



Third Session - Thirty-Seventh Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Seventh Legislature

Member	Constituency	Political Affiliation
AGLUGUB, Cris	The Maples	N.D.P.
ALLAN, Nancy	St. Vital	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
ASPER, Linda	Riel	N.D.P.
BARRETT, Becky, Hon.	Inkster	N.D.P.
CALDWELL, Drew, Hon.	Brandon East	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CUMMINGS, Glen	Ste. Rose	P.C.
DACQUAY, Louise	Seine River	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
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DYCK, Peter	Pembina	P.C.
ENNS, Harry	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
FRIESEN, Jean, Hon.	Wolseley	N.D.P.
GERRARD, Jon, Hon.	River Heights	Lib.
GILLESHAMMER, Harold	Minnedosa	P.C.
HAWRANIK, Gerald	Lac du Bonnet	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
LOEWEN, John	Fort Whyte	P.C.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
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MIHYCHUK, MaryAnn, Hon.	Minto	N.D.P.
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MURRAY, Stuart	Kirkfield Park	P.C.
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PENNER, Jack	Emerson	P.C.
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SANTOS, Conrad	Wellington	N.D.P.
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LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 22, 2002

The House met at 1:30 p.m.

PRAYERS

Speaker's Statement

Resignation

Mr. Speaker: I have a statement for the House.

I must inform the House that Darren Praznik, the Honourable Member for Lac du Bonnet, has resigned his seat in the House effective February 8, 2002. I am therefore tabling his resignation and my letter to the Lieutenant-Governor-in-Council advising of the vacancy thus created in the membership of the House.

Introduction of New Member

Mr. Speaker: I am pleased to inform the Assembly that the Clerk of the Legislative Assembly has received from the Chief Electoral Officer a letter indicating the election of Gerald Hawranik as member for the constituency of Lac du Bonnet. I hereby table a Notice of Return for the member elected.

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, I present to you Mr. Gerald Hawranik, the member of the Legislature for the constituency of Lac du Bonnet.

Mr. Speaker: On behalf of all honourable members, I wish to welcome you to the Legislative Assembly of Manitoba and to wish you well in your parliamentary career.

ROUTINE PROCEEDINGS

Matter of Privilege

Crocus Fund

Apology for Comments

Mr. John Loewen (Fort Whyte): Mr. Speaker, I rise today on a matter of privilege. This is the

first opportunity I have had to address this matter to the House.

On February 13, I raised in a public forum some concerns I had with regard to the Crocus Fund which were subsequently answered to my satisfaction. I did so without first addressing my concerns to the senior management of the Crocus Fund. This was a mistake, which I have acknowledged and learned from. I have apologized directly to the senior management of Crocus and am asking them to extend my apology to the unit holders of the fund.

I am today apologizing to the House and all of its members for my mistake. I regret any embarrassment or inconvenience Crocus, its unit holders or members of this House may have suffered as a result of my actions. Thank you.

* (13:35)

Mr. Speaker: A matter of privilege is a serious concern. I am going to take this matter under advisement to consult the authorities and will return to the House with a ruling.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Standing Committee on Privileges and Elections First Report

Mr. Conrad Santos (Chairperson): Mr. Speaker, I beg to present the First Report of the Committee on Privileges and Elections.

Madam Clerk (Patricia Chaychuk): Your Standing Committee on Privileges and Elections presents the following as its First Report.

Some Honourable Members: Dispense.

Mr. Speaker: Dispense.

Meetings:

Your committee met on Monday, February 11, 2002, at 11 a.m. in Room 255 of the Legislative Building.

Matters Under Consideration:

Recruitment and Selection of the Children's Advocate

Recruitment and Selection of the Ombudsman

Committee Membership:

Substitutions made, by leave, during committee proceedings on Monday, February 11, 2002, at 11 a.m.:

Hon. Mr. Mackintosh for Hon. Mr. Ashton

Mr. Dewar for Hon. Mr. Doer

Mr. Laurendeau for Mr. Murray

Motions Adopted and Reported:

THAT this committee recommends to the Lieutenant-Governor-in-Council that Ms. Janet Mirwaldt be re-appointed for a second term as Children's Advocate for the Province of Manitoba.

THAT this committee recommends to the Lieutenant-Governor-in-Council that Mr. Barry Tuckett be re-appointed for a second term as Ombudsman for the Province of Manitoba.

Mr. Santos: Mr. Speaker, I move, seconded by the honourable Member for Selkirk (Mr. Dewar), that the report of the committee be received.

Motion agreed to.

MINISTERIAL STATEMENTS**Princess Patricia's Canadian Light Infantry Training Exercise Deaths**

Hon. Gary Doer (Premier): Mr. Speaker, I have a statement for the House on the deaths and injuries of members of the Princess Patricia's Canadian Light Infantry.

In a tragic event last week, four Canadians from the Princess Patricia's Canadian Light

Infantry were killed in a training accident in Afghanistan and a number of other members of the basic battle group were injured. I rise today, and I know all members of the House will join me, along with Manitobans, in offering our sincere condolences and regrets to the families and friends of those soldiers.

In speaking about the death of his comrade at arms, Cpl. Chris Kopp said: "I think people take for granted living without fear of being killed. I know that that goes to the very reason we are here."

When we send our troops to peacekeeping and military missions throughout the world, we always know that there is a possibility that they will not come home, that they will make the ultimate sacrifice in their duties as soldiers. Yet that knowledge never softens the blow when we hear the news of death and injuries to our troops.

Last year, I had the honour of participating with families in a happier event—the uncovering of a banner to welcome our troops home from their duty and tour in Bosnia. The joy of that memory on that occasion has stuck with me during this tragedy. It was on my mind last week when I had, with many others, met with the families in a much more solemn duty, signing the book of condolences for the friends and family members of the troops who were killed and injured.

I know that I speak on behalf of all Manitobans when I say how tremendously proud we are of our young soldiers who make in their daily business so much sacrifice to keep the world safe from aggression in war zones and areas of conflict around the world.

* (13:40)

We continue to respect and honour the continued commitment and composure of the soldiers who are left to carry on in the face of this death of their friends and comrades, a commitment to finish the job that they were sent to do. While we are deeply saddened at the death of our four soldiers, it was Catherine Chatterly from the Winnipeg Military Family Resource Centre who summed up our feelings about the incident when she said: "It does not matter if it is

our immediate troops or not, everybody is shocked. We are all stunned. We are a private and compacted family. This makes us all closer."

A number of soldiers were injured in the bombing, and I would like to read their names into the record now knowing that our thoughts and wishes are with them for a speedy recovery from their injuries. Sergeant Lorne Ford, Master Corporal Stanley Clark, Master Corporal Curtis Hollister, Cpl. Shane Brennan, Cpl. Brian Decaire, Cpl. René Paquette, Cpl. Brett Perry, Pte. Norman Link. Three of the injured men had close Winnipeg connections. Corporal René Paquette is a Winnipegger while Corporal Decaire and Corporal Perry were originally from Winnipeg, now stationed in Edmonton with the Third Battalion of the Princess Patricia's Canadian Light Infantry. Our best wishes go out to them and their families.

I would also like to mention the names of the men who were killed and ask members of this House to join me with their comments and then observe a moment of silence in their memory, Sgt. Marc Léger, Pte. Richard Green, Pte. Nathan Smith, Cpl. Ainsworth Dyer.

Mr. Stuart Murray (Leader of the Official Opposition): I rise today and join with the Premier and the Government to offer on behalf of the PC Caucus our condolences to the families, the friends and the comrades of the Canadian soldiers who were killed or were injured in the result of the terrible friendly fire accident that did take place in Afghanistan.

I cannot even begin to imagine the depth that the loss that these families face in light of this tragedy, particularly the four fallen soldiers whose lives were lost. There is no question that when lives are lost it has a profound effect on all of us, including those eight soldiers who were injured in this most unfortunate accident. I think each and every day men and women of the Canadian Armed Forces are asked to do the unthinkable in order that the rest of us may go about our daily lives without living in fear. The tragic accident in Afghanistan only reinforces for Canadians the gravity of what we ask our soldiers and peacekeepers to do in order to protect our freedoms and our quality of life.

No matter the time of year, we should all take time to reflect upon the realities of war and of peace. It is important that we think of the women and men who take these tremendous risks because they believe they are on the side of a just and right cause and who are not afraid of making the ultimate sacrifice for a better society. The expectations we place on our military personnel are immeasurable. The kinds of sacrifices they made do not come easily. When remembering and considering the price of peace, it is important always to remember the price of war, that it is horrendous and indeed unacceptable.

On behalf of our colleagues, I would like to pay particular attention to the Manitobans: Corporal Perry, Corporal Paquette, Corporal Decaire. Our thoughts, our prayers, go out to those fallen heroes and those heroes that continue to take up the right cause on behalf of all the people of Manitoba and all of Canada, and we duly respect what they have done on our behalf.

Hon. Jon Gerrard (River Heights): Mr. Speaker, I ask leave to speak.

Mr. Speaker: Does the honourable member have leave?

Some Honourable Members: Leave.

Mr. Speaker: Leave has been granted.

* (13:45)

Mr. Gerrard: I rise to add my voice in tribute to the members of the Princess Patricia's Canadian Light Infantry who died recently in the sad accident in Afghanistan: Sgt. Marc Léger, age 29, of Lancaster, Ontario; Cpl. Ainsworth Dyer, 25, of Montréal, Québec; Pte. Richard Green, 21, of Mill Cove, Nova Scotia; and Pte. Nathan Smith, 27, of Portage Lake, Nova Scotia.

It is with great sadness that we recognize these four, as well as those who were injured, realizing that this was a very tragic accident, but also recognizing not only the nature of what happened but the bravery of these individuals and the others from Canada who have been in Afghanistan serving the cause of a better world,

a cause of a peaceful Afghanistan, we hope, continuing on into the future.

I think it is important that we remember not only those who died or were injured in combat recently, but the others of our armed forces who have been injured or have died in peacekeeping or in previous combat activities. It is important that we recognize those who serve and recognize that they have made a unique contribution and that when they return to civilian life they deserve a particular special treatment from all of us as they continue from their participation as it has been over many years.

Monsieur le président, c'est très important que nous nous souvenions des membres de nos forces armées. C'est très important aujourd'hui que nous n'oublions pas ces individus très importants.

Translation

Mr. Speaker, it is very important that we remember the members of our armed forces. It is very important today that we not forget these very important individuals.

Mr. Speaker: Would you please rise for a moment of silence.

A moment of silence was observed.

ORAL QUESTION PERIOD

Budget Income Taxes

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, my question is for the Premier.

Today the Doer government will introduce their Budget. We know that hardworking Manitobans today pay the highest personal income tax west of Québec. They are even higher than Saskatchewan. Today the Premier has an opportunity to take the first step in making us more competitive in Manitoba.

My question to the Premier: Will he ensure that Manitoba's personal taxes are lower than those in Saskatchewan?

Hon. Gary Doer (Premier): Mr. Speaker, looking at all the predictions made by the Leader of the Opposition, I hope he is going to spend most of his time today apologizing for all his false claims.

* (13:50)

Mr. Murray: Mr. Speaker, the people of Manitoba are looking for some leadership. They are looking for a plan from this Government. The Premier has demonstrated that being competitive is not of high priority for him.

Last year, for the first time in Manitoba history, Mr. Speaker, young men and women from this province left to go and seek jobs in every other province in Canada, except Saskatchewan. Can the Premier tell this House what he intends to do to stem the tide of those young men and women who are leaving this province to find jobs in every other province in Canada?

Mr. Doer: Mr. Speaker, when one looks at the predictions made by the member opposite, all these tax increases that are going to take place in this Budget, I hope he has the courage now to apologize today when the Budget is finally read to Manitobans.

Mr. Murray: Mr. Speaker, I hope the Premier has the ability to apologize to Manitobans for his lack of leadership for the last 2.5 years. What Manitobans want from their government is they want tax relief from being the highest taxed west of Québec. They want an education system that works for their children, and they want safe communities. They want safe communities for all of their family members.

I am simply asking the Premier: Will he take the first step today? Will he give hardworking parents in Manitoba a sense of confidence that there is hope and opportunity for their children to get high-paying jobs to stay here in Manitoba?

Mr. Doer: Mr. Speaker, as I said, many of the predictions made by the Leader of the Opposition in his pre-Budget rants that were taking place, I hope he will be accountable for every one of those predictions today.

The member opposite will know that the tax rate in the 2000 tax tables reflected the 11-year legacy of members opposite when they were in government. They will know that we have chipped away budget after budget after budget for average families in terms of tax reductions. They will know that we have reversed the—*[interjection]* A former Minister of Education who raised the education property taxes by 65 percent in the 1990s, they will know that the NDP is keeping its election promises.

Mr. Speaker, in our first year we increased the property tax credit, which was lowered by members opposite, to provide \$75 of relief to property taxpayers. In the second year, we kept our second-year promise, and stay tuned for further promises in the Budget.

Health Care System Spending

Mr. Jim Penner (Steinbach): Mr. Speaker, we know that this Government has spent almost a billion dollars more while they are in office, and they have doubled the length of the waiting lists. We have half as many nurses as we should have. Winnipeg is the murder capital of Canada. What did we get for a billion dollars?

Hon. Gary Doer (Premier): Mr. Speaker, what we got with a billion dollars is a false promise made by members opposite. That was the only party that was running around with a billion dollars in the last election campaign. What they forgot to tell us—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer: What they forgot to tell us, Mr. Speaker, is that they did not budget and include in their Estimates a doctors' settlement that cost \$200 million. They did not tell the people of Manitoba they did not include the nursing settlement that was negotiated in 1999. They did not include the SmartHealth cost—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer: Well, they cannot handle the truth, Mr. Speaker. Thank you very much.

* (13:55)

Financial Statements Third Quarter—Tabling Request

Mr. Jim Penner (Steinbach): Mr. Speaker, we would love to have the truth. One of the ways of giving us the truth would be to give us a third-quarter financial statement. How come you are hiding that when you give all these excuses and all these press releases and you cannot even come up with a third-quarter financial statement? Where is it at?

Hon. Gary Doer (Premier): Mr. Speaker, the member may not have been aware of the fact that there was an alleged federal error that went back to 1993—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer: Thank you very much. I can report that the expenditure performance, which we have some control over, is quite a bit better than most years, in fact, if not all years the Tories were in office.

Manitoba Advantage Status Report

Mr. Jim Penner (Steinbach): Mr. Speaker, we are also wondering at this time and we need to ask: What has happened to the Manitoba Advantage? It seems to me it is an Alberta advantage. Where are we benefiting from the Manitoba Advantage?

Hon. Gary Doer (Premier): I just had a new study from the personal disposable income projections from the Toronto Dominion Bank and Manitoba—now I know you do not listen to independent financial reports, starting with the Deloitte-Touche report—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer: Mr. Speaker, after they stop yelling maybe they will jump on a motorcycle to get a little noise, a little attention.

Four provinces in Canada are projected to have an increase in disposable income. Manitoba is one of the four. Some of the provinces referenced by members opposite, in lieu of medicare premiums, will not be.

Regional Health Authorities Amalgamation

Mrs. Myrna Driedger (Charleswood): In July of 2000 I had suggested to the Minister of Health that it seemed time to evaluate regionalization of health authorities, but he rejected the idea in Estimates saying it would, and I quote: "result in a whole chaos in the system."

I would like to ask the Minister of Health: Does he not think that he is going to create more chaos by the forced amalgamation of regional health authorities without any planning or without any evaluation of regionalization?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, the member also asked me to close more hospital beds, and I refused to listen to that advice.

Mrs. Driedger: I would like to ask this minister what proof he has that amalgamation of regional health authorities will in fact save money, because we are certainly seeing with the forced amalgamation of school divisions that there is anything but a saving of money.

Mr. Chomiak: Mr. Speaker, one of the things that became very clear from the consultations that we undertook in the early part of the year and continuing were that the public wanted us not to go to the days of the '90s when nurses were fired by the hundreds up to a thousand, and they asked us to cut down on administration. We are following that advice.

Point of Order

Mr. Marcel Laurendeau (Official Opposition House Leader): Mr. Speaker, *Beauchesne* 417: Answers to questions should be as brief as

possible, deal with the matter raised and not provoke debate.

It is important that this minister stop lying to the public about firing thousands of nurses. It was a layoff, and this minister knows it.

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

Mr. Chomiak: Mr. Speaker, I have tabled in this House a report that was tabled in this House from the MNU, something that the Member for Charleswood (Mrs. Driedger) always has been citing in the last few months in terms of the MNU. It was a report from the MNU that documented and said that there had been a thousand nurses that had been fired during the 1990s.

* (14:00)

Mr. Speaker: On the point of order raised by the honourable Official Opposition House Leader, I would like to take this opportunity to remind all honourable members we have some thoughts here of using points of order. "Stop lying" is an unparliamentary word when directed to any member of the House. So I would just like to remind all honourable members that we have rules and we wish everyone to follow.

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

* * *

Mr. Chomiak: As I was saying, Mr. Speaker, it was very clear from the discussions with the public that where we could make administrative savings the public would like us to do that so we could get money to the front lines of patient care, something that did not happen in the 1990s.

Mrs. Driedger: I would then again like to ask the minister: Where is his proof that forcing amalgamations of health authorities is going to save money, because with the Winnipeg Regional Health Authority, with the

amalgamation of the two Winnipeg authorities, administrative costs have soared from \$5 million to \$11 million? Where is the proof of his savings?

Mr. Chomiak: Because we are not supposed to engage in debate, I will not counter the member's erroneous preamble.

Nonetheless, Mr. Speaker, I would like members opposite to know and members of the public to know that when we came to office there were two health authorities, two health authorities in one city. One of the first things we did was meld those two health authorities together to reduce administrative costs and administrative positions.

Mr. Speaker, that worked, and where we can, we will take money out of administration so we can get resources to the care providers, the nurses, the doctors, the health care aides, the radiation therapists, the occupational therapists, the physiotherapists, the people who deliver care to the citizens of Manitoba.

Marquette Regional Health Authority Chief Executive Officer Competition

Mr. Leonard Derkach (Russell): Mr. Speaker, the Marquette Regional Health Authority, in the west side of the province, has been without a CEO since last August when the CEO of that health authority resigned.

The health authority posted a competition for the position and earlier this year the Minister of Health intervened personally and ordered the regional health authority to suspend its competition without reason.

Mr. Speaker, my question to the Minister of Health is: Why did he suspend the competition without providing reason to the health authority or the people of that region?

Hon. Dave Chomiak (Minister of Health): I did not want to follow past practice that had happened all the '90s when people were let go, beds were closed, hospitals were closed, people were not hired, people were fired, Mr. Speaker.

I went out to the Marquette Regional Health Authority board and I told them we were going through a budget deliberation process. I advised them not to hire a CEO because one of the issues on the table—and we were looking at all of the issues during our budget deliberations—was looking at rural health authorities.

I might add that the Liberal province of B.C. has gone from 32 regions to 5; Saskatchewan has gone from 32 to 11, and it was something that we were considering as part of our overall budget deliberations. I asked them not to do that, Mr. Speaker.

Regional Health Authorities Amalgamation

Mr. Leonard Derkach (Russell): Mr. Speaker, I would like to ask the Minister of Health if he can point to any evaluation that he has shared with the people from the Marquette region, of that particular region or of the western side of the province. Can he share with this House any discussions which he has had with health providers, with the regional health authority, with the people who use the services in the Marquette region or the western side of the province regarding the effectiveness of this regional health authority in doing its job and carrying out its mandate?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, it became very clear during our public consultations that the public did not want us to do what happened in the past which was close beds, close hospitals, lay off nurses, lay off health care professionals. They asked us to try to find administrative savings, try to find savings at the administrative end where we can. That is what we have embarked upon.

Rural Health Care Facilities Emergency Services

Mr. Leonard Derkach (Russell): Mr. Speaker, all we are asking the Minister of Health to do is to provide for this House, for the people of the western side of the province some evidence, some proof, some documentation that will indeed show that there will be savings in terms of amalgamating the health regions of the

western side of the province, something which he has refused to do.

In his previous answer, the minister indicated that he would not close hospitals. I want to ask him whether or not closing emergency services in hospitals is not closing services to rural Manitobans.

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, I regret that the member is confusing the issues, particularly when he talks about closing emergency services. If the reference is to Gladstone hospital, that member was a member of Cabinet that ordered the emergency services closed in Gladstone in 1997.

Before the amalgamation in Winnipeg, there were 12 VPs and assistant VPs; now there are 5. Before the amalgamation in Winnipeg, there were two CEOs; now there is one. Before the amalgamation in Winnipeg, there were 14 executive positions; now there are 6. The proof is indicative in what has happened when we have amalgamated two regions together.

Gladstone Hospital Emergency Services

Mr. Glen Cummings (Ste. Rose): Mr. Speaker, it is very interesting that the Minister of Health referenced Gladstone. As a matter of fact, Gladstone has now recruited four doctors, which was always the reason why they—*[interjection]*. I think he is weakening.

He has been denying the people of Gladstone emergency services until they were able to achieve enough doctors, while he may say oh, no, he has the support of the RHA in providing emergency services at Gladstone. Now is the time, Mr. Minister.

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, I am not sure I understand the question. Let me try to understand the situation. In 1997, when that member was a member of Cabinet, they ordered the closing of Gladstone emergency hospital. That is correct. Since then there has been an attempt to reopen Gladstone hospital. In fact, the member was in my office with a delegation from Gladstone to discuss strategies in order to try to reopen the emergency room.

Mr. Cummings: Unfortunately, the minister is missing the point, Mr. Speaker. The people of Gladstone serve Sandy Bay First Nation, a total of about 12 000 people in the area. They have a doctor supplied who is prepared to provide emergency service. Is he prepared to consider it?

Mr. Chomiak: Mr. Speaker, at that time when the member was in my office with the delegation and the group from that community, we did something that had not been done before. We put in place resources to maintain the doctors in that community while we looked at the agreement that was entered into by the former member from Lac du Bonnet when he was Minister of Health that set the standard for when emergency services would be provided. The Member for Lac du Bonnet as Minister of Health set that standard, which was the standard that applied when members opposite took away emergency from Gladstone.

Mr. Cummings: Mr. Speaker, they have been striving to meet the standard and have, by all judgment, met the minister's criteria. The time has come for this minister to provide leadership to the people of rural Manitoba.

Is he going to close hospitals or is he going to provide service?

Mr. Chomiak: Mr. Speaker, the largest hospital in the history of the province of Manitoba that was closed was Misericordia Hospital, and it was under that member's watch. We have met and tried to work with the Gladstone community and we continue to work with the Gladstone community.

The studies that came forward from members opposite about the closure of rural hospitals, we have not acted nor will we act upon.

* (14:10)

Krindle Review Terms of Reference

Hon. Jon Gerrard (River Heights): Mr. Speaker, the Krindle review of Doctor Del Rizzo is to look at the process by which Doctor Del Rizzo was evaluated. An important part of any process is the outcome of the process.

My question to the Minister of Health: Will Justice Ruth Krindle be able to look at outcomes like safety of patients as part of her review?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, the decision made by the WRHA to have a third-party review of the process with respect to the giving up of privileges by a doctor at the Health Sciences Centre has been undertaken by the Winnipeg Regional Health Authority. It is an independent, third-party process. I suggest to the member opposite that he await the outcome of that particular procedure before he makes further allegations.

Mr. Gerrard: My supplementary to the Minister of Health is trying to find out and clarify the terms of reference here. Will Justice Krindle be able to look at the very reason why Doctor Del Rizzo was investigated in the first place, the question of competency and safety of patients?

Mr. Chomiak: Yes.

Mr. Gerrard: My second supplementary to the Minister of Health: Will, therefore, Justice Krindle be able to look at patient safety and mortality rates before the departure of Doctor Del Rizzo and after so that there can be a fair comparison?

Mr. Chomiak: Mr. Speaker, Justice Krindle will have an opportunity to review the comments that have been put in place and have been stated by Doctor Del Rizzo and his supporters and will also have the opportunity to review the records and the information that is on file from the WRHA in arriving at her decision.

Morris-Macdonald School Division Financial Decisions

Mr. Harold Gilleshammer (Minnedosa): Over the last year there has been a great deal of turmoil in the Morris-Macdonald School Division. I would like to ask the Minister of Education what assistance he and his department have given to Mr. Krawec, the official trustee, in making financial decisions which will affect the ratepayers in the schools in Morris-Macdonald for the coming years?

Hon. Drew Caldwell (Minister of Education, Training and Youth): I thank the Member for Minnedosa for that question. Of course, all of us in this House, on both sides of the Chamber, Mr. Speaker, are very concerned about ensuring educational excellence in the province of Manitoba, ensuring that the children in the classrooms of all schools in Manitoba are provided with a stable learning environment in which to learn. I am gratified that the member opposite shares that concern, as we all do in this House.

Mr. Speaker, Mr. Krawec was appointed as an official trustee on the heels of a damning Provincial Auditor's report to restore accountability in a school division that had unprecedented turmoil. I have confidence in Mr. Krawec's ability to act in that capacity, as should all members of this House.

Mr. Gilleshammer: On a new question. My question to the Minister of Education is very similar to the first one. What assistance has he and his department given to Mr. Krawec to ensure that he makes appropriate financial decisions for Morris-Macdonald?

Mr. Caldwell: Mr. Speaker, as I indicated, I suppose, in the first series of questions, the Provincial Auditor released a report, a very damning report, that outlined unprecedented fiscal mismanagement in the Morris-Macdonald School Division. Between \$2.5 million and \$4 million was identified by the Provincial Auditor as monies that were inappropriately managed. Mr. Krawec was put in place as the official trustee as per The Public Schools Act. My department has confidence in Mr. Krawec's ability to act in the capacity as official trustee, as we should have confidence in Mr. Krawec's ability as a former municipal official, mayor of Stonewall.

Mr. Gilleshammer: On a new question, I would ask the Minister of Education what assistance he and his department have given to Mr. Krawec in making the financial decisions which will impact on this school division not only this year but for years to come. What role has the minister played in making those decisions?

Mr. Caldwell: Well, Mr. Speaker, again I thank the Member for Minnedosa for his question. We

all share a concern, as I said, for the health and vitality of the public education system in this province. As the House and the people of the province of Manitoba are by now aware, there was unprecedented fiscal mismanagement in the Morris-Macdonald School Division. The Provincial Auditor identified between \$2.5 and \$4 million that was mismanaged in that particular division. We have the utmost confidence in Mr. Krawec as a well-respected municipal official, well-respected educator, to act in the best interests of the students in Morris-Macdonald and in the best interests of the provincial taxpayer.

Fort Garry School Division Special Levy

Mrs. Joy Smith (Fort Garry): Fort Garry is facing serious tax increases as a result of the Doer government's decision to exempt the University of Manitoba from paying municipal and education taxes with no thought or consideration about assisting the taxpayers of Fort Garry with a significant added tax burden.

Mr. Speaker, this question to the Premier: Will the Doer government provide an annual grant to the Fort Garry School Division to compensate for the decline in the special levy that would have been raised on the university's assessment?

Hon. Gary Doer (Premier): Mr. Speaker, I find it kind of interesting that the changes in the 1990s for the Fort Garry School Division were 49 percent under the former regime and the changes for the Fort Garry School Division under this administration is a 2.2% decrease. I think the facts speak for themselves.

Mr. Speaker: Order.

Mrs. Smith: Thank you, Mr. Speaker. Again, Fort Garry is facing serious tax increases as a result of the Doer government's decision. Will the Doer government provide an annual grant to the Fort Garry School Division to compensate for the decline in the special levy that will raise taxes in the Fort Garry district?

Mr. Doer: It is unfortunate that members opposite feign their concern after the fact when

the taxes went up 49 percent in the 1990s, and they are going down in this new decade under a new administration. There were times when not only the education funding was cut by minus two and minus two and zero and the property tax was cut. We have in fact increased the funding, increased the support and increased the backup for taxpayers, and I believe the average taxpayer in the Fort Garry School Division will save \$33 with the SL change we have already announced.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I am sure we all want to hear the question from the honourable Member for Fort Garry.

* (14:20)

Mrs. Smith: Then will this Premier guarantee the residents and taxpayers of the Fort Garry School Division that their taxes will indeed be dropping significantly this year, since he is avoiding the issue?

Mr. Doer: Mr. Speaker, I would like the member opposite who is sending a letter out to her ratepayers on taxpayers' money, as she has a right to do, I would like her to amend her letter to provide a little truth to the ratepayers of Fort Garry and point out they had a 49% increase in their taxes under the Tories. They have a decrease of taxes under the NDP.

Provincial Road 304 Reconstruction

Mr. Gerald Hawranik (Lac du Bonnet): Mr. Speaker, my question is to the Minister of Transportation and Government Services.

Provincial Road 304 connects the communities of Pine Falls, Powerview and St. George to Provincial Trunk Highway 59, and it is one of the only routes going south to Winnipeg and to Selkirk, so it is a very well-travelled route. Twelve years ago, two-thirds of that route was paved and is in very good condition. One-third of the road still has to be reconstructed.

My question to the minister is: Because it is such a dangerous highway and in such

deplorable condition, does the minister have plans to reconstruct Provincial Road 304, and if so, when?

Hon. Steve Ashton (Minister of Transportation and Government Services): Mr. Speaker, I, first of all, would like to welcome the member to the House. I have no doubt that he could raise questions about many highways in his area. In fact, we have been working very hard to deal with more than a decade of neglect. In fact, in the Lac du Bonnet constituency, he may want to check out 433, which the Tories did not do for 11 years, which it took an NDP government to deal with.

I can say to the member opposite, Mr. Speaker, that this Government, I think, as will be evidenced in a few moments in the Budget, takes transportation issues very seriously. We are going to make a significant long-term commitment to fixing up Manitoba's roads.

Mr. Hawranik: A supplementary question, Mr. Speaker: Mr. Minister, I would venture to say that you have probably never driven on that road.

Will you instruct your department staff to at least inspect that road, to provide you with a report regarding the road, and recommend its possible reconstruction?

Mr. Ashton: Mr. Speaker, I should advise the member that one thing I find as Minister of Transportation, I find myself pretty well the chief highways inspector for the province. I have driven many roads, including that road, including many of the roads in his constituency and many other parts of the province.

I take my responsibility seriously, Mr. Speaker. So does the department, and we will make a long-term commitment to improving Manitoba's roads.

Whiteshell School Division Capital Debt

Mr. Gerald Hawranik (Lac du Bonnet): Mr. Speaker, on a new question. My question is to the Premier.

During the by-election, several promises were made by the Doer government and the NDP candidate. Firstly, the Government promised to give the Whiteshell School District \$1 million to pay off its capital debt that was incurred as a result of a new roof on the senior school. Secondly, the NDP candidate at the all-candidates meeting in Beausejour promised an election in 19 months.

Could the Premier comment when the \$1-million cheque will be written? Secondly, by exactly what date in October of 2003 will this election be, so I can make sure that I have room on my calendar?

Hon. Gary Doer (Premier): Mr. Speaker, I was pleased to join the member and the Minister of Education (Mr. Caldwell) last week at the Tyndall-Garson school, the new Gilles School, just another press release from the 1999 year that had no money in the Budget for the year 2000.

Having said that, it was a happy occasion. Keith Gillis and the Gillis family are to be congratulated for maintaining this wonderful treasure of the spectacular rock that is now on the new school. The new greenhouse, I think, will build upon the excellent reputation of the science students in that school. I believe we invested over \$3.5 million in the capital investment in that school. As we are with the new hospital in Beausejour and many other parts of the area, we are continuing to rebuild Manitoba after the devastation of the 1990s.

Crop Insurance Premium Reduction

Mr. Jack Penner (Emerson): Just a bit better than a year ago, the Minister of Agriculture announced with some fanfare to Manitobans that she was going to decrease the crop insurance premiums for Manitoba farmers. That amounted to roughly about 70 cents an acre on average to Manitoba farmers.

Could the minister tell this House today why she at that time chose not to tell the people of Manitoba that her Government and the federal government would jointly reduce their commitment to crop insurance by \$28 million by that one announcement?

Hon. Rosann Wowchuk (Minister of Agriculture and Food): I thank the member for the question, and I will try to explain the answer to him again since he has asked this question several times of department people.

The member asks why we reduced the premium and did not tell anyone else. There was money in reserves that we felt that we could use to help maintain the costs for farmers and in fact reduce premiums, but the money in reserves belongs to the province, it belongs to the producers, and it belongs to the federal government, three partners. When you make reductions you have to make reductions for all three partners. Although we reduced the premiums, the money still stayed in safety net programs.

ARDI Program Funding

Mr. Jack Penner (Emerson): Mr. Speaker, I want to ask the minister, then whether the other announcement that they made in agriculture, in other words to support ARDI, did the ARDI money come out of the crop insurance fund or did she personally get involved in directing the board of directors at Manitoba Crop Insurance to take money out of the crop insurance fund to pay for the ARDI program that she so eloquently announced?

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Well, you know, when I look at the comments the member made in the *Western Producer*, I can tell that he really does not understand safety nets and he does not understand how the funding works. The member knows full well that ARDI funding is the leftover money that is not used in other safety nets. That is where the ARDI funding comes from. The ARDI funding does not come from the reserves in crop insurance.

Mr. Jack Penner: I thank the honourable minister for that comment because I think it clearly demonstrates her lack of interest in the welfare of the farm families of this province.

Farming Labour Pool Decline

Mr. Jack Penner (Emerson): Can I ask the minister then, on a new question, whether she

can advise this House and give this House the information that Manitoba farmers are looking for? Why is it that the farm labour pool in this province over the last three years has been reduced by about 20-some-odd percent, according to federal statistics? Why is it that auction sale after auction sale of young farmers the last two years have relegated the farm numbers to less than 20 000 in this province in just two years? Why is that? Mr. Speaker, can she answer that?

* (14:30)

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Mr. Speaker, I do not have the numbers with me here today, but I will provide them for the member and indicate to him clearly that there has been a gradual decline in the numbers of farmers in Manitoba for the past 20 years. As farmers take on more land and diversify into other operations there are fewer farmers.

The member also knows that we have an aging farming population, and his government did absolutely nothing to address that. Many farmers are choosing to retire and younger farmers move into the operation.

So, Mr. Speaker, the member talks about declining farm numbers. Yes, there are declining numbers, but this is not new for the last two years. It has been going on for many years and even during their administration.

Mr. Speaker: Time for Oral Questions has expired.

Introduction of Guests

Mr. Speaker: Prior to moving on to members' statements, I would like to draw the attention of all honourable members to the loge to my right where we have with us Mr. Binx Remnant, the former Clerk of the Manitoba Legislative Assembly.

Also, we have with us Saul Cherniak, former Member for St. Johns.

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

MEMBERS' STATEMENTS

Princess Patricia's Canadian Light Infantry Training Exercise Deaths

Ms. Bonnie Korzeniowski (St. James): It is with great sadness that I rise before this House today and reflect on the terrible tragedy that claimed the lives of four Canadians troops in Afghanistan last week. This profound loss reminds us all of the dedication and sacrifice Canadian men and women make each day in the service of protecting Canada and all nations from the threat of terrorism.

An early-morning accident which occurred April 18 south of an airfield near Kandahar, Afghanistan, claimed the lives of the four Canadian paratroopers and injured eight others. Sgt. Marc Leger, Cpl. Ainsworth Dyer, Pte. Richard Green and Pte. Nathan Smith lost their lives in this tragic accident. We shall all be indebted forever to these soldiers for the ultimate sacrifice they made in securing our freedom.

Adding to the tragedy were the injuries suffered by eight fellow Canadian service persons. We pray for the safe and quick recovery of Sgt. Lorne Ford, Cpl. René Paquette, Master Cpl. Curtis Holister, Cpl. Brett Perry, Pte. Norman Link, Cpl. Shane Brennan, Master Cpl. Stanley Clark and Cpl. Brian Decaire. The thoughts and prayers of all Canadians are with the families and friends of these courageous servicemen, and we wish all Canadians serving in Afghanistan a safe return.

The men and women of the Canadian Armed Forces are active members of my riding, and their presence is instrumental in creating a sense of community and prosperity. One such example was the recent win by our Silver Heights Huskies hockey team who owe in part their win of the provincial championship to their committed coach, a member of 17 Wing. Our military community is much more than a tremendous economic benefit. The level of community involvement by our military is something that we should all strive to match.

It is for this reason that I feel great sorrow for our loss of such distinguished, caring and community-minded individuals. Many thanks to

the Military Family Resource Centre who were kind enough to provide us with these ribbons as a show of our support for military families. The resource centre serves both military families and the larger community and helps foster a greater understanding among us all as to the challenges and dedication that families of servicemen and women face every day.

Earth Day

Mr. Glen Cummings (Ste. Rose): I am pleased to rise today to talk about Earth Day and to salute all of the populace who are taking the time to celebrate our heritage in the environment and to repledge themselves to the future protection of the environment. This was first launched as an environmental event in the United States in 1970 and is celebrated as the birth of the environmental movement. Every year more than six million Canadians join five hundred million people in over 180 countries, staging events and projects to address local environmental issues. Across the country, many children take part in some form of Earth Day activity.

Manitoba schools have long shown creativity and innovation in their participation in Earth Day. Some examples, Mr. Speaker, Cartwright Elementary School in Cartwright is having a town-wide cleanup this afternoon; Erickson Elementary School in Erickson is having Earth Week from today until Friday celebrating and creating awareness of our green planet. They will include daily school-oriented events, games, speakers promoting environmental awareness. Wayoata School in Winnipeg is having an event called School Garden Development during which all students will take turns working and planting.

Earth Day, Mr. Speaker, is not limited to our province's classrooms. From April 10 to May 1, KidsWebTV in Winnipeg is sponsoring Eddy the Eco-Dog Earth Day Challenge, Love My Earth. Children are encouraged to go on-line to www.kidswebtv.com and send Eddy the Eco-Dog information about Planet Earth through reporting and writing or artwork. Participants receive an official certificate and the top 10 entries from each category will be posted on the site.

Mr. Speaker, Fort Whyte Centre organized two events, both taking place yesterday. The first Earth Day in Winnipeg was a family festival featuring entertainment, educational displays, nature walks and more. The second was a Fort Whyte eco-adventure, an urban adventure promoting non-polluting methods of transportation.

Mr. Speaker, as a participant in many of the early Earth Days, I commend this to all of our colleagues.

**RCMP Assistant Commissioner
Tom Egglestone**

Mr. Stan Struthers (Dauphin-Roblin): It is with a great deal of gravity that I rise today to express our sorrow over the death of one of the finest officers of the RCMP. The loss of Assistant Commissioner Tom Egglestone has been felt right across the province since he played such an important and valuable role in Manitoba's justice system. Assistant Commissioner Tom Egglestone was a tireless worker, deeply committed to the areas and people he served.

Mr. Egglestone played a central role in many innovative justice initiatives in our province. He had a profound respect for front-line officers and for volunteers involved in community patrols and community justice. He was deeply committed to strengthening the relationship between the province and the RCMP. He helped to forge such innovative partnership strategies as the RCMP Gang Awareness Unit, increased staffing and a joint vision statement and, most recently, a training initiative on fetal alcohol syndrome for officers.

Assistant Commissioner Tom Egglestone was born in Pictou, Nova Scotia. He joined the RCMP in 1966, receiving training in Regina. Throughout his career he served in many regions of the country, including the Yukon. He was a decorated officer, having been awarded the Royal Canadian Mounted Police Long Service Medal, the 125 Canada Anniversary Medal and the Serving Brother Order of St. Johns of Jerusalem Medal.

On behalf of the Legislative Assembly of Manitoba, I offer the most sincere condolences to Tom Egglestone's wife, Marie, his children, Melanie and Trent, their spouses and his beloved grandchildren. Both his immediate family and his extended RCMP family will sorely miss his compassion and empathy. Thank you.

Aaron Burnett, Juno Nominee

Mrs. Heather Stefanson (Tuxedo): Mr. Speaker, Aaron Burnett, an elementary teacher at Pacific Junction School in Assiniboine South School Division in Tuxedo was selected as a 2002 Juno nominee for his children's recording "Call of the Wild." The CD features Aaron's memorable songs about Canadian animals. The bluegrass rhythms and catchy lyrics on this debut album quickly captivate children and have them tapping their toes and singing along. Lyrics and music for the 13 songs are the fruit of Aaron's interest in children, bluegrass music and Canadian wildlife. The children in his Grade 4 classroom at Pacific Junction School have been the lucky guinea pigs for the testing out of his songs.

Mr. B, as he is affectionately known, is a much-sought-after guest throughout the school and community. He will be a featured performer at Fort Whyte Centre Earth Day celebrations—or he was on April 21—and at the Winnipeg Children's Festival in June of 2002.

Aaron is lead vocalist and guitarist with one of western Canada's most popular acoustic bands, the Keystone Bluegrass Quartet. Bandmates Alvin Elias on banjo and Al Popowich on bass play on the recording along with Kevin Elias on mandolin and fiddle players Becky Buller and Richard Moody. Several Grade 5 students provide some background vocals as well.

The Juno Awards festivities were held in St. John's, Newfoundland, on April 14. On behalf of the constituents of Tuxedo and the PC caucus, Mr. Speaker, I wish to extend my congratulations to Mr. Burnett and wish him well in his future endeavours.

* (14:40)

Earth Day

Mr. Jim Rondeau (Assiniboia): Mr. Speaker, today is Earth Day. This is a day designed to educate and raise awareness about environmental issues. At the same time it encourages everyone to engage in activities that will make a positive difference to the planet. First launched in the United States in 1970, it has grown to be the largest and most celebrated environmental event in the world.

Over six million Canadians joined five hundred million people in over 150 countries participating in diverse, environmentally conscious activities and projects. The first Manitoba-recognized Earth Day was in 1989. It was celebrated at Assiniboia Downs where over 10 000 people attended the events. This is located in the wonderful constituency of Assiniboia, and I am glad to see we led Manitoba in this type of initiative.

Since then, Earth Day has grown to be celebrated over several days a year. It is now observed by events throughout Manitoba's cities and in numerous rural locations. Earth Day events include tree planting, planting native gardens, neighbourhood cleanups, workshops, seminars, concerts, ecofairs, parades, cultural events, waste reduction programs and expansion of environmental programs and conservation projects, to name a few.

Fort Whyte Centre had a wonderful event yesterday, where they opened up the site for free. There were many, many people in attendance.

Earlier this year, an eight-year-old boy named Nicholas Horyski-Cerros wrote to the Premier (Mr. Doer) about saving the environment. Today I understand the Premier will recognize the importance of Earth Day by meeting young Nicholas and planting a tree.

Mr. Speaker, Earth Day turns our focus to the environment one day each year. It is important to recognize the efforts that are made by people, organizations, and this Government to protect the environment and conserve our valuable resources each year, for example, programs, Environmental Youth Corps, the Urban Green Team, and Rural Green Team.

Aimed at younger Manitobans, these programs are part of an all-encompassing effort to protect Manitoba's environment. Let us keep Manitoba green.

MINISTERIAL STATEMENTS

Her Majesty Queen Elizabeth the Queen Mother

Hon. Gary Doer (Premier): Mr. Speaker, I would like to seek leave of the House to make a statement on the death of Her Majesty Queen Elizabeth the Queen Mother and follow with a substantive resolution that will be moved by myself and seconded by the Leader of the Opposition (Mr. Murray).

Mr. Speaker: Is there leave? [*Agreed*]

Mr. Doer: I move, seconded by the Leader of the Opposition (Mr. Murray),

THAT the members of the Legislative Assembly of Manitoba express our profound sorrow regarding the passage of Her Majesty Queen Elizabeth the Queen Mother.

We pay tribute to her life of dedicated service, to the leadership she so greatly gave through her actions and through example to her country and to the world both in war and in peace. We proudly share the respect and affection in which she was held throughout our province, our country, our Commonwealth and the world.

We extend our heartfelt sympathy to Her Majesty Queen Elizabeth and to all members of the Royal Family.

Motion presented.

Mr. Doer: Mr. Speaker, I rise today to extend condolences on behalf of all Manitobans to the Queen and members of the Royal Family following the death of Her Majesty Queen Elizabeth the Queen Mother.

In a statement to the British Parliament, Prime Minister Tony Blair said, and I quote, "During her long and extraordinary life, her grace, her sense of duty and a remarkable zest

for life made her loved and admired by people of all ages and backgrounds, revered within our borders and far beyond. Throughout the Commonwealth and the world, she was greeted with instant affection and acclaim. Above all, she was motivated by the most powerful sense of duty and service."

Manitobans were no exceptions in the affection and regard with which they held the Queen Mother. She was a favourite royal in Manitoba since her first visit in 1939, two years after her coronation and before many of us sitting in this Chamber today were born.

Her long years of service to her country stand as an example for all of us who seek higher office. The last time the Queen Mother had an opportunity to visit Canada was in 1989, on the 50th anniversary of her first visit to this country. This fall, we will remember and welcome her daughter, Queen Elizabeth, during the 50th anniversary of her ascension to the throne.

The death of the Queen Mother, a shock to us all, is doubly sad, given that just a few weeks earlier she herself was mourning the death of her daughter Princess Margaret.

I know that all members of the House will want to join me with their comments and then observe a moment of silence to remember this remarkable woman, Her Majesty Queen Elizabeth the Queen Mother.

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, Elizabeth Angela Marguerite Bowes-Lyon was born in London on August 4, 1900. She was the daughter of a Scottish earl and she would wear many titles throughout her life: the Duchess of York, the Queen of England, and for the last 51 years that of Queen Mother, or I think, as we all affectionately called her, the Queen Mum.

The Queen Mother's life spanned the entire 20th century. She was born at a time when Queen Victoria still sat on the throne, and horse-drawn carriages, radio, television, those things were not heard of. The Queen Mum during her time would live to see the reigns of six British monarchs, to withstand the trials of

two world wars and to watch as the British Empire faded into memory.

The Queen Mum's marriage to the future King George VI, or Bertie as he was known to wife and family in 1923, was a happy union that produced two daughters, Princess Margaret and the reigning monarch, Queen Elizabeth II. The Queen Mum's strong will and spirited personality were invaluable in bolstering the quiet and sometimes frail George, particularly when his brother's abdication in 1936 brought him unexpectedly to the throne of England. The abdication led to an uncertain future for the monarchy in Britain, and in this dark time the new king and queen restored grace and dignity to the Royal Family.

In 1939, the couple embarked on a royal visit which provided the Queen Mum's first visit to Canada. While touring in Canada and the United States, they left a great and lasting impression. I think it was during the war, during the great blitz, when the Queen ignored all sorts of advisers who suggested that she and her daughters be evacuated to Canada. She commented at the time, when bombs fell on Buckingham Palace: I am glad that we have been bombed. It makes me feel I can look the East End in the face. The determination that she showed caused Adolf Hitler's labeling her the most dangerous woman in Europe.

Elizabeth II was only 25 years old when the Queen Mother remained a powerful supporter and influence to her daughter as she had been to her husband. Today she remains in memory one of the most popular royals that has held that position. Well into her 90s she continued to attend more than 100 public appearances each year. She was very fond of Canada and in fact made 11 visits during her lifetime, the last one in 1989.

On a personal note, I was fortunate enough to be in Clarence House one time when she took her two corgis for a walk. When I was introduced a couple of hours later, with her humour and her affability, she referred to me as an old friend.

Mr. Speaker, I would like to, on behalf of the members of this caucus, also acknowledge

the great impression that she has left on all Manitobans and indeed all Canadians.

* (14:50)

Hon. Jon Gerrard (River Heights): Mr. Speaker, I rise to offer my condolences to members of the Royal Family and to all those in the United Kingdom and indeed around the world who have benefited from the wonderful works of the Queen Mother. I pay tribute to the contributions of the Queen Mother, contributions which have lasted over a lifetime of more than 100 years.

First and foremost, the Queen Mother will be remembered for her efforts in the Second World War, her refusal to consider her own safety first and her refusal to leave London. It was this courage which was important to rally those living in the United Kingdom and indeed those living all over the free world. That courage has echoed over the decades since.

Nous nous souvenons d'une grande dame, une dame qui parlait le français ainsi que l'anglais. Elle était la reine mère pour tout le Canada et elle a visité le Canada à plusieurs occasions.

Translation

We remember a great woman, a woman who spoke French as well as English. She was the Queen Mother for all of Canada, and visited Canada several times.

English

On 15 separate occasions covering some 93 days in all, first as the Queen and then as the Queen Mother, she visited Canada. Perhaps the most remembered of these visits was the very first, 29 days across Canada in 1939; 250 000 people lined the railway track in Winnipeg, just one example of the enthusiastic reception that she received. But the visit has particular significance as well, for it helped to shore up support in Canada for the war which was looming in Europe.

The first commoner to become Queen and then Queen Mother, she brought a common touch, an impish grace, a spirit that we will long

remember. In recent times when MBWA, managing by walking around, has become the norm of operation in many industries, we acknowledge that the Queen Mother was an early leader in the art of the walkabout.

But it was the Second World War when she gave new meaning to the phrase "the power behind the throne." Not only was she steel in support of her husband, King George VI, but she herself showed her own sterling defiance of the threatening Germans in staying in London and going on regular walkabouts to carry the message of her determination to the streets. No one could fault her too much if each visit she changed the gas mask she carried in her bag to match the colour of her outfit.

Her guidance to many other members of the Royal Family and indeed to others in the years since has been an important contribution. Many say that it is but one of the things which has saved the Royal Family and the monarchy in England and in Canada.

We remember together the passing of a warm and wonderful human being, for though the light has passed, its strength and colour continue on. A monarchy, a country, a Commonwealth all continue, held in part together over the decades of the 20th century by a woman with a passion for life, for horse racing and for martinis.

Mr. Speaker: Is it the pleasure of the House to adopt the motion? [*Agreed*]

Please rise for a moment of silence.

A moment of silence was observed.

ORDERS OF THE DAY

GOVERNMENT BUSINESS

House Business

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, I would like to announce that the Standing Committee on Public Accounts will meet on Monday, May 6, at 10 a.m. to discuss rules and procedures pertaining to the functioning of the Public Accounts Committee.

The committee will also meet on Monday, May 13, at 10 a.m. to deal with the following reports: Provincial Auditor's Report on Value for Money Audits for the periods ending autumn 1997, spring 1998, summer 1999, and June 2000.

The committee will also meet on Monday, May 27, at 10 a.m. with the subject matter to be advised at a later date, Mr. Speaker.

Mr. Speaker, would you canvass the House to determine if there is agreement for the House to have the Budget presented at 3 p.m. sharp.

Mr. Speaker: It has been announced that the Standing Committee on Public Accounts will meet on Monday, May 6, at 10 a.m. to discuss the rules and procedures pertaining to the functioning of the Public Accounts Committee.

The committee will also meet on Monday, May 13, at 10 a.m. to deal with the following reports: Provincial Auditor's Report on Value for Money Audits for the periods ending autumn 1997, spring 1998, summer 1999 and June 2000.

The committee will also meet on Monday, May 27, at 10 a.m. with the subject matter to be advised at a later date.

Mr. Mackintosh: Mr. Speaker, perhaps if the bells could be rung for two minutes before the hour of three o'clock.

Mr. Speaker: Is it agreed that the Budget will be presented at 3 p.m. and the buzzer will sound for two minutes prior? *[Agreed]*

* * *

Mr. Speaker: Would the members please take their seats. Members, please take your seats. Order.

As previously agreed, at 3 p.m. we would reconvene and bring in the Budget.

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, I move, seconded by the Minister of Aboriginal and Northern Affairs (Mr. Robinson), that this House approve in general the budgetary policy of the Government.

Motion presented.

BUDGET ADDRESS

Mr. Selinger: Mr. Speaker, it is my honour to present the 2002 Manitoba Budget, a budget that meets today's challenges while building for the future.

This Budget is balanced. This Budget focusses on the priorities of Manitobans in health, education and children's programs. This Budget fulfils our Government's long-term plan to pay down debt and reduce taxes.

Surtout, ce budget maintient les conditions qui permettent une croissance économique future face à un ensemble de défis unique.

Translation

Above all, this Budget maintains the conditions for future growth in Manitoba in the face of a unique set of challenges

English

As we all know, this past year has been one of international upheaval and budgetary uncertainty. A global economic slowdown, which began in early 2001, was further intensified by the tragic events of September 11. Although Manitoba's economy proved more resilient than most, growth and revenue dropped sharply across several sectors.

In late January our circumstances were complicated further by the disclosure of a federal accounting error dating back 30 years. Federal officials announced that, due to their error, Manitoba received \$408 million in income tax overpayments between 1993 and 1999. The impact of this error is still being felt for the year 2000, 2001 and 2002 tax years.

On the other hand, Manitobans have tremendous confidence for the future. Our housing market is strong, and our economy is growing faster than many other provinces.

* (15:00)

In this Budget, we take steps to bring stability and predictability to an uncertain fiscal environment. Until revenue rebounds and the full effects of the federal error are absorbed, this Budget will act as a stabilizer, bridging between

the current uncertainty and the positive future forecasters predict for Manitoba.

Ces choix ont été faits dans un esprit d'équité.

Translation

These choices have been made in a spirit of fairness.

English

Overall, spending increases in this Budget total 2.5 percent. Most departmental budgets are reduced from last year's levels. In priority areas, government is finding better, more cost-effective ways to manage resources.

Government debt costs are reduced a further \$20 million lower than last year's actuals. Across government, our vacancy rate target is 6 percent, up from 4 percent.

We continue to provide needed support for health, education and programs for children and families. In today's Budget, you will not find broad-based program cuts, increases in major taxes, delays in promised tax relief or the cancellation of debt retirement allocations.

Our Government is committed to building Manitoba's affordability advantage. Over three years, we have maintained a 10% reduction in post-secondary tuition fees and implemented a plan for reductions in personal and business taxes.

We see an increase in post-secondary enrolment that bodes well for the future, as well as an economy that has demonstrated resilience in the face of a global slowdown.

This Budget will keep us on track for stable economic growth: our unemployment rate remains the second lowest in the country; downtown Winnipeg is undergoing a major revitalization; there is strong momentum towards continued economic diversification in rural Manitoba; and there are new investments in the North.

Manitobans can take pride in their accomplishments. I would like to express my sincere

thanks for their counsel, vision and support. Together, we are meeting today's challenges while building for the future.

Investing in Manitoba's Future

We firmly believe that we cannot have an effective economic strategy without a strong education strategy. Jurisdictions that invest in education will be the ones to succeed in this new century.

We are honouring our pledge to fund Manitoba schools at the rate of economic growth. Total support for public education now exceeds \$1 billion for the first time in Manitoba's history.

Today, more resources are being channelled into the classroom for the benefit of Manitoba's young people and our province's collective future.

We are reducing administrative costs at the public school level, decreasing by one-third the number of school divisions in the province. As well, we have made the school funding formula simpler and more equitable.

This Budget continues to address the infrastructure deficit at our public schools and post-secondary institutions that accumulated during the 1990s. Our public schools are benefiting from major new investments in buildings and repairs. There are new construction projects on virtually every campus as our colleges and universities rebuild with over \$100 million in provincial investments and \$97 million in matching private-sector investment.

Notre objectif est de mettre l'enseignement collégial et universitaire à la portée de tous les jeunes qui satisfont aux conditions d'admission.

Translation

Our goal is to put a college or university education within reach of every young person who meets the entrance requirement.

English

General tuition fees for Manitoba students will remain 10 percent lower than they were in

1999. In addition, we are enhancing support to post-secondary education through increasing operating grants to universities and colleges, providing more college spaces through the College Expansion Initiative, and providing almost \$16 million in bursary, scholarship and study grants in addition to the \$11 million of the federal Millennium Scholarship Fund.

Other changes to post-secondary education support we are making are based on input from students, parents and educators, including the ending of the Learning Tax Credit. This change is offset by improvements we made in the non-refundable tax credits and bursaries in 2000 and extra tax credit support in the 2001 federal budget.

Health Care: Challenges, Achievements and Choices

Since we came to office in 1999, Manitobans have given us a clear and consistent message on health care. They know change and innovation are necessary. Manitobans also demand a system that delivers health care based on medical need, not the ability to pay. This was evident during the Health Choices consultation undertaken by my colleague, the Minister of Health (Mr. Chomiak).

There are tremendous budgetary pressures caused by increasing service requirements, rising costs of services, increased demand for new technologies and a significantly reduced level of funding for health care by the federal government, Mr. Speaker.

For example, health care now represents over 39 percent of our overall Budget. Ottawa's share of health care funding has fallen to 14 percent, a far cry from the original principle of 50-50 medicare partnership between the federal government and the provinces. As well, the federal promise of a national drug program has not materialized.

Mr. Speaker, while we are reinforcing support for health care in Budget 2002 with an increase in funding to a total of \$2.8 billion, we continue to find ways to deliver services even more cost-effectively and efficiently.

New telehealth video technology is up and running at 18 sites across the province. This

brings medical specialists closer to home for thousands of Manitobans in a cost-effective way. This means a child in Thompson will be able to see a specialist in Winnipeg without leaving the support of family and community.

We previously cut administrative costs by amalgamating the Winnipeg health authorities. We are seeking greater efficiency and co-operation through further health authority amalgamation and other administrative savings.

* (15:10)

We have invested wisely in preventive measures such as flu vaccinations and children's asthma education, significantly reducing emergency room admissions.

Nous orientons également davantage de nos ressources vers les soins aux patients en encourageant une plus grande coopération entre les établissements et les régions.

Translation

We are also directing more of our resources to patient care by fostering greater institutional and regional co-operation.

English

At the same time, our investment in a stronger health system provides significant resources for the training and retention of health professionals. People are the heart of health care. In fact, 70 percent of health care costs are wages.

Thanks to the reintroduction of the diploma nursing program and a strong university degree program, more than 400 nursing graduates will enter the workforce this year. We have recently negotiated a new contract with nurses to ensure that they are paid a fair and competitive wage.

As well, in partnership with nurses and health authorities, we are improving working conditions and creating more full-time opportunities for nurses.

A new student grant system is already providing support for over 150 future doctors committed to staying in Manitoba. We have introduced the Family Doctor Connection, linking more Manitobans to doctors. It has

received more than 9000 calls since its launch in January. Ninety-eight more medical specialists have been successfully recruited to our province since we took office.

We have invested over \$300 million in capital upgrades for smarter, more cost-effective health care. At the Brandon Regional Health Centre, we are modernizing to provide for more day surgeries and out-patient services, meaning fewer costly hospital stays. In Gimli, at the Johnson Memorial Hospital, new investment will help deliver a broader community-based approach to health delivery through adult day programming and a community resource centre.

In addition to needed equipment like MRIs, we are investing in leading-edge technology, like the gamma knife, which will make us the regional centre of excellence for this new, less-intrusive neurosurgical procedure.

Public, non-profit health care is an important competitive advantage for our businesses. Last year, the cost of employee health care for small business in the United States was forecast to jump 15 to 20 percent. That is on top of an annual 10 to 12% increase over the previous three years, according to the U.S. National Federation of Independent Business.

Some of the initiatives supported by this year's health care budget include starting the largest health capital project in Manitoba history at the Health Sciences Centre. This will expand, modernize and provide new health technology. We boost support for CancerCare Manitoba. We expand and upgrading the obstetrical unit in The Pas with a \$500,000 investment. We make better use of rural and northern surgical capacity to reduce surgical wait times for elective procedures. We introduce new community mental health initiatives. We launch a \$5.5-million overhaul of emergency and cancer care services at Victoria General Hospital and establish new ultrasound services outside hospitals.

Over the past five years, the provincial Pharmacare budget has almost doubled. This year alone, Pharmacare costs increase 26 percent to \$136 million. Unfortunately, the federal

government commitment to a national Pharmacare program is still unfulfilled.

To help offset these costs, Pharmacare deductibles will increase by 5 percent. For the majority of beneficiaries, this will mean an increase in their deductible between \$1 and \$5 per month. We will continue to work with other provinces on strategies to contain drug costs, such as a common formulary review process.

Like other western provinces, we are raising tobacco taxes. A World Bank report states that, in the U.S., a 10% increase in price yields a 6% decrease in consumption for those in the 18 to 24 age group. Effective midnight tonight, the tobacco tax will increase from 9.6 cents to 14.5 cents per cigarette. The added resources will help offset the costs of the recent nurses' settlement and growth in medical expenses.

Strengthening Families

Assurer la santé des familles et la sécurité des communautés aide à préparer l'avenir du Manitoba.

Translation

Healthy families and safe communities help build Manitoba's future.

English

Children supported at an early age do better in school, earn higher incomes later on and are less likely to become involved in the justice system or rely on costly social services.

In the coming year, we will introduce a multiyear child-care program that focusses on providing affordable, accessible quality care for children. In addition, we are continuing our investment in Healthy Child Manitoba by fully implementing the Healthy Baby program. Healthy Baby, the first program of its kind in Canada, is being copied now in other jurisdictions.

Our very successful parent-child centre program currently involves 26 coalitions that are fostering support for the early child initiatives throughout the province.

We will be piloting a new Healthy Schools program that will better link public health services with local schools, and we will continue to enhance important programs to prevent fetal alcohol syndrome and fetal alcohol effect.

Investments in Healthy Child now total \$22 million. This is in addition to \$16 million we have invested in child care since we took office.

In addition, we have phased out the clawback of the National Child Benefit for all families on assistance with children aged six and under. Today's Budget further reduces the National Child clawback. Effective January 2003, all lower income families with children under 12 will receive benefits.

Budget 2002 provides more support for the Aboriginal Child Welfare Initiative, bringing our total funding to \$2.8 million. We will also be creating a separate office to serve as a focal point for disability-related issues.

Building Safe, Secure Communities

When we first took office in 1999, many older urban neighbourhoods were in serious decline. Working with families, communities and other levels of government, we created programs like Neighbourhoods Alive! and the Winnipeg Housing and Homelessness Initiative. This initiative has contributed to the repair, rehabilitation or redevelopment of over 600 units in Winnipeg's inner city.

Today, for the first time in a decade, property values are beginning to rise in many of these neighbourhoods.

Ce budget appuie les programmes qui contribuent à la revitalisation des communautés et qui évitent la détérioration des vieux quartiers.

Translation

This Budget supports programs that aid community revitalization and prevent older neighbourhoods from deteriorating.

English

We are also targeting crime with increased policing to counter street gangs, organized

crime, auto and property theft, and impaired driving. To keep kids out of gangs and off the streets, Budget 2002 also lends support for Lighthouses, offering youth safe, positive ways to spend their free time.

We are expanding the number of offences covered under the Victims' Bill of Rights. New resources are being allocated for implementation of The Safer Communities and Neighbourhoods Act to deal with the disruption caused by booze cans, drug dens and prostitution in residential neighbourhoods.

Reducing crime is one important way to improve community safety. Reducing workplace accidents is another way to keep Manitobans safe.

We recently received the Workplace Safety and Health Review Report, which is based on public consultations. We will move forward with measures aimed at implementing the recommendations to improve safety and reduce worker injuries.

We have already made significant progress. We added eight workplace health and safety inspectors, including one dedicated exclusively to the North, and we dedicated a full-time prosecutor for workplace safety violations.

Safer workplaces mean fewer injuries, increased job security, lower compensation costs for employers and improved productivity.

Nous sommes également déterminés à renforcer la sécurité des communautés en appuyant les mesures destinées à protéger l'eau potable dans notre province.

Translation

We are also committed to ensuring safer communities by supporting safer drinking water in our province.

English

Today I am pleased to announce further support for drinking water quality initiatives. This means more resources dedicated for drinking water quality, better monitoring of test

results and new investments in drinking water systems for northern communities.

The Manitoba Economy: Our Strength Is in Our Diversity

Our ability to weather the recent turbulence is testament to the strength and diversity of our economy.

In this period of economic recovery we will continue to make choices that are affordable and sustainable. There is ample proof that our approach is working, underlined by: Manitoba outperforming the country with 1.6% real growth in 2001; and the second-lowest unemployment rate in the country; with an historically high level of labour force participation, second-highest in Canada; a 7% increase in commodity exports to the U.S.; a 17% increase in farm cash receipts compared to less than 10 percent for Canada as a whole; positive growth in manufacturing shipments at a time of slow or negative growth by our major trading partners; and an increase of 15 percent in housing starts, double that of Canada as a whole.

According to our survey of seven independent forecasters, Manitoba will again outperform most other provinces in 2002, with economic growth of 2 percent.

TD Economics indicates that Manitoba will be one of only three provinces to see an increase in real disposable income this year. That is more money in the pockets of Manitobans.

We are fostering economic growth by attracting more skilled workers to Manitoba through expanded immigration programs, helping businesses grow through research, innovation and capital investment, tapping Manitoba's potential for new hydro development, and renewing and enhancing infrastructure management, including the province's water resources.

Immigration

Increased immigration is necessary to meet today's challenges and build for a successful future. Manitoba is poised for stronger growth, thanks in part to the Provincial Nominee

program, which brings high-demand skilled workers to Manitoba to help business compete in today's economy.

* (15:20)

This past year, in partnership with the federal government, the program has grown to include 1000 nominees and their families, a fivefold increase from when the program was initially introduced. Of the nominees surveyed, 90 percent said they are committed to continue living and working here in the province.

Budget 2002 allocates \$6.2 million for the Manitoba Immigrant Integration program to ensure a successful transition to life here in Manitoba. We are committed to strengthening our pool of skilled labour through education and immigration, and by working in partnership with business, labour and the community.

Research and Innovation

Building for Manitoba's successful future requires an ongoing commitment to research and innovation, particularly in our key sectors like manufacturing, health industries, energy and agriculture. Manitoba's research and development spending relative to GDP is the fourth highest among the provinces.

Nous sommes déjà fiers de compter ici un grand nombre d'entreprises innovatrices.

Translation

We already boast a strong complement of innovative companies.

English

For example, Manitoba is home to 37 biotechnology companies. One in ten Canadian biotechnology companies operates in our province.

Important additions to Manitoba's technology infrastructure that we have announced recently or have been announced include the Industrial Partnership Facility at the National Research Council Institute for Biodiagnostics—this will focus on leading-edge medical research,

development and commercialization; the new \$25-million I. H. Asper Clinical Research Institute, which will provide a bridge between cardiovascular care and primary care, research and clinical testing; CancerCare Manitoba's new \$3-million Breast Cancer Research and Diagnostic Centre that will solidify Winnipeg's reputation as a centre for advanced medical research.

In last year's Budget we announced provincial assistance to the new media industry in Manitoba. Consultations were completed last year, and I am pleased to announce that we will be providing further support to this emerging sector.

Additionally, we will broaden the Manitoba Film and Video Production Tax Credit program, which has been instrumental in developing the film industry in Manitoba over the five past years. New media film and video producers will now be better able to access the film tax credit.

Capital Investment

Our film industry is a good example of how Manitoba companies are successfully competing in the global marketplace.

In addition, witness the success of local firms like Vansco Electronics, which recently received the first annual Canadian Manufacturers & Exporters Excellence Award.

Major capital investments are planned for Manitoba in 2002. Simplot is investing \$110 million in the first phase of a new potato processing facility in Portage la Prairie. Standard Aero is building a \$92-million repair facility designed to service the growing regional jet market. Biovail Corporation has announced an \$11-million expansion to its Steinbach plant. Maple Leaf Distillers is undertaking a \$6.4-million expansion. Air Canada and Manitoba-based Acsion Industries announced a strategic partnership that will create 270 jobs in our aerospace sector.

Our Government acted to ensure that Manitoba remains a leader in bus manufacturing. Working together with the federal government and the City of Winnipeg, we were able to

protect jobs and a vital industry at New Flyer and Motor Coach Industries.

Recognizing the importance of access to growth capital, the Province assists the private sector in delivering venture financing to Manitoba companies. Crocus Investment Fund and ENSIS Growth Fund continue to be very popular with the investing public. These two labour-sponsored venture capital companies have combined assets of over \$240 million. About 80 Manitoba companies have benefited from investments by these two Funds.

Our Hydro Advantage

Clearly, a major part of our Manitoba advantage is our hydro advantage. Our vast water resources and publicly owned and publicly accountable hydro utility are part of a tremendous legacy passed down to us.

Investments in the Limestone Generating Station lead to the tremendous growth in Hydro's export revenues. Today, strong exports to the United States allow Manitoba residents and businesses to enjoy the lowest electricity prices in North America.

In fact, last year we took the historic step of equalizing rural and northern hydro rates to the same level as Winnipeg.

To date, about half of Manitoba's hydro-electric potential has been developed. Together with Manitoba Hydro, we are working on future projects.

Pending final approval, the Wuskwatim dam project will be constructed in partnership with the Nisichawayasihk Cree Nation. Apart from ensuring no significant environmental impacts in the project's design, the equity partnership will provide NCN a revenue stream for community and economic development

Another exciting development is the agreement in principle for the sale of Winnipeg Hydro to Manitoba Hydro. This will guarantee public ownership of Manitoba's power utilities into the future. It will provide a revenue stream for the City of Winnipeg. It will result in operational synergies and augment Winnipeg's

revitalization with a new 400 000-square-foot downtown office building.

Manitoba Hydro is financially sound. Manitobans will continue to have the lowest hydro rates in North America.

Flood Protection

Many Manitobans know first-hand the dangers of rising floodwaters. Our Government remains strongly committed to new flood protection measures.

Since coming to office, we have improved the gates and entrance to the Red River Floodway, increasing its capacity by 7 percent.

Nous sommes également en train de protéger contre les inondations les maisons et les entreprises situées à l'extérieur des communautés endiguées.

Translation

We are also flood proofing individual homes and businesses outside ring-diked communities.

English

Over 1600 projects have been undertaken, at an estimated cost of \$60 million.

We are continuing to make strong investments in flood-proofing programs in Budget 2002. This Government is committed, with the support of the Official Opposition, to an expanded Red River Floodway. For 2002-2003, \$40 million is provided for an expanded floodway, \$20 million from the operating budget and \$20 million in capital authority.

Highways

Manitoba is home to many communities with unique and important transportation requirements. Transportation infrastructure must be there when it is needed.

In 2001, after committing no resources to roads for five years, the federal government finally put funds toward highway construction in Manitoba, but federal funding represents less

than 5 percent of the money they take out in gas taxes every year. Manitoba needs a stronger federal government to rebuild our highway system.

Il nous faut une stratégie à long terme pour répondre aux besoins de transport dans notre province.

Translation

We need a long-term strategy to address our province's transportation needs.

English

We will be consulting with Manitobans on the long-term needs of our transportation system, but we are not waiting for the results of this process to act. In Budget 2002, we are increasing the Highways construction budget by almost 16 percent to \$120 million.

For the first time, we are announcing a capital commitment of \$600 million in highway construction expenditure over five years.

Rural Communities

Our Government assists communities across the province to build for the next generation while meeting the challenges of today.

Better educational opportunities, lower hydro rates, reduced farm tax assessment rates and improved drainage and watershed management have created a greater sense of hope and optimism in rural Manitoba.

Our Bridging Generations Initiative is an innovative land program to help ease the transfer of family farms from one generation to the next.

To help Manitoba farmers take advantage of new crops or products, \$42.4 million was allocated last year for 38 new diversification projects through the Manitoba Agricultural Credit Corporation's Diversification Loan Guarantee program. Another \$7 million was put back in farmers' pockets by reducing the portion of farm property assessment from 30 percent to 26 percent. In addition, the Manitoba Crop Insurance program paid out \$12.9 million last

year under the Excessive Moisture Insurance program that we first introduced in the year 2000-2001.

We are enhancing Manitoba's value-added processing capacity with a further investment in the Food Development Centre in Portage la Prairie.

The Province, in partnership with the University of Manitoba and the Western Economic Diversification wing of the federal government, is committed to the establishment of a \$25-million state-of-the-art Functional Foods and Nutraceuticals Research Centre to be located in SMARTpark at the University of Manitoba.

Once again, our Government is committed to working with producers to offer safety net programs that better meet their needs. Budget 2002 ensures farmers have the tools to make farm management decisions, with better crop insurance coverage and innovative pilot programs.

The Rural Economic Development Initiative, REDI, in co-operation with Community Development Corporations, plays an essential role in helping rural communities and organizations. REDI provides funding to create business opportunities for youth, support industry and develop infrastructure.

* (15:30)

Through financial incentives and efforts to gain broader participation, most Manitoba municipalities are now involved in planning districts. The land area managed by organized conservation districts has grown by 40 percent since 1999.

Today, we are providing more resources for drainage projects in Manitoba communities and support for livestock management initiatives that address water safety. Drainage is receiving \$10.1 million in this Budget, up \$1.7 million in the past two years.

Urban Initiatives

Our urban centres are being transformed by a sustained period of growth and rejuvenation.

For example, through targeted investments and partnerships between the private sector and all levels of government, Winnipeg's position as a viable place for business investment has been strengthened. Recently, a number of major projects are currently unfolding: the new downtown Red River College campus, the Millennium Library, Waterfront Drive in the Exchange District, the True North Entertainment complex, the Winnipeg Convention Centre, et l'aménagement de la rue Main et du pont Provencher.

De plus, j'ai eu le plaisir d'assister la semaine dernière à l'ouverture du premier des centres de services bilingues tripartites de la province et du Canada, lesquels permettront aux Francophones et aux autres de la communauté de recevoir les services dans la langue de leur choix.

Translation

and the upgrading of Main Street and the Provencher Bridge.

In addition, I had the pleasure last week of attending the opening of the first of the province's, and Canada's, tri-level bilingual service centres. These centres will allow Francophones and others in the community to receive services in the language of their choice.

English

We have recently announced the \$14-million Building Communities program in partnership with the City of Winnipeg. It will fund a range of capital projects, including improvements to community facilities and municipal infrastructure, the upgrading of housing and land acquisition in Winnipeg.

We are already working with the Capital Region governments on mosquito larviciding. Brandon and Thompson are realizing tangible benefits through local neighbourhood renewal corporations, supported through Neighbourhoods Alive!. In February, we announced an investment of \$700,000 over five years towards community economic development, the revitalization of older neighbourhoods and community partnerships in these two cities.

Brandon has also received strong support in other areas: a \$58-million capital construction project for the Brandon Regional Health Centre; a three-year, \$250,000-per-year operating and targeted capital commitment to the Keystone Centre; significant resources for the conversion, renovation and new construction of over 200 housing units for low- and moderate-income families; and new opportunities for children and youth through support for Lighthouses, a downtown daycare and increased spaces at Assiniboine Community College.

Budget 2002 will maintain the level of funding available through the Provincial Municipal Tax Sharing program, even though our corporate taxes are dramatically reduced, despite the uncertainties of the federal error and a significant decrease in the order of \$230 million of our corporate revenues.

Notre gouvernement continuera à bâtir avec les gouvernements locaux et le secteur privé le type de partenariats qui donne de bons résultats.

Translation

Our government will continue to build the kind of partnerships with local governments and the private sector that have proven successful in the past.

English

Northern and Aboriginal Communities

For many years we have looked to northern Manitoba and acknowledged the tremendous untapped possibilities such as enhanced ecotourism initiatives that will attract more adventure travellers and tourists to our province's northern region.

Last fall we launched the Northern Development Strategy, a long-term plan encompassing housing, health, transportation, employment and training, and economic development. Budget 2002 increases support for this strategy.

Important strides have been made in the area of Aboriginal justice. The report of the Aboriginal Justice Implementation Commission (AJIC), received last year, recognizes that Aboriginal justice is not only about the criminal

justice system, but involves broader issues such as child welfare, education, employment, and stronger communities. We are developing both immediate and long-term strategies for action in these areas. There will be a comprehensive plan to respond to the AJIC recommendations as we move forward.

Historic agreements have been signed with First Nations and Métis peoples to co-manage local resources, including forestry and fishing. We have also announced upgrades to water and sewage treatment facilities in several communities.

We have been working collaboratively to develop a northern housing strategy, and we will soon see the construction of an energy-efficient demonstration house in Thompson.

Today I am pleased to announce that we will support the mining industry through a new 10% mineral exploration tax credit. This initiative supports exploration for new mineral deposits that could lead to additional mining activity and jobs in rural and northern Manitoba.

We will continue to work with Aboriginal and northern communities to seize the opportunities for the future.

Environmental Stewardship

A necessary component of economic development is environmental stewardship. It is wholly appropriate that we continue to support a healthier environment through Budget 2002. We do so on Earth Day.

Our economic strategy is sustainable because it respects the environment. We have taken a number of steps to address this very important issue, like converting the Selkirk Hydro plant from coal to natural gas. We are also acting on the recommendations of the Manitoba Climate Change Task Force.

We launched the Energy Development Initiative to promote opportunities for Hydro, a utility that has displaced 10 million tonnes of greenhouse gas emissions per year.

Manitoba is also home to a growing ethanol industry. Like other jurisdictions across North

America, we have come to recognize the benefits of increased ethanol use for agricultural diversification and meeting our climate change objectives.

Minnesota, our neighbour to the south, has also mandated a 10% blend in all gasoline sold in the state. Our Government believes that a similar mandate is desirable and achievable in Manitoba. In the months to come, we will actively consult Manitobans to determine the most effective way of reaching this goal and maximizing benefits to Manitobans.

We are proud of our sustainable development record. We will build on past success by initiating programs designed to enhance our leadership position while protecting our resources.

Fiscal Outlook and Budget Balance

Despite Manitoba's relatively strong performance in 2001 and forecasts to be among the top five provinces in 2002, two dark clouds shadow our fiscal horizon. Corporate income tax revenues dropped this year. There will be ongoing effects from the federal income tax payments error.

Federal estimates indicate that the national economic slowdown resulted in lower than expected corporate income taxes. In Manitoba corporate income tax revenue will decline by 60 percent, or almost \$230 million, from last year's estimate.

A second challenge is the federal government's error regarding the mutual fund trust income tax. Based on a strong precedent and the assurances of the federal Finance Minister, I am confident that a satisfactory and equitable solution will be found. This Budget makes prudent assumptions in the realization of an equalization offset for each year a mutual fund trust payment error is deducted or recovered.

Further steps are necessary to ensure we meet the priorities of Manitobans, balance the budget, and address the challenges posed by these revenue reductions.

This Budget calls for spending increases of

2.5 percent overall, the lowest budget-to-budget increase in five years. Only seven departments receive a spending increase in this year's Estimates.

Les ministères devront réduire leurs dépenses discrétionnaires.

Translation

Departments were directed to cut discretionary spending.

English

Overtime is to be reduced in all departments.

This Budget targets a 6% vacancy rate across Government, up from last year's 4 percent. Public debt costs have been reduced a further \$20 million from last year, where we reduced them \$48 million over the estimate.

While corporate income taxes are down in the short term, one Manitoba corporation is making large profits. As a result of increased U.S. export demand, Manitoba Hydro is projected to make in excess of \$400 million in profits between 2001-2002 and the year 2003-2004.

Because of the challenge we face as a result of the federal error, Manitoba Hydro will be asked to make special export profits payments. These payments will ensure Manitoba families do not bear the brunt of the federal error and the reduced corporate income tax revenue. These payments will bridge the shortfall until the federal error is fully absorbed and corporate income tax revenues recover.

In 2001-2002, \$150 million in hydro export profit revenue eliminates the need for a Fiscal Stabilization Fund draw. In 2002-2003, a further \$75 million in hydro export profit revenues is budgeted. A further \$63 million is budgeted for 2003-2004. At the beginning of 2002-2003, the Fiscal Stabilization Fund will have \$359 million available to help address future uncertainties.

We are also announcing some tax adjustments to improve budgetary revenue. Administrative sales tax changes and a

consistent application of sales tax on mechanical and electrical contracts will raise an additional \$10.4 million. Together with all of the other changes announced today budgetary revenue for 2002-2003 totals just over \$6.9 billion, less than 1 percent more than 2001-2002 actuals.

To ensure a balance under balanced budget legislation a \$93-million draw from the Fiscal Stabilization Fund is required. This will be the first time in three years that a draw has been required and will be significantly lower than the draws taken by the previous administration in 1998-1999 and 1999-2000.

We project a \$25-million positive balance for 2001-2002 and a \$10-million positive balance in each of the following four years.

Nous prévoyons un solde positif de 25 millions de dollars pour l'exercice 2001-2002, et un solde positif de dix millions pour chacun des quatre exercices suivants.

Translation

We project a \$25-million positive balance for 2001-2002 and a \$10-million positive balance in each of the following four years.

English

Transparency and Accountability

Today's Budget devotes \$96 million for the third consecutive year to debt retirement. These funds help to meet our goal of eliminating the general purpose debt and funding the province's long-term pension liability.

Over 40 years ago the Manitoba government of that day decided to stop funding the pensions of civil servants and teachers. By 1990 pension liabilities had grown to \$1.2 billion. In 1999 the pension liability had grown to \$2.7 billion. Left unattended this pension obligation would grow to \$10.6 billion by the year 2035.

In 2000 we introduced the first plan to reduce our overall pension liability. I am pleased to announce that for the first time in 40 years, effective October 1, 2002, the full pension costs for each new employee will be the responsibility

of the hiring department or government agency. As a result, the outstanding pension liability of the Province will be fully funded by the year 2029, five years ahead of the previous schedule that we had put in place.

Personal Taxes

Two major reductions in personal income tax came into effect at the beginning of this year. The middle tax bracket dropped from 16.2 to 15.4 percent. The income threshold between the middle and top brackets rose from \$61,000 to \$65,000.

I am pleased to announce that this Budget increases the value of the personal non-refundable tax credit amounts by 3 percent to parallel the federal government. This will save Manitobans a further \$15.3 million per year. It will remove 5400 lower-income Manitobans from the tax rolls. The changes we have delivered in our first three budgets removed a total of 24 000 Manitobans from the tax rolls and delivered average personal income tax savings of 11.5 percent.

The education property tax credit reduces the impact of school property taxes to most homeowners and renters by \$400, a \$150 increase since 1999. We are also cutting property taxes directly. We recently announced a 10% cut to the education support levy, saving Manitobans another \$10 million.

I am pleased to confirm our plans to phase out the residential ESL over the next five years. Under this plan, homeowners will save almost a hundred million in property taxes.

We will continue to work with other stakeholders and the public to make property taxes and tax credits more transparent and accountable.

Including the changes announced today, our Government's first three Budgets deliver significant but sustainable relief on personal income and property taxes totaling \$244 million per year. In response to requests from the business community, the Manitoba equity tax credit is extended for three more years.

Business Income Taxes

Our first two Budgets significantly reduced corporate income taxes on small businesses and brought in the first reduction in general corporate income taxes since the Second World War. On January 1 of this year the amount of taxable income eligible for the small business income tax rate rose from \$200,000 to \$300,000. To keep Manitoba's small business thriving, this Budget commits to increase the threshold to \$400,000 in 2005. This increase will be phased in starting with an increase to \$320,000 next January 1.

Since our Government came to office the small business tax rate has fallen 37.5 percent. This lower rate, together with the increasing threshold, adds up to a major improvement in tax competitiveness for small business in Manitoba.

(15:40)

Conclusion

In conclusion, we are working hard to address the top priorities of Manitobans: quality public health care; new education opportunities and better schools; stronger families and safer communities; economic development and jobs; keeping the books balanced; and keeping government affordable.

We are meeting today's challenges. We are determined to keep building for Manitoba's future. In our first three budgets, we invested \$500 million more, or 2.5 percent per year, to meet the needs of health, education, children, and communities. At the same time, we have provided \$244 million in personal tax reductions and committed \$288 million towards operating debt reduction.

This is a great time to be a Manitoban. We have shown we can address adversity and still thrive, keeping focussed on our long-term goals.

C'est dans un tel esprit que je vous présente, avec fierté, le Budget 2002 du Manitoba.

Translation

In this spirit, I am proud to present the 2002 Manitoba Budget.

English

It is fair, balanced, and future oriented. It continues our course for a bright and stable future for Manitoba families. We are meeting today's challenges and building for Manitoba's future.

Thank you, Mr. Speaker.

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, I move, seconded by the MLA from Steinbach, Mr. Jim Penner, that the debate be adjourned.

Motion agreed to.

Mr. Selinger: Mr. Speaker, I move, seconded by the Minister of Aboriginal and Northern Affairs (Mr. Robinson), that this House at its next sitting will resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

Motion agreed to.

Mr. Selinger: Mr. Speaker, I move, seconded by the Minister of Aboriginal and Northern Affairs, that this House at its next sitting will resolve itself into a committee to consider of Ways and Means for raising of the Supply to be granted to Her Majesty.

Motion agreed to.

Messages

Mr. Selinger: Mr. Speaker, I have two messages from His Honour the Lieutenant-Governor as well as the budget documents which I would like to table.

Mr. Speaker: Order. Please rise for the reading of the messages.

The Lieutenant-Governor transmits to the Legislative Assembly of Manitoba Estimates of sums required for the services of the Province for the fiscal year ending the 31st of March, 2003, and recommends these Estimates to the Legislative Assembly

The second message is that the Lieutenant-Governor transmits to the Legislative Assembly of Manitoba Estimates of

sums required for the services of the Province for capital expenditures and recommends these Estimates to the Legislative Assembly.

Please be seated.

TABLING OF REPORTS

Hon. Greg. Selinger (Minister of Finance): Mr. Speaker, I would like to table the quarterly financial report for the nine-month period, April to December 2001.

Mr. Selinger: I move, seconded by the Minister of Aboriginal and Northern Affairs (Mr. Robinson), that the messages, together with the Estimates accompanying the same, be referred to the Committee of Supply.

Motion agreed to.

* (15:50)

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, following the adjournment motion, I would like to announce that there will be a reception in Room 200 for all to attend after the adjournment of the House.

Mr. Speaker, I move, seconded by the Minister of Finance (Mr. Selinger), that this House do now adjourn.

Mr. Speaker: For your information, there will be a reception in Room 200 for all members and guests. That was announced by the honourable Government House Leader.

Introduction of Guests

Mr. Speaker: Before I adjourn the House, I would like to draw all honourable members to the loge to my right where we have with us Mrs. Muriel Smith, who is a former Member for Osborne. On behalf of all honourable members, I welcome you here today.

Mr. Speaker: It has been moved by the honourable Government House Leader, seconded by the honourable Minister of Finance (Mr. Selinger), that the House do now adjourn.

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

The House is now adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 22, 2001

CONTENTS

Speaker's Statement		Rural Health Care Facilities	
Resignation		Derkach; Chomiak	633
Hickes	627	Gladstone Hospital	
		Cummings; Chomiak	634
Introduction of New Member		Krindle Review	
Hickes	627	Gerrard; Chomiak	634
Murray	627		
ROUTINE PROCEEDINGS			
Matter of Privilege		Morris-Macdonald School Division	
		Gilleshammer; Caldwell	635
Crocus Fund		Fort Garry School Division	
Loewen	627	Joy Smith; Doer	636
Presenting Reports by Standing and Special Committees		Provincial Road 304	
Standing Committee on Privileges and Elections		Hawranik; Ashton	636
First Report		Whiteshell School Division	
Santos	627	Hawranik; Doer	637
Ministerial Statements		Crop Insurance	
Princess Patricia's Canadian Light Infantry		Jack Penner; Wowchuk	637
Training Exercise Deaths		ARDI Program	
Doer	628	Jack Penner; Wowchuk	638
Murray	629		
Gerrard	629	Farming	
Oral Questions		Jack Penner; Wowchuk	638
Budget		Members' Statements	
Murray; Doer	630	Princess Patricia's Canadian Light Infantry	
Health Care System		Training Exercise Deaths	
Jim Penner; Doer	631	Korzeniowski	639
Financial Statements		Earth Day	
Jim Penner; Doer	631	Cummings	639
Manitoba Advantage		RCMP Assistant Commissioner Tom	
Jim Penner; Doer	631	Egglestone	
Regional Health Authorities		Struthers	640
Driedger; Chomiak	632	Aaron Burnett	
Derkach, Chomiak	633	Stefanson	640
Marquette Regional Health Authority		Earth Day	
Derkach; Chomiak	633	Rondeau	641

Ministerial Statements

Her Majesty Queen Elizabeth the Queen Mother	
Doer	641
Murray	642
Gerrard	643

ORDERS OF THE DAY**GOVERNMENT BUSINESS****Budget Address**

Selinger	644
----------	-----

Messages

Selinger	656
----------	-----

Tabling of Reports

Quarterly Financial Report for the
Nine-Month Period, April to December
2001

Selinger	657
----------	-----