. I would like to see pressure on the federal government to reverse this. But the point that I was making, Mr. Chairman, is that the facts show the equalization payments have been increasing and have, to some extent, lessened the impact of a reduction in the Canada Health and Social Transfer.

What I would like to ask the minister and go back, because he never answered the question. I will make this comment again and then ask the minister the question. Why did he take \$60 million from the Fiscal

Stabilization Fund and put it into own-source revenue to give himself a \$23-million surplus, which he turns around and puts back into the fund? Why are we taking more money out? If you need the money, why take more out? Why not take \$37 million?

That is my question to the minister. Why not take \$37 million out and you would have a zero position? You would have a balanced budget. That would be balanced, zero, balanced instead of a surplus. It would not look good. I mean, the PR would not look as good, but the fact is, you took too much. You took \$60 million out and then you put \$23 million in. I think it defies good accounting, but it is good for political image to show a surplus of \$23 million.

So that is my specific question. Why take 60 when you do not need 60, you only needed 37? If that is what your objective was, you wanted to enhance your revenues by taking more out of the fund, why do that? It seems to me when you do that, you certainly open yourself to the charge of manipulation.

Mr. Stefanson: Mr. Chairman, first of all, in terms of our treatment of the fund, it is consistent with how we have utilized the fund ever since we established it many years ago, and again, I think that was the prudent thing to do at the time, the establishment of the Fiscal Stabilization Fund. I have had a chance to be out in many different forums across our province, and certainly Manitobans support the concept of a savings account. I think they can identify with it in their own personal situations, in their business situations, whatever, and are very supportive of their government having some money in a savings account to deal with any issues that come along, whether it impacts on our revenue, impacts on our spending, or whatever it might be.

Last year, in 1997-98, Mr. Chairman, we made the decision to take some money out of the savings account to bridge some of the significant reductions in funding that we are facing from Ottawa. As I pointed out to the member last year, the impact on an annual basis was we were receiving approximately \$240 million less in funding from Ottawa for the CHST, the Canada Health and Social Transfer. We made a decision in last year's budget to bridge some of that significant reduction by bringing across \$100 million into our revenue, allowing

us to provide the necessary resources in health, education and support to family.

In this particular budget, we did not need the same amount because we do recognize that you can use a savings account for a short period of time, but you cannot build in a savings account to your budget on an ongoing basis because obviously it would become depleted. It would not be there moving forward. So, in the 1998 budget, we are bringing across \$60 million to bridge that significant reduction and to provide the resources for health, post-secondary education and support to families, and we show very clearly in our medium-term plan, moving forward, that we do not expect to have to draw money from the savings account to bridge those federal reductions anymore, moving forward.

At this period in time, we are not building in increases in funding moving forward for the CHST. It is certainly our hope, and we will continue to do everything we can to pressure the federal government to put more resources back into health care. That is something that has the support of every province right across Canada of all political stripes, and, again, I go back to my comments earlier that I would hope that that is an area that we can get the support of members opposite and agree that the federal government should be stepping up to their responsibility and redirecting, putting back in place some of the significant funding reductions that they have taken out of that important area.

On a national basis, it is almost \$7 billion annually that has been taken out of health and post-secondary education, and in the case of Manitoba, it is now \$240 million annually. So the draw was there to bridge some of those reductions to provide the kinds of services that we believe should be required and are needed here in Manitoba in health, post-secondary education and support to families.

* (1530)

Mr. Leonard Evans: Mr. Chairman, the minister has just said, we took \$60 million out of our savings account because we needed it. My question very simply and specifically is—and then he showed the \$23-million surplus: Why did he not only take \$37 million?

Why take \$60 million out of savings when you only need \$37 million? I mean, you are a good accountant. You should not take more out of savings than you need. You took 60 when you only needed 37. Why?

Mr. Stefanson: Mr. Chairman, this is a budget, and I think the member for Brandon East knows what a budget is—he has been a part of government and been a part of the creation of budgets—and that they are a forecast of how you expect the year to unfold.

Under our legislation, you are allowed to take one draw from the Fiscal Stabilization account annually. So, obviously, by having a very modest surplus—\$23 million against total spending of \$5.5 billion, that is less than one-half of 1 percent of our total budget—it does provide that margin for any adjustments that might occur during the year. I mean, it is a forecast. It is a budget. It gives some flexibility to continue to meet the needs that are required during 1998-99. It is that simple.

Mr. Leonard Evans: Mr. Chairman, just for the record, will the minister acknowledge—it is in his document, but I would like him to verbally acknowledge and explain to us and admit that he has taken too much out of the rainy day fund for this purpose, so he has got his \$23-million surplus. Will he now acknowledge that he is simply taking that \$23 million and putting it back into the rainy day fund? That is what he is doing with it.

Mr. Stefanson: The member for Brandon East, I am not clear on his question. I am acknowledging that we are taking \$60 million out of the Fiscal Stabilization Fund. We took \$100 million in 1997-98. We are taking \$60 million in this year to bridge the significant reductions in funding we are facing from Ottawa, that we have \$240 million less in the important areas of health, post-secondary education support to families. We are drawing amounts from our savings account to allow us to maintain and enhance the spending in those areas.

As the member knows, in this budget we are budgeting approximately \$100 million more. In the case of education, we are budgeting close to \$50 million more, so by being able to draw on our savings accounts, we are able to not only sustain our

commitment there but actually to enhance our commitment in those very important areas, which I would think would be something he supports based on previous comments he has made and his Leader has made.

Mr. Leonard Evans: Mr. Chairman, we are not talking about the overall pressures imposed by federal cuts and so on. I appreciate that, and I agree with him. We do not like those, but surely he has to realize he took \$60 million out and then, with the same breath, he is putting \$23 million back in. That is what I say “the music goes round and around, and it comes out here.” This just boggles the mind.

Yes, it is a budget, so budgets are estimates. But why did you not estimate, say \$37 million, and then you would have a nice balance to be zero? You took \$23 million more than you needed to take. I mean, it would be different if something else was happening to that \$23 million, but what is happening? Like any surplus, \$23 million either goes to pay the debt, but in this case we take it and we put it into a fund instead of paying it against debt, because before this fund was established, Mr. Chairman, any surplus went to the debt automatically.

That is what Mr. Fred Jackson, the Provincial Auditor, was very upset about in 1988-89 when this government first took office. Before the legislation was passed—it was eventually passed—the budget was brought in, and there was this fund set up. Monies that could have and should have gone to debt repayment just automatically, \$200 million were taken out of revenues and put into a fund and showed us with a deficit of nearly \$160 million, I believe it is, that we should not have been having, and that is the beginning of the fudge fund.

But now I am saying, okay, so we have got the fudge fund, but I say it is really fudgy when you take on the one hand \$60 million, because of all the arguments the minister has made about federal cuts and that, fine, but why \$60 million when you only needed \$37 million, because you end up with \$23 million which you turn around and put back in. I mean, it is like going to the bank with your savings account. You take out \$60 million and then at the same time, the same day, you put \$23 million back in. It is very strange. I say what

it does, of course, it makes the government look good because they can say, I have got a \$23 million-surplus.

The point I am making is you cannot really judge the bottom line anymore because of the fudge fund. You cannot judge it anymore. You have to know what is going on in the fund. I say it is just incredible that we can take \$60 million, show a surplus of \$23 million and then turn around and have to put that \$23 million back into the fund. In the old days, before the fund legislation was passed, before it was introduced, that would have gone automatically towards debt repayment, which gets back to the point we have made in the past, you do not need balanced budget legislation to pay down the debt. That can be done just automatically by any government at any time who has a desire to pay down debt. You ensure you have a surplus and that surplus goes automatically to debt reduction.

Mr. Stefanson: Well, maybe the simplest way to explain this to the member for Brandon East, picking up on his last comments about debt, is that through the combination of the revenue growth we have had and the ability over these last two years to use our savings account to bridge the federal funding reductions, \$100 million last year, \$60 million this year, we are not adding to the debt in Manitoba. I think I will take a minute and just outline to the member for Brandon East what has happened to debt.

At the end of 1980-81, the tax supported debt in Manitoba was \$1.064 billion. I think that roughly coincides with when the member for Brandon East became a part of an NDP government here in Manitoba. At the end of 1987-88—

An Honourable Member: Twelve years earlier, '69.

Mr. Stefanson: You are one of the two old-timers then, but you were—[interjection] I stand to be corrected on the timing when the member for Brandon East arrived, but certainly the member for Brandon East was here during the period '81-88, and I think that is my point.

So in 1980-81, when the government changed roughly around that time frame, the debt was \$1.064 billion. At the end of '87-88, again roughly when the

government changed, the debt was \$5.162 billion, almost quadrupled in that seven-year period, average annual increase of 25.6 percent. Each and every year the debt was growing at 25.6 percent.

Then we will pick up from 1988-89, when the debt was the \$5.162 billion, take it through to the end of 1998-99, where it is now at about \$6.6 billion, just under \$6.6 billion. The average annual increase over that period of time is 2.5 percent growth in debt during those about 10 budgets, compared to average annual growth of 25.6 percent.

You talk about things being mind-boggling, that is mind-boggling, in an era in the '80s when revenues were growing at double digits here in Manitoba, to have the debt going up at that kind of a rate. But what is even more important, I go to the member's very specific question, if you go back to 1995-96, the first balanced budget, since that point in time our debt has gone down. It has gone down from \$6.8 billion in '95-96. It is down now to under \$6.6 billion. Over that period of time, over those three or four budgets, the average change has been .7 of a percent decrease. So the debt is actually going down over these last few years for various reasons, one of them being the fact that we are now starting to pay down our debt here in Manitoba.

So I think the most simple example for this member to understand what deficits do, deficits add to your debt. Balanced budgets do not add to your debt. Balanced budgets give you the ability to actually pay down the debt. What we are doing here in Manitoba today is we are balancing our budget and, through the balanced budgets, we are able to generate surpluses. As a result, we are paying down the debt in Manitoba.

That is good news for all Manitobans. Even the Province of Saskatchewan applauds doing that in terms of the budget they just brought down. Even his own Leader acknowledged a few weeks ago that he would at least maintain the debt retirement schedule that we have in place in Manitoba, which is a major step forward to hear that kind of a comment made from his Leader, who was also a part of the same government in the '80s that quadrupled the debt and had average annual increases of 25.6 percent.

So maybe the simplest way to explain it to the member for Brandon East is we are no longer adding to

the debt in Manitoba. The debt is going down. As a result, our debt servicing costs are going down; as a result, less interest is being paid. All of those things are good things for Manitoba, for our economy. I would think those are things that the member for Brandon East would applaud and support.

There might be other things in this budget that he might disagree with. I am sure there are, but I would think that that would be one area that he would be applauding and saying: yes, that is the right thing to do and that will give us more flexibility as we move forward.

* (1540)

Mr. Leonard Evans: Mr. Chairman, I do not want to get into a debate about the history, but I would just make one comment, and that is, the deficit situation in Manitoba in the '80s was not out of line with what was happening right across the country to some extent because of recessions and what happened in Ottawa and also because of the rate of interest at that time being much higher than today. What is happening in Manitoba today seems to be in line with what is happening to the other provinces as well, but that is not what I want to debate.

The minister still has not answered the question. Why take \$60 million out of savings when \$37 million would do? It seems to be just irresponsible from an accounting point of view to take \$60 million when you need \$37 million, because that additional—what you end up with is, by taking 60 you have a bottom line of 23-plus, but that does not go to repay the debt if you just put it back into the fund. You are taking too much money out of the fund. The minister tells us about the history of finances but he does not answer that question.

Mr. Stefanson: Mr. Chairman, I have already answered that question in various ways. I indicated the fact that we took \$100 million last year; we are taking \$60 million this year to support programs, to support health, post-secondary education, support to families, that we are restricted by a one-time draw out of the Fiscal Stabilization Fund and that by leaving a surplus of \$23 million—it is a budget; it is a forecast—that is about one-half of one percent of what our total budget

is in terms of any flexibility to adjust with any events that come along throughout the year. So, again, it is the prudent thing to do.

The member is right, at the end of the year it will go into the Fiscal Stabilization account. We will look at that account again at the end of this year, provided we hit that target, if we hit the target of \$23 million surplus; and we will look at that account again at the end of 1998-99 as to what balance should be in the account and how best to utilize that savings account on behalf of Manitobans. It is certainly something that is well understood by all of the economic analysts, by the bond-rating companies. It is certainly well understood by the public. It is well understood by anybody who has covered the budget. The only one who seems to have some difficulty with it is the member for Brandon East (Mr. Leonard Evans). I am certainly prepared to spend whatever time is required to help him develop a clearer and better understanding and appreciation for why this is important to be done and, as I say, the significance of the '98 budget.

Mr. Leonard Evans: I just have one other question. I have lots of questions, but I have colleagues who want to get into the debate and ask a few questions of this minister and maybe some other ministers.

Just on a different topic, I am very concerned that the exodus of people from Manitoba has taken a sharp turn upwards. We were, as the minister knows, having a lowering of that exodus for some years now, but that has been totally reversed in 1997 to the extent that we lost two and half times more people in the first nine months of '97 than we did in '96 and particularly the loss of nearly 800 people to the province of Saskatchewan. That is a net loss.

Would the minister care to comment on why this increase in net outward migration and particularly why such a sharp increase to the province of Saskatchewan? I would submit it is likely because, as usual, the relative economic situation must be better in Alberta, British Columbia and Saskatchewan. Not that there are not some jobs in Manitoba, but there must be better opportunities out there. Otherwise, why would people go?

I appreciate that people travel or move for retirement reasons and other reasons or that the military are moving people around, et cetera. I can appreciate that, but the volatile factor in all of this is employment seeking, and it seems to me that we have got people leaving Manitoba now in some significant amount, seeking opportunities that they seem not to be able to find here, particularly our sister province to the west, Saskatchewan, where, as I said, we have on a net basis lost 800 people almost for the first nine months of 1997.

I wondered if the minister could tell us why, in his judgment, we are losing people to Saskatchewan and Alberta and B.C.

Mr. Stefanson: Mr. Chairman, I think, as the member for Brandon East did point out, that we are just coming off seven straight years of decline in out-migration to other provinces here in Manitoba, a record that I think is unmatched in the history of our province. It actually compares to a period in the '80s where there were seven straight years of increases in out-migration. If you look at the nature of the out-migration from the provinces to the east of us, we are actually gaining population from five out of the six to the east and the other one is basically flat, so in terms of looking at eastern Canada we are attracting people from eastern Canada.

He does point out for one of the few times, I believe, we did lose a few people to Saskatchewan, but if you look at primarily what is happening, the people have gone to two provinces. Roughly half of them have gone to Alberta, which was a destination, in fact, for over half of those who left Manitoba, and even though our economy is performing very well in terms of job growth, third best in the country, 16,800 private sector jobs, there are obviously job opportunities in the province of Alberta as well, and we do have a very skilled workforce. I think that is another issue that we take pride in Manitoba, is the quality of skills that Manitobans possess. As a result, therefore, they can be fairly mobile and they will, in many cases, move to other job opportunities.

Having said that, there are significant job opportunities in Manitoba and we continue to have sectors that are still looking for people in a whole range of areas, from transportation to the apparel industry, to

information technology. That is why we are dedicating more resources to initiatives like Making Welfare Work, more resources to the apprenticeship program, also assisting with post-secondary students and so on, doing a number of things to be a part of helping to ensure that Manitobans have the skills to meet the job opportunities that exist in our province.

So when you look at out-migration, Alberta and any other major amount goes into British Columbia, and I think we know why some Manitobans choose to go to British Columbia. Unfortunately their climate is a little warmer than ours in the winter, and a few people do choose to take their retirement there. But beyond that, I think to be attracting people now from Ontario, to have had seven straight years of decline, to have the kind of job growth we have got, the kind of private sector job growth, the kinds of forecasts that are being laid out for Manitoba by the economic forecasters, all very positive. There are lots of job opportunities and will continue to be, and that is something we should all be very proud of.

Mr. Tim Sale (Crescentwood): To the Minister of Finance (Mr. Stefanson), I wonder if I could ask the minister if he could look at his third quarter projection revenues. I am sure he has it here with him, and I would just like to ask him a couple of detailed questions about that.

First of all, I believe that his revenue projection, Mr. Chairperson, was \$5.777 billion and that he is projecting in that total \$175 million from flood recoveries from the federal government which would give an adjusted figure, net of that one-time revenue, of \$5.602 billion. Has the minister basically got that now in front of him, the year-end projection statement?

I notice the minister has the figures now. Could he just confirm his third quarter estimate of \$5.777 billion revenue, less the one-time flood recoveries, for an adjusted revenue figure of \$5.602 billion, which is not in his statement, but it is simply the arithmetic of removing the \$175 million one-time federal flood recovery from his overall revenue estimate? Could he confirm that initial figure, Mr. Chairperson?

Mr. Stefanson: I am certainly prepared to confirm—I am just looking at this information now. The total

operating revenue forecast for March 31, 1998, is \$5.777 billion and that those would include the estimate of recoveries from the federal government which according to the third quarter report are forecast to be \$175 million.

* (1550)

Mr. Sale: Mr. Chairperson, then to follow the arithmetic of that, I think that would leave—in the minister's understanding as well—an adjusted figure of \$5.602 billion. We would then, in order to get a true picture of the underlying revenues net of the Fiscal Stabilization Fund, remove a further \$100 million.

If the minister could confirm that that would bring his real revenues down to 5.502, according to his third quarter statement, removing the Fiscal Stabilization Fund and removing the one-time federal flood revenues.

Mr. Chairperson: Before the minister answers that, I just want to do a mike check. Mr. Minister, can you just tap on that mike for me? That one is live. Have you got it on right now? That is staying live. It is still live.

Mr. Stefanson: Mr. Chairman, I believe the member for Crescentwood has taken the \$5.777 billion in projected revenue for '98, deducted the \$175 million from recoveries from the federal government and is then deducting the \$100 million, which is included as a result of the transfer from the Fiscal Stabilization Fund. So if that is what he is doing, he is correct with those amounts.

Mr. Sale: Mr. Chairperson, I thank the minister for confirming that. I believe then that that leaves the number that reflects the real underlying revenues of the province as \$5.502 billion.

Now, I just direct the minister to his budget, to the revenue estimates and to the total revenue before extraordinary figure of \$5.600 billion. I am sure the minister has his budget there and that he will be able to identify that figure—\$5.600 billion total revenue before extraordinary.

I would ask the minister if he would then deduct from that, the Stabilization Fund, of \$60 million which

would leave \$5.540 billion, very straightforward, and further, if he would deduct the growth in the federal transfers which is approximately \$37 million, 37-38, depending on round; so in other words, to deduct from 5.600 the sum of \$97 million or \$98 million depending on the federal estimates, which would again give you an underlying revenue picture for year 1998-99, net of the Stabilization Fund, net of changes in federal revenue, and I think that the minister will then confirm that what he is projecting for this year in revenue growth is a figure of \$5.503 billion or \$5.502 billion, depending on whether the federal growth is 37 or 38, rounding. I would just ask the minister to confirm that that is the result of those calculations.

Mr. Chairperson: Could I ask the honourable members to remember that there is a live mike over here that is picking up everything you say.

Mr. Stefanson: Mr. Chairman, no, I cannot confirm that without sort of going back to the question and doing the calculation. I can speculate where the member is heading with this, and if he is heading to the issue of the accuracy of revenue, then certainly prepared to get into that and to share with him what the real numbers are in terms of growth in personal income tax, growth in corporate income tax, and so on, because, as he should know from his days in government, in terms of the current budget, a significant number of the numbers are provided by the federal government, reviewed with the federal government. In fact, between corporate income tax, personal income tax and, of course, the transfer payments, by the time you get those components added together, you are well up over 50 percent.

So I am certainly prepared to give him an idea of what we are budgeting in terms of growth in individual income tax, growth in corporate income tax. I think the simplistic calculation that he did—and I saw a calculation done as part of their alternative budget where they took the \$5.5 billion and said if it grows by 3 to 5 percent, it is a certain amount of money.

That was dead wrong because, if you look at the transfers, and it is important to separate them, you have to look at the federal transfers, because the federal transfers, Government of Canada on a budget-to-budget basis, they are just under \$1.6 billion but, compared to

the forecast that the member for Crescentwood (Mr. Sale) is attempting to work from in terms of the transfers, there is actually a reduction of some \$75 million.

So you have to immediately separate out the \$1.6 million which is not growing. In fact, it is reducing. Then, you deal with what is left, you deal with our own-source revenues, which are about another 72 percent, and out of that 72 percent you then have to split them and start looking at the personal income tax that we go over with the federal government. We are showing growth in personal income tax of between 3 and 4 percent. We are showing growth in corporate income tax of between 15 and 20 percent, very solid growth. We are showing growth in retail sales tax of, depending if you are going forecast to budget or budget to budget, anywhere from 4 to 8 percent, all very strong reasonable growth, which again I think is in keeping with our economy's performing.

So I tell the member for Crescentwood, if that is where he is heading with his questions, the revenue forecasts are accurate. They are done in conjunction with the federal government. Those are the kinds of increases that are built in, and to do the simplistic calculation that he did or somebody on the part of his caucus did is absolutely dead wrong. You have to start breaking out the elements of revenue to do the actual comparisons and to do the accurate calculation. To do that simplistic kind of a calculation really is totally meaningless.

Mr. Sale: Finally the minister did realize where we were going, and that is good. I am glad he caught up. We are not dead wrong. We estimated last year and we told you last year when you brought down last year's budget that you were \$200 million below revenue. In your third quarter statement you agreed that you had understated your revenues by \$190 million. You are getting there. In fact, you are going to go well over that. So if you want to talk about who is accurate in revenue estimates, we would be glad to have that debate, because we have been right over the last few years, and the minister has consistently underestimated his revenues over and over and over again.

Mr. Chairperson, the minister talks about a simplistic calculation. The calculation that is being done is

simply his numbers. He is telling us that he is going to get \$5.6 billion in revenue, and he is going to have in that revenue \$60 million from the Stabilization Fund and \$37 million more from the federal government.

When you make any kind of correction for that and use his own numbers, no numbers calculated by anyone else, his numbers, third quarter estimate numbers, he is asking Manitobans to believe that we will have \$1 million more in revenue from own-source revenue in the new budget versus the old budget. It is absolutely straightforward and absolutely transparent. There is no way on God's green earth that his revenues in the current year will be anything like \$5.411 billion; they will be over \$5.6 billion, well over. He himself has acknowledged \$5.777, less the federal one-time transfer for flood relief, so it is over \$5.6 billion already admitted, and he is trying to tell us that our ordinary revenue next year will have zero growth from what he is acknowledging will already be in place at the end of this year.

* (1600)

This is a shameful budget because the draw on the Fiscal Stabilization Fund, which the minister and our Finance critic just had a long exchange about, will never take place. It will not take place this year, it did not take place last year, and it will not take place in the next year because the revenues are so understated that he will not need to do so unless, of course, he decides in his pre-election year to throw a whole bunch more money into Manitobans' services, which they badly need, in order to bribe them with their own money that should have been spent through this last period of time to ensure that the health care system stayed in place, that our education system stayed in place. So let us not talk about facile numbers because, with the numbers I have used, not one of them is calculated by this side, every one of them is from his data.

Mr. Chairperson, I want to ask the minister one other question of fact. He seems to have trouble with these, and I invite him to get his numbers out. There has been some discussion about the special levy numbers. Now, the Minister of Finance directs the Public Schools Finance Board to collect the education support levy for the province and the province funds public schools. With the underfunding, the removal of more than \$90

million in purchasing power over the last seven or eight years, public schools have had not much choice if they wanted to keep any kind of service level in their schools but to raise the special levy.

This special levy has gone up because of this government, this minister's actions to underfund public education, and I would like the minister to confirm that during his government's time in office the special levy has risen by \$134 million. That is from \$208,000,528 in 1988 to \$343,000,872 in 1996-97, and we will not know for a while what it will finally be in 1997-98. So to the end of the last year \$134 million, and \$134 million by his own figures, is more than six personal income tax points worth of taxation, at \$20 million, \$22 million, \$23 million per point. So the effect of your policies, Mr. Chairperson, through you to the minister, has been to increase Manitobans' taxes by more than six personal income tax points just on the special levy.

If you go back to '92-93, when you cut your property tax credit and when you broadened the sales tax base, there was another six points equivalent of personal income tax. That is not our number; that is the minister's department, Federal-Provincial Relations, who gave him a memo—his predecessor, rather—gave his predecessor a memo to point out the equivalent impact of their sales tax broadening and the cut to the property tax credit. Between these two increases, mainly affecting property tax but also affecting the sales tax, just these two, not counting any of the fees, not counting any of the incredible charges for nursing homes, the transfer of \$20 million in Pharmacare costs, you have raised Manitobans' taxes by the equivalent of 12 points of personal income tax.

The minister is so fond of talking about personal income tax points and the debt. Let him now talk about personal income tax and the increase in property tax levies, the increase due to his cut of \$75 on the property tax credit, the increase due to the sales tax broadening, 12 personal income tax points. He has reduced personal income tax, he and his predecessor; by next year, it will be four points. You have raised them three times more than you have lowered them, Mr. Minister, and I do not see how you can go with a straight face to Manitobans and say you have not raised taxes. This budget contains that statement over and over again.

You, in fact, have raised taxes; you have tripled, in effect, what you have said you have reduced. You said you have gone four; in fact, you have gone up 12, and those taxes are an onerous burden, particularly on lower- and middle-income Manitobans, who are paying sales tax and property taxes at a level that is the equivalent of 12 personal income tax points. Will the minister confirm that?

Mr. Stefanson: No, Mr. Chairman, I will confirm no such thing. As usual, the member for Crescentwood asks a question, but he does not listen. I explained to him the components of revenue and the very simplistic approach that he took. I hope that the Leader of the Opposition is not relying on the member for Crescentwood to prepare their alternative budget because, if he is, they are in big trouble. To take a simplistic—to get down to a revenue number and take 3.5 percent, I think most members opposite can understand there are the different elements that make up the revenue. I have already explained very clearly what the impact of 1.6 of the revenue is. I have also outlined for them what we are showing in terms of growth and in terms of individual income tax, corporate income tax, and so on.

So, again, the member is dead wrong with his approach, with his simplistic calculation and for some reason is not prepared to go behind the numbers and see what the components are, see what makes them up and also to accept the fact that when it comes to these numbers, we also receive them from the federal government. We work with the federal government. They collect our personal income tax; they collect our corporate income tax. We work with them; they provide us the numbers of the estimates of what our revenue projections are.

On an overall basis, Mr. Chairman, I am very proud of our ability to forecast as a government. I am proud of our 10 budgets to date and our 11th budget in terms of the accuracy of them.

If you want to talk about discrepancies, what we have seen in Canada this year is most provincial governments—I have looked at Saskatchewan's budget, their revenue came in higher. Federal government, let us look at the federal government. They went from a \$17-billion deficit to a surplus because the economy

performed very well within most of Canada, and their revenue sources were up.

So, again, I encourage the member to do a little work on these issues and to take the time to understand them, and I think that would go a long way for him and hopefully for some of his colleagues. Again, I do not accept his numbers, and I think the member for Crescentwood himself probably said it best in May 1997 during the Estimates of Industry, Trade and Tourism, and I am quoting the member for Crescentwood. These are his own words on the record: Mr. Chairperson, I claim absolutely no knowledge in the area of statistics. I have a great deal of difficulty interpreting statistics without somebody on hand to help, so I am not suggesting I know what we ought to do.

Well, I say to the Leader of the Opposition, help him. He needs help; he needs it now. Please do that, the Leader of the Opposition, the member for Concordia (Mr. Doer), help the member for Crescentwood. When he starts putting statistics on the record, they have absolutely no credibility whatsoever.

If he wants to wade into the issue of talking about taxes, I can list off I do not know how many dozens, but they are in the dozens, they are in the dozens of increases of taxes from the period from 1982 to 1988 when the Leader of the Opposition was a member of that government for a couple of years. We do not need lessons on taxes from members opposite. They are the masters of tax increases. If there ever were a government in Canada that were the masters of tax increases, some of them still sit right over there.

I think it is worth reminding them of some of the tax increases that they introduced. They increased the retail sales tax from 5 percent to 7 percent; they introduced and increased the payroll tax to 2.25 percent; they introduced the personal net income tax; they increased the corporation income tax; they increased the corporation capital tax; they increased the gasoline tax; they increased the diesel fuel tax; they increased the railway fuel tax; they introduced a land transfer tax; they increased tobacco tax.

If there was a tax out there, they either introduced it or increased it, and that is the legacy and the record that

they left. We have not done that. We have reduced personal income taxes on at least two occasions. We have reduced a number of other taxes. Go through our 11 budgets and you will see tax decreases in each and every one of those budgets.

That is our record compared to the record of the NDP administration from 1981 to '88. So we do not need any lessons from members opposite, particularly the member for Crescentwood, when I quote him directly and he struggles with statistics.

So I say to the Leader of the Opposition, give him that help right now; please do it.

* (1610)

Mr. Chairperson: Order, please. Could I ask the honourable members that want to carry on this conversation to do so in the loge, so that we can get on with the questioning.

Mr. Sale: Mr. Chairperson, I thank you. I enjoy the minister's comments when he has trouble with two different concepts. Arithmetic I have a great deal of comfort with, and that is what we were doing. I hope that he does not have too much trouble with arithmetic, with percentages. I have some difficulty with Ki squares and some of those arcane statistical concepts. The minister may understand those; I do not, but I do understand arithmetic, and, by and large, I think we have done rather well in the area of arithmetic in terms of projections.

I just have one further question about the federal Estimates. Now, I take the minister's comment that the federal government provides revenue growth estimates—they do. I certainly agree with him that that is what they do, but they provide revenue growth estimates, and I ask the minister to answer this one fairly carefully because this is where the truth gets shaded too often.

They provide revenue growth estimates on a growth into the new year over the old year actual, not over the estimated. The minister knows that. He also knows that to the end of the third quarter federal income tax revenue was up 8.8 percent. The federal government estimates the year-end picture during the December-

January period and provides provinces with an estimate of growth, not over their budget figures, which is how the minister fudges revenues, but over the actual—that is, real growth next year over what actually happened this year; not over what we thought might happen 12 or 14 months ago, but what actually happened.

So will the minister confirm that the federal projections for revenue growth, which do come from the federal government, I quite agree, are not based on last year's estimates, they are based on an estimate of actual and, therefore, the minister builds into his base, year after year after year, a fudge factor on revenues? A very convenient fudge factor and one that makes his revenues, as has happened this year, somewhere in the order of \$200 million more than he estimated. Already by the end of the third quarter that is the picture.

So will the minister simply confirm that the federal estimates of growth are, indeed, arrived at by the federal government and provided all provinces, but they are based on the best guess at the year end of the actual revenue plus the growth they are estimating? For ease of an example, if you are going to get \$1,000 in revenue at the end of 1997-98, March of this year, a few days from now, the federal estimates of growth are X percent on that number, not on your last year's budget. That is how you build the fudge factor in, is it not?

Mr. Stefanson: I do not accept most of what the member said when he talks about fudge factors. In terms of the numbers provided from the federal government, they do update the projections on a regular basis with provinces, and they do provide the most current estimate of what the shares of revenues will be for that current year and, in projecting, moving forward. So they are updated on a regular basis in terms of what we can expect from the federal government.

But I want to go back to his absolutely simplistic, incorrect calculation of just taking the gross revenue and multiplying it by 3 or 5 percent, because if he wants to compare forecasts, which is what he is getting at, our forecasts for 1978-98 to our 1998-99 budget, federal transfers are projected to be down by \$75 million in '98-99 from the '97-98 forecast.

So right off the mark you have to do, as I have already told him, you have to take the transfers out

because they are not growing by 3 to 5 percent. They are going down from the forecast amount in 1997-98. So, if he can understand that, he should be able to accept that. So then you get down to your own-source revenues, which what we have built in in terms of growth and own-source revenues after the tax reductions is a little over 3 percent. That is very reasonable. It is what is also being provided from the federal government. It compares well to what we have seen from other provinces.

So in terms of our own-source revenues, after factoring in the tax reductions that are in this budget that I believe in '98-99 totalled about \$28 million, if I recall correctly in that range, they are taken out. The growth factor after that is a little over 3 percent in reasonable growth, reasonable growth in keeping with our economy with the jobs being created and so on.

Those are the facts. That is forecast to budget on our own-source. I have already given him the forecast to budget on the transfers, and if he understands those elements, then hopefully he has a better appreciation for the accuracy of our numbers, Mr. Chairman, because they are the best information, the best numbers that we have at this particular point in time based on our own analysis and based on the analysis and numbers provided by the federal government.

Ms. Marianne Cerilli (Radisson): Mr. Chairperson, I have a few questions for the Minister of Finance related to the Pan Am Games budget. We know that there is now a revised budget that is some \$145 million, which is different from the \$122-million budget that we discussed last spring in Estimates. I think that it is important that we get some clarification then how this is affecting the variety of departments that could be contributing to the Pan Am Games from the provincial government.

So I want to start off by just asking the minister if a revised budget plan has been prepared based on the new budget, and, if he can provide that to me, I would appreciate it. I am looking currently at page 46 of the old business plan which listed the cash flow from the province over the years from '96 to the games year in '99. What I am interested in getting is the changes in that cash flow over the years, and I am wondering if the minister has that and he could provide that to me as well as the entire revised business plan.

Mr. Stefanson: Mr. Chairman, unfortunately, I do not have all of the material on the Pan Am Games here, but the member is correct that there is now a revised budget which is approximately \$145 million. I am certainly prepared to provide her with whatever information I can. There has been a revised budget submitted. That is the range. I think there has been maybe some slight adjustments to that, but that is the range of the budget now. It was \$122 when we discussed it back in Estimates last May. It is now in the range of \$145 million. As a result, both the federal government and our government have made an additional commitment to the Pan Am Games.

I am certainly prepared to provide her with a summary of our commitment, what we have provided to date, and what we are then planning to provide over the next couple of years. So if she is looking for the revised budget, I will provide her whatever information I can in terms of the revised budget. I will also provide her a status of what we have paid and what we are committed to pay over the next few years leading up to the games. I think those were the two elements that she asked for. I do not have them here with me, but I am certainly prepared to undertake to provide that information.

Ms. Cerilli: Well, the minister said he does not have much information with him on the Pan Am Games. One of the things when I looked at this budget, it is very unclear to see one line that will show in the budget the amount of dollars flowing this year to the Pan Am Games, and that is one of the things I am interested in getting from him. I have referred him to page 46 of the previous business plan which shows the government's cash flow for all levels of governments over the years from '96 to '99, and I think it is important that we know what those changes are.

The other question I wanted the government to provide an answer for today is all the other costs that are being incurred by other government departments, provincial government departments, whether it is from Urban Affairs and our contribution to the WDA agreement, for such things as the North Main task force changes, the changes at Portage and Main, the intersection, the revisions or renovations, I should say, to community clubs for change rooms, The Forks bridge. I understand that there is money coming from

the Department of Culture, and my question to the minister: is all of this included in the provincial contribution which is now \$37 million, or is what we are seeing is there are additional department expenditures that are going towards improvements related to the Pan Am Games and a variety of different other areas?

* (1620)

Mr. Stefanson: Mr. Chairman, in terms of our direct support, as the member has touched on, is going to be approximately \$38 million. Now, there are some initiatives that are currently underway that obviously the Pan Am Games will be a benefactor from, but there are some things that are being done anyway, whether it is some of the developments at The Forks or other location, but I can certainly undertake to obtain as much as I can in terms of initiatives that are underway that might have an impact or a benefit to the Pan Am Games. I am certainly prepared to see what information I can pull together in that area. If she has any very specific questions on individual departments, I am prepared to follow up on those.

Some of the areas she touched on, even though she rolled in the Winnipeg Development Agreement, some of the things happening on Portage Avenue and so on I think are primarily the City of Winnipeg, but if they are being funded under the Winnipeg Development Agreement, then obviously that is a tripartite agreement that we are a part of. So I think some of the issues that she touched on might well be undertakings that are just being done by the City of Winnipeg, but again if she has a very specific question I am prepared to follow up, and I am prepared to pursue where initiatives are underway that might also benefit the Pan Am Games.

I think of The Forks as maybe the best example because some things are being done at The Forks, and there is no doubt some of the things that are being done at The Forks will benefit the Pan Am Games. Festival Park that is being done at The Forks will benefit the Pan Am Games because that is going to be a location that they are going to obviously have various ceremonies, various activities and so on. So if that is the kind of additional information she is after, over and above our direct support, I am certainly prepared to undertake to obtain as much as I can.

Ms. Cerilli: Well, I am pleased to see the minister will provide me with that information, but I think that I just want to clarify that most Manitobans are aware that a lot of these projects are being undertaken as sort of, quote, beautification projects in preparation for the Pan Am Games. I think that it is important that we have a full accounting of all those additional expenses that are public expenses that are being done to prepare for the Pan Am Games. We keep hearing that they are on schedule or that their schedule is slated to be completed for the Pan Am Games so we could get into more specific questions about things like the North Main task force report where I understand there are going to be a number of vacant lots when they tear down these hotels, and what is going to be happening there. But all of that is being done on a schedule to prepare for the Pan Am Games.

The minister may say that they would all have been done anyway, and I think that some people would disagree with that, but there are a number of these projects that are definitely part of the Pan Am Games plan and schedule. I guess the main point that I wanted to make, and he has agreed to provide me with the information, is to have a full list of all these additional costs from public funds and which departments that those funds are coming from. I do not know if he wants to respond further to that or if I should just carry on.

Mr. Stefanson: Very simply, as I indicated, I am prepared to look at that from within areas that are under our direct control as a provincial government. I think some of the initiatives that are referred to are being undertaken by other levels of government. We can certainly inquire of them, but it is their expenditures, their accountability.

We can certainly inquire what kinds of initiatives they are undertaking as well, as related to the Pan Am Games, whether it is the City of Winnipeg or the federal government, but it is certainly easier to do for areas that are directly under our control or where we are a contributing partner to it. That is the only point I was making.

Ms. Cerilli: There was an article in the paper today that talked about a new project that is going to be related to the Pan Am Games. It is called Crop Art 99.

It is another example of how an organization is going to be out soliciting sponsorships so that the fields around the Winnipeg area, when tourists are flying in, are going to have representations of paintings sculpted into the landscape.

I am surprised to see this in some ways, because it seems that then they are going after, in some cases, what is \$400 an acre of costs for this project. I am aware that there are some fairly major areas of the Pan Am Games themselves that do not yet have the private sponsorship necessary. I want to list them, and maybe the minister can tell me if sponsorships have been secured for these major items: the timing for all the events that require very high-tech timing, an airline, food, liquor, waste management, film and processing of film, fuel for vehicles, hardware and furniture.

Mr. Stefanson: Obviously I do not have those details here at this stage, but I am more than prepared to undertake to get a status report on sponsorship overall for the Pan Am Games and obviously the specific elements that the member just outlined.

Ms. Cerilli: I should have asked with part of that question for maybe a little bit more detail in terms of the plans being in place for those areas. Some of them, like the timing, airlines, very significant, substantive sponsorships that we are still waiting for. If I compare the bid and the new revised budget, if the minister can tell us if the private sector contribution and the sponsorship has changed for the Pan Am Games and if we are now seeing that one of the reasons we are having to have more public funds invested into the Pan Am Games is because, in fact, the sponsorships are not coming in as quickly and to the same level of funding and support as initially was proposed in the bid.

Mr. Stefanson: I can confirm, in terms of my recollection of the revised budget, it was driven by the two elements. There were some increases in expenditures, but there were also some revisions, downward revisions in terms of estimates of revenue sources derived from sponsorships and other elements, i.e., from outside of government. So the change to the budget was driven by both increased expenses and less revenue coming from nongovernment sources, but in terms of further details I am certainly again prepared to undertake to provide as much as I can in that area.

Ms. Cerilli: It is my hope that the revised budget or business plan that the minister is going to provide me with is more clear in this area in terms of the amount of revenue coming from sponsorships in the private sector, because the previous one is not very clear.

I refer the minister to page 42 of the business plan, which does not have a specific line for private sector as it does for government revenue. There is marketing, investment, income tickets and travel recoveries. I think that the business plan should clearly show the amount that is going to be coming from sponsorship and from the private sector.

The last area that I want to ask about is in terms of the plans for venue, construction and renovation. There is a number that are still in limbo, I guess, you could say. There is a number of changes that are occurring, a number of changes that have made some communities not very happy. This is another area that is part of the legacy of the games, that communities tie their hopes to. I want to ask the minister if he will agree to provide me with an updated list of the venues, the costs for their renovation or construction, and detail beyond just what is again in the business plan which has had to be revised.

* (1630)

I want to ask him specifically about one of the venues which is of great concern—that is the soccer venue—and if there has been a decision made as yet on whether the leading teams from countries where soccer is their pride and joy, if they are going to be expected to be playing at the Waverley Complex; and if it is indeed the case that it is going to be moved from the Winnipeg Arena, the specific details for renovating that venue; if that is the case, the Waverley Soccer Complex, in terms of the capacity for parking, for seating, the access in terms of the streets in that area. There is a lot of problems that could be related to that that could have large impacts in terms of marketing and televising of this specific sport which is going to probably be one of the most interest to a lot of the countries that are going to be coming here, particularly from Latin America.

I would like the minister to answer sort of the broader question of the venues and then specifically in terms of the soccer venue.

Mr. Stefanson: Again, Mr. Chairman, I will undertake to get a status report and provide as much information as I can to the member for Radisson. My understanding is most of the venues are now being finalized, but she is correct that there are still a few that remain to be finalized and it is important that that be done very shortly for obvious reasons in terms of the timing of the games. We are going to have to undertake to obtain and provide as much information on the whole issue of venues, both the status of those that have been firmed up to date and the status of venue of any outstanding sites.

Ms. Cerilli: One more area I want to ask the Minister of Finance about before we have the Leader of the Opposition ask questions is to do with the revenue statement of the government. It has to do with page 8 of the revenue statement which lists that CMHC has only just over \$700,000 in revenue going to the Department of Housing. When we reconcile this with looking at the actual amount that comes, it is more like \$35-\$36 million. I am unclear as to why the revenue statement does not actually show the total amount of revenue that comes from CMHC for housing in the province of Manitoba.

I also want to have the minister provide me with information that would explain the huge difference in the spending in that department. There is a huge discrepancy between what is estimated and what is actually being spent, I would say going back to around when we got the balanced budget act in the province. Two years ago, there was over \$65 million spent, and the budget for this year is only \$43 million. That is a 34 percent difference. I have contacted Manitoba Housing Authority about this, and I am waiting for information, but I think that shows there is a huge problem in the budgeting for this department.

When I look at the third-quarter report for this department, they have already spent \$32 million, almost \$33 million, which would leave only \$10 million more for the rest of this year, so again this year we are going to see a huge overspending in the department. I am wondering if there is any relationship between the budget Estimates which are underbudget and this not showing the revenue from CMHC.

Mr. Stefanson: Mr. Chairman, in terms of the cost and fee recovery from Canada Mortgage and Housing that

the member refers to on page 8 of the Revenue Estimates, I see that there is a slight adjustment from \$764,00 to \$707,000. I will certainly undertake to get the details. I am assuming that just has to do with recoveries in terms of the various administrative costs. But I think, more importantly, if you look at the Estimates of Housing on page 85 of our detailed Estimates—and certainly the Minister of Housing (Mr. Reimer) will get into these in more detail as we head into a Committee of Supply in the next several days—it does reflect the province's share of rental subsidies for Manitoba Housing and Renewal Corporation-administered units, for CMHC-administered units and other components.

In terms of the slight reduction in the total Housing budget, it is made up of a number of adjustments in various areas that the Minister of Housing will go through, but, again, none that are any program changes that affect the programs that are in place in terms of the programs offered to Manitobans. So I think, as they get into detailed Estimates, I am sure the Minister of Housing will provide further details.

I guess just, if I understood the question, CMHC's support for these initiatives go directly to the corporation, and our funding is on a net basis in terms of what is provided by the province. You have to basically look at the financial statements, and you will see the total funding from both the provincial and the federal government. So what we see in our Estimates is the provincial share on a net basis for the elements of Housing that I have already referred to in terms of MHRC units and CMHC units.

Mr. Gary Doer (Leader of the Opposition): I want to raise a few issues surrounding New Directions and the proposal to relocate a group home from 171 Cheriton to Springfield Road and now, as I understand it, to 574 Chelsea Avenue.

Now, I raise my comments as somebody that was on the board of directors of Main Street Project group home, and worked with John Rogers, Clay Lewis and others in the establishment of group homes for kids as an alternative to what was a horrible situation in their family or alternatively an impossible situation in an institution, so I recognize, as all members of this Legislature, that group homes are part of the continuum

of treatment and care. I recognize also that any new location of a group home creates considerable work on behalf of the sponsoring agency, which is primarily funded by the provincial government, the Department of Family Services, and the new community to which the home is going to be located.

I have to say that the standards of partnership to develop mutual respect I have observed in previous locations of group homes—the Hugh John Macdonald Hostel, when they located a group home in a community, there was a lot of concern, a lot of public concern, but the group home and the sponsors of the group home were willing and able to attend grassroots community meetings to deal with the concerns that residents of the community had and, to some degree, start to deal with some of the issues of safety as the community feels it. I respect that. I know it is not easy. I know when people like Ulysses Desrochers go out to community meetings that these are tough events, and when they go door to door after those meetings or before meetings, that is a tough exercise because everyone is concerned about safety, and the whole issue of locations and relocations of homes is not an easy matter.

I have to say in this case, Mr. Chairman, I feel that the standard under which I would expect a group home working with a community to be prepared to take those meetings, a meeting with the community to deal with the concerns that they have, have not been followed. They have not been followed to such a degree that I believe the home now and its relocation will put the jeopardy of the young people and the acceptability to the community at risk.

* (1640)

I believe by trying to short-circuit the issues that residents have raised and to deny that those concerns are there or that they are legitimate that we have, in fact, practised as a community a location standard or methodology that has hundreds of names on petitions and I, as an MLA, feel that the community has absolutely been shortchanged by the agency in terms of dealing with their concerns.

I note specifically the letter that the minister wrote back to me saying I was invited to deal with the director

of the agency. That is not true. I was apprised of the development after the agency had bought the home, because it is our information that the home was purchased in November. What I cannot understand and I will not understand is why the New Directions program met with just a small group of people prior to the purchase of this home and has refused to attend a community meeting that was established on January 15, a community meeting that the minister was invited to, the local councillors were invited to, I was invited to, the member for Elmwood (Mr. Maloway) was invited to.

Now, you have to understand that this group home is not a new group home or new treatment centre. It is being relocated from a community north of it and it was proposed to be relocated to a Springfield Avenue location. Regrettably, or whatever the reason was, the home did not proceed on that location. So the people in the one area feel that “community activity and political activity” developed a strong local opposition to the home which resulted in a new methodology being used in attempting to locate the home on Chelsea Avenue. They feel that politics has been played in this case, and I regret that they feel that. They feel, and lawyers were citing examples of the MLA being involved in meeting with community members in terms of his constituency, which is a difficult task that we all have.

Normally I have seen group homes located all across the city and it has not been raised in this Legislature but because it has been developed and group homes have been located on the basis of merit for the residents and on the basis of safety for the community. I agree that it has been difficult and it is difficult for the minister but, nonetheless, I do not think there is any shortcut for people that are sponsoring group homes attending public meetings and answering questions of the residents that reside on the street. Failure to do so, in my view, is arrogant. It is bad treatment and, in my view, in the long run, it puts the kids that are being transferred in a very, very difficult situation. Some people in the community are going out and opposition, as the member for Elmwood (Mr. Maloway) would know, is growing and growing and growing. They feel that the sponsoring agency does not care about what they feel, what they worry about. They do not care about the elderly lady that is 87 years old or 84 years

old living next door to that residence, and they have shown that they did not care by not attending the meeting.

I wrote the minister, and I was extremely disappointed. I was looking forward to a fairly feisty meeting on January 15, and I have been to them before, and I am sure the minister has been to them before, and I accept that as part of my responsibility. I accept as a citizen and as an MLA that I have responsibilities both to the residents I represent and to the greater community in trying to make a difference. I was absolutely offended when the executive director of the home wrote a letter to the residents saying: New Directions does not believe it would be productive to attend a community meeting, another community meeting—and I should point out that at the first community meeting, very few people attended because they did not know about it; it was one day after the home was purchased—to rediscuss our decision to relocate a treatment centre, 574 Chelsea Avenue. Through our various meetings with community groups and organizations, through door-to-door conversations, we have listened and responded fully to all concerns; therefore, we are sending your regrets to our invitation.

The group wrote the executive director—and before that they stated that they did not get an agenda or format for the community meetings. The group sent back an agenda. It was fairly straightforward, MLAs, city councillors and New Directions. So we had an auditorium full of people without the sponsoring agency being there. I can understand the minister was invited. I am not sure whether any of her staff attended that meeting, but it is a situation that has gone I think from bad to worse in terms of the residents. Since that meeting, by their lack of attendance, all the fears that were there in the community to begin with have become certainly more extreme. The signatures are being signed. There will be up to a thousand signatures shortly, which means almost unanimous opposition in the area to a treatment centre being relocated from the East Kildonan area to the Elmwood area of the community.

Now, I think this is very regrettable and, as I say, I know the member for Osborne (Ms. McGifford) went through difficult situations with the Hugh John Macdonald Hostel group home, but you know the group

home was there, the group home sponsors were there when there were 600 people. I dare say that some of the concerns that were there were dealt with at that meeting, and eventually some of the concerns were dealt with after that. Hopefully, over time there can be a strong community partnership between the people and the residents of a treatment centre.

So I would say to the minister that there should be a standard in the Department of Family Services on dealing with work and partnership from a sponsoring agency to a community. It starts, in my view, with honesty, it starts with mutual respect, and it starts from an opportunity to discuss these issues in full public forum rather than a kind of managed and small forum kind of setting.

Now, I met other members that were allegedly part of the support of this agency from the church, and they came up to me after the meeting and they were offended, people that members here in this House would know, individuals who they would know, who have got a long track record of tolerance and fairness. They were absolutely shocked that this letter was sent and that this community was absolutely ignored.

So I would like to say to the minister, I believe that she should stop them from relocating the home until the work is done in the community. I believe it is absolutely essential that if there is a strong relationship in the existing community, that is the most important treatment component there is. If the physical features of one home are something less than the physical features of another home, that is one matter, but the absolute trust and respect and mutual partnership that a home develops over time in a community versus going to one location and then having you go to another location, and failure to deal with those new locations, or with a partnership, I think sets up those kids in a very, very unfair way.

So I raise this to the minister; we have been trading letters back and forth. I know the minister gets hundreds of letters in a week, and I know the minister gets hundreds of letters that are on her desk to sign in a week, but I would point out to her that I am very, very, extremely angry with the way in which this agency has dealt with these people. These are good people. These are honest people. I know that the program's, the

New Directions program's goals are laudable, and I support the attempt to have our people, people that come from families that cannot get the kind of support that we would see as essential in their own homes, that they get the proper emotional, physical, and community support, but I suggest to the minister that you do not get it if you do not start working on it to begin with.

As I say, when I have gone through the tale of two group homes, I have listened to the member from Osborne (Ms. McGifford), and a person whom I really respect, Mr. Desrochers, deal with a home in a very controversial area, but he went into the community. He went into that session. He took the questions from 600 people. He took that anger and talked about what the proposal was going to be and why it was necessary. He did not say I am not going to attend the meeting.

* (1650)

I want to ask the minister a question then. I just believe fundamentally in my bones that the agency was wrong not to attend the meeting in January; I believe the date was January—I had better make sure of my dates—January 15. I do not think sending a fax to people is as good as coming to the meeting yourself. Does the minister support this particular area in light of the fact that there already had been community opposition at Springfield Road, major community opposition?

It was alleged that the Minister of Justice was involved in some of those community meetings. I know he is in a difficult situation. I am not pretending these things are easy, but given the fact that this was proposed to go from one location to another location, to another location, is it appropriate that the agency, the sponsoring agency, not attend those meetings, and not do their job to develop respect and information to the people and residents directly?

Hon. Bonnie Mitchelson (Minister of Family Services): Mr. Chairperson, I certainly appreciate the comments that my honourable friend has put on the record, because I think from time to time all of us in our communities and constituencies have had issues surrounding, whether it is group home activity or foster homes that are there for very high needs, high risk, especially adolescents, teenagers.

I know for a fact that I had the issue not on the group home basis, but with the foster home in my constituency. Very difficult as the MLA for the community and the Minister of Family Services in my position, as the minister should not become politically involved on any one side, and I do not believe that any elected official should take sides in circumstances, whether it is inciting anger and fear among community or taking an opposite position. I think we all understand and realize that there are those children within our society that are going to need support, and that are going to need the kind of treatment that is provided through high-level needs foster homes or group homes. I know that we have had very many successful placements right throughout our communities, and that this situation is an extremely unfortunate situation.

All I can say is the information that I have—and I have not become politically involved, and I make a point: I do not think you would find a Minister of Family Services, regardless of political stripe, back many, many years who has taken an active position one way or the other. I have responsibility for ensuring that children are protected under my mandate and that the services are provided in the best manner possible to give children the best opportunity for some support and, certainly, hopefully, some resolve of the issues that they are facing.

I have to say that none of us like the prospect of having to deal with people that, for whatever reason, maybe not understanding completely the issues surrounding the opening of a group home or a foster home, become fearful, and rightly so, and have unanswered questions. But it is my understanding from discussions with my officials who have talked to New Directions that indeed there was a community meeting back in December, I think it was. I am not sure of the exact date. I guess it was shortly after the home was bought, and there was activity that had New Directions going door to door in the community and talking to several organizations in the community.

Now I am hearing my honourable friend say something a little different from what I had heard the process had been and that there was a community meeting that did take place and, subsequent to that, I suppose the community organization that held the

meeting on January 15 held a preliminary meeting before that without inviting anyone from my department or anyone from New Directions to plan a strategy on how to oppose the home. Now, I mean, maybe my information is wrong, but that is my understanding of what happened, and this was a meeting subsequent to that that was held on January 15.

I think it is extremely unfortunate that we have come to this point where it seems that whether it is lack of information or the ability to convince the community that this is the right place for the right reasons for this group home. I would like to indicate that also it is my understanding that New Directions has a community advisory committee that they are working with on implementing or putting in place the home. Now, I do not know who is involved in that, what members of the community are involved, but I would like to say that I do not think this is an issue that we can leave alone.

I would like to offer the services of my office to facilitate a small meeting, and not at this point in time to see what might happen over the next short period of time, maybe with our honourable friend, with New Directions and with a few representative members of the community, possibly someone from the advisory committee that I understand is working with New Directions and somebody that has been involved in community activity in opposition to the group home, and I think that maybe we could start right there. I am not prepared to become politically involved in directing anything to happen.

I guess my main concern is the safety and security of the children that need to be treated within our community. We better make sure as we are moving ahead in the process that we are not putting those children in jeopardy as the result of any location anywhere.

So I know that there is an awful lot of work that needs to be done in preparation. I have seen many successful instances. I know for a fact the Knowles Centre has established group homes in all of our communities in East Kildonan, North Kildonan, and Transcona, and they have been very successful ventures.

I am prepared and willing to work with my honourable friend, hopefully understanding and

knowing that we need to find a solution for the kids that are involved, but we also want to have a solution that is a fair process for the community, so I think we need to try to move quickly to get a resolve, and let us facilitate and work together to ensure that we are doing the right things for the right reasons with community endorsement.

Mr. Doer: I have a number of other questions, but I do think that there is no shortcut to the major community meeting. I do not believe, and I can say to the minister, and this is why the people are really upset, the information I have is the house was purchased in November, and a day later there was a community meeting and only 40 people showed up. Then the big meeting that took place—and there has been big meetings before on group homes; it is just a starting point in my view—that is when the agency did not attend on January 15, so this is what the real—

* (1700)

Mr. Chairperson: Order, please. The hour being 5 p.m., time for private members' hour. Call in the Speaker.

IN SESSION

Committee Report

Mr. Marcel Laurendeau (Chairperson): Madam Speaker, the Committee of Supply has been considering a certain resolution and directs me to report progress and asks leave to sit again.

I move, seconded by the honourable member for Portage la Prairie (Mr. Faurshou), that the report of the committee be received.

Motion agreed to.

PRIVATE MEMBERS' BUSINESS

Res. 7—Manitoba Privacy Commissioner

Ms. Diane McGifford (Osborne): Madam Speaker, I move, seconded by the member for St. Johns (Mr. Mackintosh), that

“WHEREAS new privacy legislation has been recently passed in Manitoba; and

“WHEREAS serious concerns about this legislation have been expressed by groups like the Manitoba Library Association, the Council of Women of Winnipeg, the Canadian Association of Journalists, the College of Physicians and Surgeons, the Manitoba Medical Association, the Manitoba Association of Rights and Liberties, and the Consumers' Association of Canada; and

“WHEREAS when reviewing the legislation, the British Columbia Privacy Commissioner said, “My major concern about the Manitoba legislation is that the oversight role for both the Freedom of Information and Protection of Privacy Act and the related Personal Health Information Act is given to the Ombudsman. I think this is a mistake . . .”; and

“WHEREAS there was almost unanimous agreement that the legislation could have been made more effective by creating a separate Freedom of Information and Privacy Commissioner's Office, rather than vesting all responsibility with the existing Provincial Ombudsman; and

“WHEREAS this feeling was made abundantly clear at the public hearing stage of the Bill, where presentation after presentation recommended the creation of a separate Commissioner; and

“WHEREAS the Ombudsman's Office is already busy with a full range of separate statutory obligations; and

“WHEREAS one of the advantages of creating a separate Freedom of Information and Privacy Commissioner is that it reduces confusion in the public mind about the roles of the existing offices, and allows the Freedom of Information Privacy Commissioner to make the decisions on access and protection of privacy in the first instance, usually avoiding costly judicial proceedings; and

“WHEREAS there is growing public concern about privacy and access to information, which makes it all the more important that this legislation address the issues in the best possible way.

“THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba condemn the

Provincial Government for failing to listen to the overwhelming recommendation of the public, and create a separate Freedom of Information and Privacy Commissioner's Office; and

“BE IT FURTHER RESOLVED that this Assembly urge the Provincial Government to consider establishing a separate Freedom of Information and Privacy Commissioner's Office.”

Motion presented.

Ms. McGifford: Madam Speaker, I want to begin today by calling to mind for members here, June 27, 1997. It was on June 27, 1997, at about 1 a.m. in the morning that this House passed Bill 50, The Freedom of Information and Privacy Protection Act. By passing this bill, this legislature made Manitoba the laughing stock in North America, vis-a-vis freedom of information and privacy protection. I say this because this particular bill includes some of the most repressive and most restrictive legislation in North America.

Members might also remember June 27, 1997, when the Leader of the Opposition (Mr. Doer) rose and put certain remarks on the record. He made several promises that evening, and I will not want to quote him, Madam Speaker. He said we, that is, the NDP, are going to bring in a Freedom of Information Act that will take us into the 21st Century, we will amend this act and repeal the regressive sections of this act, and we will have a privacy commissioner available to the public at the first step of public access. This is a commitment. Furthermore, he said: we will amend this legislation and repeal the 30-year restriction on cabinet documents and introduce new legislation with a 15-year provision for the protection of cabinet documents. Thirdly, we will absolutely eliminate the sections of the document that provide for withholding of government documents, and the massive power grab of the Premier's Office and other cabinet offices. Finally, and again I quote the Leader of the Opposition from that fateful evening, he says: we will adopt legislation that is worthy of the former reputation of Manitoba as an open, democratic and tolerant society.

I think that evening the Leader of the Opposition said it all. He pointed to the inadequacy of The Freedom of Information and Privacy Protection Act that was passed

that evening. He pointed to the need for a freedom of information and privacy protection commissioner. He pointed to the need to repeal the excessively restrictive 30-year prohibition on the release of cabinet documents, which by the way, Madam Speaker, is so foolish, so self-important and so regressive, we really do look foolish here. He also talked of the necessity for freedom of information, that is accessibility to information, and pointed out that accessibility to information is a democratic right, especially in a knowledge-based society, and we are a knowledge-based society. The members opposite are fond of telling us that, and yet they deny citizens the right to freedom of information.

Lastly, the Leader of the Opposition that night talked about our desire to return to Manitoba an open, democratic and tolerant society, that is, to return Manitoba to this kind of a society.

I want to, in addressing this question, talk about some of the recent history of freedom of information and privacy protection legislation in Manitoba, but before doing this I want to point out that even the most progressive legislation is useless without the will or the clout to enforce this legislation. I would suggest that under this government, there has been no will to enforce Freedom of Information. We only recently do have privacy protection. I think that the government's record is quite sorry, and I am going to turn to it shortly.

The history in Manitoba indicates, Madam Speaker, the need for a commissioner who can enforce orders as opposed to the Ombudsman, who can only issue recommendations. Though I do acknowledge that the Ombudsman has final recourse to the courts, I want to point out that court proceedings are costly, draining, time consuming, and inaccessible to many Manitobans.

Turning to the question of the shameful record, it was in the Ombudsman's report of 1994 that he pointed out that this had been a tough year for freedom of information, and he complains about certain tendencies on the part of government.

One, he talks about the fact that this government unnecessarily formalizes processes. Secondly, he talks about the search for reasons to deny access. Thirdly, he

pointed out that the government often provides irrational reasons for denial of information. These are not my words; these are the words of the Ombudsman put in a public report in the 1994 annual report, and it seems to me a shameful and sorry record when it comes to freedom of information.

* (1710)

Some of the other situations, for example, Madam Speaker, in 1994 the Free Press attempted to access information on VLTs. Their request was supported by the Ombudsman, but they were turned down by the Minister for Lotteries. This particular application went all the way to the Queen's Bench before information was finally released. In other words, it was costly in terms of money both to the taxpayers. I remember speaking about freedom of information and privacy protection and talking about the cost to taxpayers, and the member for River Heights (Mr. Radcliffe) pointed out that we did have a duty to support lawyers. Well, certainly in that case that is exactly what happened.

Madam Speaker, some of the other examples of playing fast and loose with freedom of information are the famous gas wrangle with Consumer and Corporate Affairs; then, of course, we all remember the Jets fiasco; and, of course, adding insult to injury, the Finance minister's recent mockery of freedom of information and privacy protection legislation. I refer here to his absolute refusal to release the prebudget consultations with 2,000 Manitobans. He claimed that these were confidential cabinet documents. They were so-called public consultations, but he claimed they were confidential cabinet documents. Once again, the Ombudsman disagreed and the Ombudsman recommended release of these documents. I quote the Ombudsman here. The Ombudsman said nothing has been provided to show that a record of public opinion discloses a cabinet confidence. In other words, the Ombudsman was quite clear that these particular documents should have been released.

In Saskatchewan, this kind of document is automatically released every three months. In British Columbia—and I point out that British Columbia, of course, has state-of-the-art legislation and should have been a model to us here, except the minister refused to take this legislation as a model. Anyway, in British

Columbia this kind of information is automatically made public, whereas in poor Manitoba, saddled with ministers who have no respect for the Ombudsman, saddled with a government which lacks respect for freedom of information and privacy protection, this information is denied by the Minister of Finance (Mr. Stefanson) against the recommendation of the Ombudsman.

Madam Speaker, the two principles that are so central to a democratic society are once again democratic government and freedom of information. This government has repeatedly denied Manitobans freedom of information. I could provide other examples of the ways in which this government has violated freedom of information and privacy protection, but let it stand for now.

I want to point out that when this current act was being prepared, this government failed to adhere to the process that it had established. It failed to implement a wide-ranging public information gathering process. It failed to understand the irony inherent in the fact that the information gathering process for a Freedom of Information Act was not really open to the public. In other words, here was a process presumably to redesign The Freedom of Information Act, but the public were not really free to give information because the process was so short-circuited.

I want to point out that this is in contrast to the process initiated by Premier Klein in the Province of Alberta—

An Honourable Member: Not exactly one of our heroes.

Ms. McGifford: As the member for Flin Flon (Mr. Jennissen) points out to me, Premier Klein is not really one of our heroes and we do not often hold Premier Klein up as an example, but in this instance and for whatever the reasons might be, the Premier of Alberta could have served as a model to our minister. Now here I should qualify and say to the former minister, because it was the former minister, the member for Minnedosa (Mr. Gilleshammer), who initiated the new freedom of information and privacy protection legislation and who, of course, failed to adhere to the process that he established.

The former minister argued—and this is quite incredible. He argued in Estimates that the issues—and here I quote right from his words—were too complex for most people and therefore the process should not include an all-party travelling committee as the process included in Alberta. So I suppose Ralph Klein has respect for the intelligence of Albertans, but the member for Minnedosa (Mr. Gilleshammer) thinks that Albertans are a lot smarter than people in Manitoba.

There are several other violations of this process, but I have already put them on the record previously. I just want to point out here that the violations of the process, as well as the thwarting of access to information, really is the sign of a smug, arrogant, weary government, and it is probably time to go.

I want to point out that the freedom of information and privacy protection legislation requires, as we have repeatedly said, a commissioner who can issue binding orders and therefore protect Manitobans from this kind of disrespect, the disrespect that I have just been talking about. We need an act, we need a commissioner, so that Manitobans can be protected from the violation of the principle of open government.

I know last week when several Estimates books were tabled, members across the way were talking about open government, but I have not seen any sign of open government when it comes to freedom of information and privacy protection and, Madam Speaker, I have not seen any sign that this government respects freedom of information in the spirit of the public good, no notion of the public good.

Madam Speaker, I think you are telling me I have two minutes. Thank you very much. I just want to sum up then.

Clearly, then, what is required is a commissioner who is an officer of the Legislature, a commissioner who is appointed by an all-party committee and a commissioner who has his or her own staff and resources as well as the power to adjudicate, educate, inspect, and audit. In other words, we need a commissioner who can be both proactive as well as reactive.

I note here that this government was given the opportunity to reconsider its legislation when we

moved a six-month hoist back in June, but this government refused to do this. Very sadly, that motion was defeated and the government continues on its same course, that is, to deny freedom of information and privacy protection and not really to face up to the fact that the Ombudsman is very confined in this manner.

Madam Speaker, we all know, as I have said, that knowledge is power. We know that this government, with its controlling, centrist, disenfranchising policies and agenda wishes to disempower Manitobans and to prevent them from the information necessary to make sound decisions and to advocate and lobby with the government. How else can we explain this government's deafness and refusal to consider the wishes of community and professional groups? Those groups were all clear in my resolution, so I will not mention them here.

Thank you, Madam Speaker. In closing then, I wish to ask the House to join me in condemning this provincial government for failing to listen to the public, and I now urge the provincial government to consider establishing a freedom of information and privacy protection commissioner.

Hon. Rosemary Vodrey (Minister of Culture, Heritage and Citizenship): Madam Speaker, I am very pleased to have the opportunity to speak a little bit, first of all on the act, the very balanced act that our government brought forward last June and that was voted on in the House and has been accepted. This is the act which deals with the protection of privacy and the freedom of information.

I am very happy to speak on it because it is the first time that Manitobans will, in fact, have the protection of their privacy in legislation and that there is a process then for those who are in disagreement with that privacy protected to then have their questions looked at. So I am very pleased to take this opportunity, because my memory certainly of the process of development of the act is one started by my predecessor which, in fact, did involve very extensive public consultation and opportunities for public groups and individuals to provide information to government on what their concerns and interests are.

* (1720)

As the member also well knows, during the process of legislative debate, as well, there were changes made to what was originally proposed by government. There were, in fact, changes made that were responsive to issues which were brought forward by the public during the process of debate.

So, Madam Speaker, I totally reject the member's accusations in her debate that government was not responsive and did not consult. In fact, it was exactly the opposite. There was wide consultation, consultation right up until the end of debate, and several points that were recommended were accepted and were amended in the legislation.

I want to stress again this new act is designed to balance the right of access of information and also the need to ensure individual privacy. It is the first time that privacy has been legislated in this province. The access provisions of the legislation have been clarified. They do, however, remain very similar to The Freedom of Information Act, which was the predecessor to this new act. With the new privacy provisions Manitobans can now be assured that their individual privacy is respected and protected under this legislation.

Madam Speaker, another important point on this legislation is that it will extend beyond the government and the Crown to apply to municipal governments, school divisions, universities, regional health authorities, hospitals, and nonprofit personal care homes.

Under the new act, the Ombudsman continues to review complaints filed by Manitobans about the handling of their access request. The Ombudsman will have very strong powers, does have very strong powers, under the act to audit files and to investigate cases. The Ombudsman, with the new act, will have additional authority to go to court on behalf of an applicant if a principle of access needs further clarification.

Manitoba's nine-year experience with an ombudsman model for resolving access to information complaints has been very positive. I think this has been totally overlooked in the member's presentation this afternoon. Applicants have taken only six cases to court during this period of nine years' experience. I am informed that the federal Information Commissioner John Grace

has stated that he sees the need for the Ombudsman to go to court as a rarely used last resort and, for an ombudsman, an admission of failure.

The important point about the ombudsman model is that it is one which has very heavily relied on the skills of negotiation and ability to solve the problem. That has been the success of this model, rather than the model which the member across the way has been arguing for.

Madam Speaker, in addition, there is a unique feature in Manitoba's legislation which will be a privacy assessment review process to examine proposals for disclosure of information not specifically authorized by the legislation. So where there may be a request which does not appear to fall into the distinct categories which are currently in the legislation, Manitoba has set up a new process to deal with that, which, I think, will provide assistance to those who are seeking information. There are specific guidelines and clarification for determining third-party privacy and also notice to third parties when access is being considered.

New provisions will also allow the head of a public body to handle requests that are repetitious and are considered to be an abuse of the right of access. This legislation not only ensures balance, but it does provide a common approach and standard for the province, the local governments, for other public bodies so that Manitobans receive consistent protection and services.

Now, an integral part of this new legislation is the role of an independent office which may receive complaints, investigate those complaints, recommend and report on issues which relate to administration of the legislation. Under The Freedom of Information Act, the power was vested in the Office of the Ombudsman. The Ombudsman, through administering The Freedom of Information Act, is a very well-respected office, and it is the opinion of our government that it has provided a very high standard of service on behalf of Manitobans. I would like to stress that in the light of comments made by the member on the other side. Manitoba's long experience with the Ombudsman model for resolving access to information complaints again has been very positive. The office has handled approximately 400 complaints since under-

taking this responsibility and again, as I said, during this time, only six cases have proceeded to court during this period.

The powers of the provincial Ombudsman under The Freedom of Information Act will, as I said, be expanded and strengthened under this new legislation. The Ombudsman will continue to review complaints and will continue to negotiate and make recommendations on access complaints. I think that that is another important point sometimes overlooked by the members opposite, and that is the Ombudsman's ability to make recommendations on the access process.

Under the new legislation, Madam Speaker, the Ombudsman will have the additional power of being able to go to court on behalf of an applicant denied access where there is a matter of legal interpretation or of public interest to be addressed. I think it is very important to recognize the times in which the Ombudsman does have this enhanced right. The Ombudsman also may intervene in a court case involving an access complaint.

The Ombudsman may also engage in or commission research and undertake audits on information access and privacy protection issues which again provides another important point of review if there appears to be some concerns raised about the role of the Ombudsman or, as the member is concerned about, any release of information, though I would stress to the member when she has an opportunity to think about this further, that this act deals with access to information, but it also deals with protection of privacy and that any requests which come forward will have to be considered within the balance of that information. Because as the member knows, and has been said by members on this side during the debate, governments hold a great deal of information about people, important individual information and that information should be used for the purpose that it was collected and if it is used for any other reasons, the person should, in fact, then be informed. The Ombudsman has the right, has the requirement to look at both sides of the issue and also, as I have said, to engage in or commission research or undertake audits.

The Ombudsman may also recommend changes in the practice of collecting, using or disclosing personal

information. Third parties are notified of a potential disclosure of personal information involving them, and they may also appeal to the Ombudsman if they feel that the disclosure is an unreasonable invasion of individual privacy or of business interests. And Madam Speaker, any individual who is not satisfied with the outcome of a complaint to the Ombudsman about denial of access or, on the other hand, about disclosure of their third party information, may appeal to the court.

* (1730)

An important part of the Ombudsman role is the reporting function. Madam Speaker, I think this is an important role and an important part of the openness. An annual report will be tabled each year in the Manitoba Legislature to report on the work of the Ombudsman's office in relation to the act. But the Ombudsman may also issue a special report related to the way the act is being administered by any public body, another important clause which does not necessarily require the reliance only on the annual report but allows for a special report.

Under the new Freedom of Information and Protection of Privacy Act, Manitobans, we believe on this side of the House, will be well served through the Office of the Ombudsman with one clearly designated office responsible for resolving issues as they occur with any of the public bodies covered by the legislation. I think that is also an important point because this legislation has extended the act outside government alone, but there is only then the one clearly designated office to deal with any of the concerns.

Madam Speaker, I would also say to the member, because she raised this issue earlier when we were debating the legislation last spring, that the Ombudsman office has been given additional resources to enable the fulfilment of its full range of responsibilities.

I can say also that three provinces have review officers which are, in fact, called commissioners but which do not have the binding order authority—Saskatchewan in '93, the Yukon in '96, the Northwest Territories in '97. Canada's two commissioners, one each for access and privacy, act as specialized ombudsmen, and they too operate without the binding

order powers. So, in fact, there are models across the country, including the model in Canada in which there are not binding order powers. Let us not get confused simply by the name then. If the name is commissioner or ombudsman, it is not the issue of the name that we should be looking at. It is, in fact, what is the function, how is that person functioning in that role, and how is that mechanism of appeal actually working.

As I had said to her earlier, when we do not have the binding order power, it does keep the accountability for decision making then with the heads of public bodies, and it is in line with the traditional principles of parliamentary democracy. So Manitoba's legislation gives the Ombudsman all of the investigative, the review and the audit powers of the commissioner. The Ombudsman may also appeal a decision of a public body or intervene as a party to appeal to court where there is a significant issue of statutory interpretation or a matter clearly in the public interest.

Madam Speaker, penalties under the new act, The Freedom of Information and Protection of Privacy Act and also The Health Act, which my colleague will be speaking of, are as strong as any in Canada for disclosing personal information, for misleading or obstructing the reviewing office and for destroying or erasing information to evade access. So I think it is also important to note how strong the penalties are should there be any effort to avoid.

We are very pleased that we were able to have brought this legislation forward. As the members knows, there will also be a review of this legislation. It is provided for within the legislation itself, and as my colleagues and I have said in relation to the legislation, whether the issue be the Ombudsman or any other issue relating to the legislation, that there is a review. But our government believed that it was important to, in fact, get started to bring this new law forward into Manitoba which will, in fact, protect the people of Manitoba, so we were happy to do this. We will be looking forward to watching and assessing how this works as well with all of the people of Manitoba as we will be protecting their privacy information as well as maintaining the important issues of access for all of that personal information which governments hold.

Thank you very much, Madam Speaker.

Ms. Becky Barrett (Wellington): As I was listening to the comments coming over from the government side while the member for Osborne (Ms. McGifford) was discussing this resolution and as some of the things that were said in the resolution itself, it occurs to me that this is another example of the government's legislation, No. 1, and their reaction to our concerns, No. 2, is another example of this government behaving as though it is a private corporation.

It is not a government that is by the people, for the people, and of the people. It is a corporation that is responsible to its stakeholders. Like corporations, which are private entities and whose *raison d'être* is based on the largest amount of return for their stakeholders, their shareholders, and for whom the problem of technical and information espionage is a major one. They need, private companies need to have a handle and complete control as much as possible on the information that they use in order to produce their product, to sell their product, to increase the bottom line.

For private corporations, industrial espionage is a huge problem for many of them, particularly in this information age, but it should be exactly the opposite for a government. A government in a democracy should be providing the easiest access to the most amount of information about how government works and how it makes its decisions, concomitant with protecting the privacy of the individual members of the government, of the public.

But this government does not see it that way. This government in its privacy legislation and its freedom of information legislation is moving, marching very close to the corporate privacy at all-costs model. I will give you a couple of examples of that. Number 1, they have a 30-year prohibition on certain documentation. Thirty years, Madam Speaker, my goodness. I mean, what could possibly be so essential and so critical and so harmful or sensitive to the government's dealings that it would have to wait 30 years? My goodness, 30 years ago, 1968, Trudeaumania. It was the year before the New York Jets won the Super Bowl. [interjection] I said the year before they won the Super Bowl. It was the Chicago convention. All kinds of things happened 30 years ago that were enormously important. The Tet offensive in the war in Vietnam. But you do not wait

30 years to open up the records of those times, so one has to wonder why a government would have that kind of prohibition when many other provinces have a 10- to 20-year prohibition. So that is a question that we should ask ourselves and many people have asked themselves this.

Another bit of hint that this government does not see itself as a government in a democracy but a corporation in drag, if you will, is that they have not seen fit to follow the recommendations of virtually everybody that came before them in the public hearings and before, and separate the privacy commissioner and freedom of information officer from the Office of the Ombudsman. Not only have they not separated it, but they have not given the Ombudsman, or whatever the person would be called, the powers that that person needs in order to effectively do their job, which is, on the one hand, to provide access to as much information as is humanly possible to citizens and, on the other hand, to protect the privacy of those same citizens.

We are not talking about protecting the privacy of the government here, and that is what this government is doing. This government, because it is holding 30 years prohibition and because it is not giving the Ombudsman enough authority to actually do the job that the legislation purportedly intends for him or her to do, is, in effect, saying that we are going to stifle the democratic process in this province in a very important factor, and that is, democracy thrives on openness, democracy thrives on knowledge, and democracy thrives on information. Three things that this government in its almost 10 years in power has found very difficult to deal with, and they have not been successful in being open.

They were not successful. The Minister of Finance (Mr. Stefanson) refuses to table the contract dealing with the Jets, refuses to table information about polling, refuses to table information on a variety of issues. The Minister of Finance is not the only minister that is derelict in this regard. Time after time after time, we are told that you cannot have access to this information because it is a cabinet document, because it is providing information to the cabinet, i.e., a poll. In other provinces, they are required to be public.

* (1740)

It is no wonder that many groups in this province spoke up very, very vociferously and very strong against many of the elements in this piece of legislation and the same arguments that we are making here today in the private member's resolution. Some of those groups that were concerned about this legislation were the Manitoba Library Association, Council of Women of Winnipeg, the Canadian Association of Journalists, the College of Physicians and Surgeons, the Manitoba Medical Association, the Manitoba Association of Rights and Liberties, and the Consumers' Association of Canada. These are groups that are essential to the functioning of democracy. They must be listened to when we are talking about access to information and privacy.

I do not see anywhere on this list Investors Group, Great-West Life, Trizec Corporation, Shelter company, Borger, Ladco—any other developer? [interjection] Bob Kozninski. You are known by the company you keep, and the company that this legislation keeps is the same kind of company that wants to keep information hidden under the rock, because they know if the information saw the light of day, they would be in trouble.

The groups that are against this legislation, that were against this legislation, that made recommendations that the minister chose not to listen to, are the groups that must be listened to in a democracy. They are the groups that must be listened to if we are going to have a democratic government. The minister spoke about the five-year review period, and I wonder why—with the putting in place of the Children's Advocate a few years ago and we had a great debate on this in the Legislature and we vociferously opposed the part of that legislation that made the Children's Advocate report to the Legislature, but one thing we did like about that legislation was that it was to be reviewed after three years. Three years is enough time to have a sense of what has happened, what is positive and negative. Why, one would ask, this piece of legislation, which the minister touts as a brand-new wonderful wave of the future, why is there no review except for five years? Why is three years not good enough? Could it possibly be that they do not want to have a review because perhaps the Ombudsman would say in his or her review that things are not working right? Because the Ombudsman says that all the time.

The Ombudsman makes recommendations all the time that this government does not listen to. There is no binding authority in this provincial legislation for the Ombudsman. So there is nothing in this that ensures that the public's right to access to information will be supported and nothing to ensure that privacy protection will be established, and you cannot blame us and the groups that have commented on this negatively, because we have seen time after time how this government chooses not to tell the people what is actually happening. I guess perhaps it is because, as the member for Osborne (Ms. McGifford) said, and I must go back and look at the Hansard on this, that the minister who actually spoke about this legislation, the previous minister, said that we do not need to have public hearings on this outside the Legislative Building, because the people of Manitoba would not understand it. It is too complicated. Sounds like the comments of the CEO of General Motors to me. What kind of a statement is that by a minister of the Crown who is supposed to represent the people of Manitoba and is supposed to have some basic sense of their abilities? [interjection]

Well, exactly, people are too stupid to listen to and understand legislation. [interjection]

Madam Speaker: Order, please.

Ms. Barrett: Thank you, Madam Speaker. I think I may have hit a chord, certainly with the Minister of Justice (Mr. Toews), who responds very quickly. He does not always think about what he is saying, but he responds very quickly.

I will close my remarks by saying that we on this side of the House were concerned at the time the legislation was proposed, are concerned about the legislation now, and will make the changes necessary when we are in government again, which will be very soon, as soon as the Premier calls the election. We will be making changes to this legislation that will ensure that people have access to information, that information is not hidden because the government is afraid of what it would show, and that we will also protect at the same time the privacy of individuals because, Madam Speaker, we on this side of the House do not see government as a private corporation in it for the benefit of the few.

We see government as something that is here. We are here to represent all of the people, and one of the basics of a democracy is an educated population that has access to information. This legislation does not provide for that. This legislation is an abomination and should be repealed. Thank you.

Hon. Darren Praznik (Minister of Health): Madam Speaker, it really is amazing how someone who grew up in Howard Pawley's constituency could ever be viewed as being dynamic. I must have done something right. It certainly was not following the former Premier in his speaking skills.

I enjoyed listening to the comments of the member for Osborne (Ms. McGifford) and the member for Wellington (Ms. Barrett) on this particular piece of legislation. One of the interesting ironies of history, of course, is that the New Democratic Party, who brought freedom of information legislation to this House, my colleagues—members opposite clap, and they should.

One little problem, Madam Speaker, was that—I look to my colleagues who were here at that time. But how many years between enacting the legislation and actually, enacting in this House and giving it operational effect? How many years? It took years, what is it, two, three, four years between actually passing the legislation in this Chamber.

They never even did actually proclaim it. It took the Gary Filmon administration to proclaim the legislation. Some members from their seats have speculated over the reason why it took them so many years to actually proclaim the first legislation, and that speculation has to do with how many documents they had to destroy before they would be accessible to the public.

Well, I was not here in those particular days, but if I belonged to a party that had brought in such legislation and then took so many years to proclaim it, I would temper my remarks and criticisms for fear of being accused of being hypocritical in my approach.

When I as Minister of Health, with my colleague the Minister of Culture, Heritage and Citizenship (Mrs. Vodrey), brought in the companion pieces of legislation last year, they really were an important part in the

evolution of privacy protection and accessed information because the two do go hand-in-hand and it is very fundamental that both principles were included in the same piece of legislation and, more importantly, in the same administrative scheme. I am very pleased that we were able to bring them forth. There was a very conscious decision made at that time to separate general privacy and access information from health care because of the nature of the particular information held in Health and the importance of that information to individual Manitobans, and we respected that need for privacy in health care, that sense that Manitobans wanted to have their health care information protected in a somewhat different manner and have it highlighted in separate legislation. I was very pleased that we were able to do it under both pieces of legislation.

Madam Speaker, in the portion I was responsible, the health information, I attended a meeting. In fact, we had a forum, we had a very extensive consultation process with people who—in fact, all Manitobans are stakeholders. I do not want to describe this group as a stakeholders' committee and in any way take away from the fact that every Manitoba citizen, including the 57 with the right to sit in this place, is a stakeholder, but the various interest organizations that have some more direct everyday involvement were invited to be part of a very extensive process in developing our health portion of it, as the minister, my colleague, did with her portion of this legislation. As part of that consultation, I met—in fact, chaired a forum—with all of those various interest groups. We held it, I believe, at the Charter House. We dealt with a whole host of issues, and it was a very informative session for me. I had a chance to interact with these people. The result was a piece of legislation that I believe is one of the best in Canada.

* (1750)

The one, well, really two issues of contention—and they remain obviously an issue of contention because the member for Osborne (Ms. McGifford) brings them to this House—were the person or office that was to be responsible for the legislation and the power that that office was to have. That is a matter of legitimate political debate, and I welcome that debate. I welcomed it at the time, and I see it has come again to the floor with this resolution. I welcome that discussion, but let us look for a moment at the position

that we took as a government, that we supported in the legislation and why we did it.

We took the position very clearly that in the initial introduction of this legislation we should use the Ombudsman as the office, the independent office that would be responsible for the administration of this act, as opposed to a position the New Democrats have taken, that we should create a separate privacy commissioner's office. They are two different approaches, one admits, and in reality not all that really, seriously different what you call the office. The greater difference between us was on the powers that this office would have. We took the view that in the initial stages of its operation, by having the powers that the Ombudsman and the Ombudsman's office traditionally have, which is to try to resolve these issues that may arise on a practical day-to-day basis, that that was a better approach than one of creating a power to issue orders.

The logic behind that decision, for both of those decisions, Madam Speaker, I think, is a very practical and simple one. I should preface my explanation with the comment that at the time we introduced that legislation—I believe we have a compulsory review of the act over a certain number of years, five years this act would be reviewed—that if experience, practical experience suggested we needed a separate office, that there was a sufficient workload for that office, and if we needed greater powers than those the Ombudsman held, we would not object to that on this side of the House, but let us see what experience would teach us. And, there was a very practical reason for doing this. In a province the size of Manitoba, with a little over 1.1 million people, the question arises, do we need to have a separate office? Would there be enough work for that office to do? That is a very realistic question, is there enough work for that office to do?

My observation in being involved in government for the last 10 years is we have a number of offices that are independent that answer to this Legislature that from time to time do not have enough work to do, that could take on two similar-type functions. A practical matter for an ombudsperson or a privacy commissioner is that they would not likely be the person doing the field work, the day-to-day work anyway; they would be administratively managing that. So as a consequence,

an Ombudsman or Ombudsman office could retain enough staff—and we dealt with the staffing issues to the Ombudsman's satisfaction, I think, to do the audits that are required under this act.

That is an interesting point that this legislation, particularly in health, does require proactive auditing. It is not just a complaint-driven process, but the actual technical people who do the work could be retained and managed by that office, and we would then ensure what workload is really necessary because it is much easier to staff up to meet a workload than it is to staff down because you have created an office that does not have enough work to do.

Maybe that is the practical everyday experience of being in government that has been somewhat lost on members opposite because in their caucus they have very few members who have been in this Legislature and been on the government side of the House. I would suggest that is part of the reason for that, that some of the old-timers around their caucus who have been in government would appreciate that difficulty, that if you staff up an office, find out there is not enough work, it is a much greater problem to downsize that office than it is to start off and then add resources to it to meet the right level of support staff to do the work.

So that was a very practical consideration, and I am sure members of the House would agree. It is important to staff these offices adequately but not to overstaff them because that is not a good use of scarce dollars.

The other issue, and a very important one, is what powers would exist? We have found, and I think people who have served in government have found, that in Manitoba, the Office of the Ombudsman has been very successful in working through the solution to problems under their jurisdiction in a manner that results in a solution that is administratively possible. We have all seen, with independent officers of the Legislature who do not have an administrative experience or responsibility and whose powers are one to issue orders, that often those orders that are issued are administratively impossible to carry out. That creates a whole other problem, and so we thought it best—and I think with very firm reasons—to give the Ombudsman that ability to work practical,

administrative solutions, which is the hallmark of our Ombudsman in the Province of Manitoba, to give that a chance, an opportunity, to work to see if it would do the job. If it does, then I think our initial reaction will have been proven right. If it does not, we have said we would not be opposed after the five-year review to making the change if that kind of power is, in fact, proven to be needed.

Madam Speaker, members of the New Democratic Party, the member for Osborne (Ms. McGifford) who has not been in government and had to deal with those practical issues, they have taken the position that those powers are needed and needed today. Well, we have never said that we should not look at it, we should not see how this works and at the end of the five-year period the matter will be reviewed. Quite frankly, if those are needed, then the Legislature of the day should put them in place. If they are not, if the system works today and is effective in ensuring the protection of the privacy of Manitobans, then obviously we have picked the right system.

The only way for that to be determined is to let the system have an opportunity to work. It has only been less than a year since we passed that legislation, less than a year, not even a complete half year, I believe, since its portions have been operative in the case of health. Let us see how it works; let us see what comes up. I would suggest that that is a good administrative way to handle this particular matter. That is why we disagree, quite frankly, with the position taken by members of the New Democratic Party, and, of course, only time will tell.

Madam Speaker, the member for Dauphin (Mr. Struthers) gives me cause to add a few moments on this particular matter.

Madam Speaker: Order, please. The hour being 6 p.m., when this matter is again before the House, the honourable Minister of Health (Mr. Praznik) will have two minutes remaining.

The hour being 6 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, March 23, 1998

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