



Third Session - Thirty-Seventh Legislature

of the

**Legislative Assembly of Manitoba**

**DEBATES**

and

**PROCEEDINGS**

**Official Report  
(Hansard)**

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Seventh Legislature**

<b>Member</b>	<b>Constituency</b>	<b>Political Affiliation</b>
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.
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FAURSCHOU, David	Portage la Prairie	P.C.
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HICKES, George	Point Douglas	N.D.P.
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TWEED, Mervin	Turtle Mountain	P.C.
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## LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, April 25, 2002

The House met at 1:30 p.m.

### PRAYERS

### ROUTINE PROCEEDINGS

### MINISTERIAL STATEMENTS

#### New Flyer Industries

**Hon. MaryAnn Mihychuk (Minister of Industry, Trade and Mines):** I have a ministerial statement for the House.

I wish to update this House on the Government's progress in dealing with an issue of importance to all Manitobans, the sale of New Flyer Industries. The Government of Manitoba has been involved in the recent developments at New Flyer that will secure the existing jobs at the Winnipeg plant and at other local suppliers in our community.

In view of the changes at New Flyer, let me take this opportunity to thank the den Oudsten family for growing the company and investing in the people and technology at the Winnipeg plant. The initiative taken by Jan and Maria den Oudsten, who took over ownership of New Flyer from the Province in 1986, has resulted in the development of the largest manufacturer of urban transit buses in North America.

I also wish to welcome to our province the new owners of New Flyer, KPS Special Situations Fund of New York, led by Mr. David Shapiro. I know that Mr. Shapiro and his staff have worked very hard over the last few months to finalize the details of this transaction. From the outset, when we learned of the financial difficulties being faced by New Flyer more than a year ago, the purpose of provincial involvement in the restructuring at New Flyer has been to secure the long-term future of existing jobs at New Flyer's plant in Winnipeg and to support local suppliers in this key industry.

The 1000 jobs at the New Flyer plant in Winnipeg and the related businesses for local suppliers are very important to the workers, their families and our community. To further emphasize New Flyer's importance, the Winnipeg plant also supports a further 1200 additional jobs indirectly through local suppliers and other local spinoff economic activity.

The recent developments at New Flyer are good news for our community and represent an excellent example of a private company working collaboratively with the workers at the Winnipeg plant, local suppliers and the Province which provided a \$20-million repayable loan to assist in the financial restructuring of the company.

I am confident that this strong partnership will secure the future of this important employer in our community. I anticipate the continued success of New Flyer in the years to come.

\* (13:35)

**Mr. Jim Penner (Steinbach):** We on this side of the House too want to thank the industry for staying in Manitoba, for New Flyer Industries. We appreciate the Government's involvement. Actually, it is not the Government but it is the taxpayers, because, as government, we have no money. It is all taxpayers' money. We thank Jan and Maria den Oudsten for their participation in New Flyer since 1986. We certainly appreciate Mr. Shapiro's involvement through the KPS Special Situation Fund of New York.

We love to see our buses all over Canada and all over the world, and we are very proud of the fact that we have become a bus manufacturing capital over the last years. Certainly, we need the thousand jobs. We need jobs desperately in Manitoba so that people do not leave our province, but, Mr. Speaker, we regret that the 500 jobs were lost in harness

ancing under this Government. Thank you very much.

**Hon. Jon Gerrard (River Heights):** I ask leave, Mr. Speaker, to speak to the minister's question.

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

**Mr. Gerrard:** Mr. Speaker, I rise to acknowledge the significant contribution that New Flyer has made to Winnipeg and to Manitoba, not just the entrepreneurs, the den Oudstens and the new owners, but the many, many people who work and contribute in one way or another at the New Flyer plant. It certainly is an example of what can be built in Manitoba and how people can come together to build a made-in-Manitoba product and to build an industry here.

I think it is interesting, the Minister of Industry (Ms. Mihychuk) and I were at a breakfast this morning with Frank McKenna, the former premier of New Brunswick, and he provided some advice on tax competitiveness and other recommendations which I hope the Government will listen to.

\* (13:40)

#### Introduction of Guests

**Mr. Speaker:** Prior to Oral Questions, I would like to draw the attention of all honourable members to the loge to my left where we have with us Mr. Brian Pallister, the former member for Portage la Prairie.

Also in the public gallery we have from Royal School 24 Grade 5 students under the direction of Mr. Greg Carpenter. This school is located in the constituency of the honourable Member for Tuxedo (Mrs. Stefanson).

Also from the Steinbach Home Schooling Group, kindergarten to Grade 12 we have 51 students under the direction of Mrs. Sue Shier. This school is located in the constituency of the honourable Member for Steinbach (Mr. Jim Penner).

Also from St. John's-Ravenscourt School 27 Grade 9 students under the direction of Mr. John

Einarson. This school is located in the constituency of the honourable Member for Fort Garry (Mrs. Smith).

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

### ORAL QUESTION PERIOD

#### Budget Manitoba Hydro Profits

**Mr. Stuart Murray (Leader of the Official Opposition):** Mr. Speaker, in this year's Budget, the Doer government announced that it would raid \$288 million out of Manitoba Hydro to finance the Premier's spending habit. What is unbelievable is of that \$288 million that they raided, \$150 million was needed, was required in order to balance last year's books.

I will ask the Premier again if he will acknowledge his error and his mistake and do the responsible thing, Mr. Speaker. The Manitoba Society of Seniors calls this a hidden tax. That is the words that they use. They call it a hidden tax and they are demanding the money be returned to Manitoba Hydro.

Mr. Speaker, I will ask the Premier: Will he follow the advice of the Manitoba Society of Seniors, listen to what they have to say and do the right thing and return the money to Manitoba Hydro?

**Hon. Gary Doer (Premier):** Mr. Speaker, the Manitoba seniors will continue to have the lowest hydro-electric rates of any consumer in North America. The consumers here in Manitoba will continue to have the lowest rates of any one of the 185 jurisdictions that are surveyed by U.S. Edison out of New York or Hydro Québec out of Québec.

We will continue to have the lowest rates today, tomorrow and into the future because of our strong export sales, the strong vision of past governments and our strong commitment to the consumers of Manitoba, unlike members opposite whose only commitment was to share dividends for the board of directors of the telephone system and to the brokers of Manitoba, Mr. Speaker.

**Mr. Murray:** I would like to point out to the Premier that the Manitoba Society of Seniors, they do not believe him, Mr. Speaker. Right here in a press release they say, and I quote: We are concerned that these payments to the Province could result in rate increases to Manitoba Hydro's ratepayers. That is what they are saying.

We are seeing with this Government a bit of a trend. A year and a half ago, the Premier decided that he had a spending addiction and he saw \$30 million in Autopac. So what did he decide to do, Mr. Speaker? He decided he would go in, take the \$30 million and use it in a way that was not appropriate. Manitobans stood up and said no. Put the money back where it belongs, back into Autopac, and give it to the ratepayers. That was the right thing to do.

The Premier set a precedent when he reversed his decision with Autopac, and we are asking him, along with the Manitoba Society of Seniors and along with the consumers' associate group, to do the right thing: Return the money that they have raided from Manitoba Hydro back into Manitoba Hydro to give back to the ratepayers.

**Mr. Doer:** Well, Mr. Speaker, members opposite may recall that the Manitoba Association of Seniors, the Manitoba Consumers' Association, the rural municipalities of Manitoba, and many other organizations, the Aboriginal First Nations organizations, all said do not sell the Manitoba Telephone System. They said your rates will go up. The people in rural Manitoba were particularly concerned because of rate rebalancing that would take place in a private company. The rates have gone up 65 percent with the sale of the telephone system.

The rates in the Manitoba Hydro system have been flat for the last four or five years and will continue to be flat because of export sales to the United States that are allowing us to invest through these challenging times in the future of Manitoba to be a bridge from these uncertain times into the future in a positive way.

You know, Mr. Speaker, I was at a volunteer award luncheon just a few moments ago and I met a number of people who said this is a very

sensible idea, and we believe the majority of Manitobans believe it is a very sensible idea.

### **Manitoba Hydro Profits—Customer Rebate**

**Mr. Stuart Murray (Leader of the Official Opposition):** Mr. Speaker, according to Manitoba Hydro's annual report, they have approximately 403 000 customers. By the time this Premier is done raiding Manitoba Hydro's profits for \$288 million simply to pay for his overspending, he could simply write a cheque to each one of those Manitoba ratepayers for \$715. That is what it comes down to. To pay for his overspending, he could simply write a cheque and give it back to Manitoba ratepayers—\$715.

With Autopac, the Premier corrected his mistake. Is the Premier prepared to do this again, what he did with Autopac, return the money to the ratepayers and write a cheque for \$715 to each one of the Manitoba Hydro rental payers?

\* (13:45)

**Hon. Gary Doer (Premier):** Mr. Speaker, members opposite should be pulling out their pens and writing a big cheque to every consumer in Manitoba where they were robbed of the Manitoba Telephone System. How dare you say that.

### **Manitoba Hydro Rate Freeze**

**Mr. Mervin Tweed (Turtle Mountain):** Mr. Speaker, last February Manitoba Hydro made an application to the Public Utilities Board asking for a 6% rate increase over four years. This was before the NDP retroactively raided Hydro for \$288 million, money they did not have.

My question is to the Premier. Will the Premier today guarantee to all Manitobans rates for Hydro will remain frozen for the next four years?

**Hon. Gary Doer (Premier):** Mr. Speaker, let me point out that this is a tale of two visions. The members opposite, they talk—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order.

**Mr. Doer:** Thank you, Mr. Speaker. Members opposite—and you will see the debt levels at Manitoba Hydro—purchased Centra Gas. Centra Gas this year lost \$10 million, and there are applications before the PUB.

Secondly, members opposite cut a secret deal on treating Centra Gas through Hydro to pay income taxes to the provincial government. We cancelled that.

Governments in the past, in the mid-'80s, took off the mothballs that were placed by former governments, Conservative governments, on Limestone; took those mothballs off and built a dam called Limestone. The Liberals called it lemonstone. The Tories said we would never make any profit on it. They predicted, Mr. Speaker, just like the predictions of the Leader of the Opposition (Mr. Murray) before the Budget last week, they predicted that the Limestone profits would be 3 cents a kilowatt-hour and therefore would not generate through export sales any extra revenue for the quality of life of Manitobans.

Mr. Speaker, just like they were wrong on diesel fuel, on gas tax, on income tax, on user fees on home care, they were wrong about Manitoba Hydro. The revenue is 6 cents a kilowatt-hour. The people who are paying for this bridge of support for this Budget are the ratepayers and the United States. Thank goodness for a long-term vision.

**Mr. Tweed:** I am not sure I heard an answer in that, Mr. Speaker, so I will ask again, but I will ask the Premier to confirm what he said on Wednesday, April 24, 2002, in the *Winnipeg Sun*. He is quoted as saying: Rates with Hydro are frozen. They will stay frozen. I would ask the Premier if he would just confirm that he made that statement.

**Mr. Doer:** I pointed out there is the Centra Gas nationalization—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order.

**Mr. Doer:** I also can confirm that not only on the electricity side of Manitoba Hydro have we frozen the rates, we decreased the rates for northern Manitoba and rural Manitoba. We used the export sales to the United States to equalize the rates. The members opposite flipped and flopped, and flipped and flopped. We knew where we were going. Thank goodness we provided rate reductions for rural and northern Manitoba.

\* (13:50)

**Mr. Tweed:** Again, I would like to thank the Premier for not answering the question, but one comment he did make and I want to ask him if Manitoba Hydro rates are now set at the Cabinet table or through Manitoba Hydro.

**Mr. Doer:** The Manitoba Hydro is before the PUB now. Mr. Speaker, I can recall—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order.

**Mr. Doer:** The Manitoba Hydro Crown corporation is a creature of the Manitoba Legislature. The only thing that has changed with Manitoba Hydro since the election campaign is that we put in a protection for the people by amending The Manitoba Hydro Act to provide for a mandatory plebiscite before any Crown corporation is sold. The people that own Manitoba Hydro now have a say on its future. The people that did own Manitoba Telephone System were misled in the 1995 election campaign. The rates have gone up 65 percent and they had absolutely no vote on that. We think we are going the better way.

### **Manitoba Hydro Water Flows**

**Mrs. Bonnie Mitchelson (River East):** I wonder if the Premier could give us any indication of whether Manitoba Hydro in the last six months or currently has any concerns about the low water flows in the water system that feeds Manitoba Hydro and what impact that might have on hydro revenues.

**Hon. Gary Doer (Premier):** Mr. Speaker, the—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order.

\* (13:55)

**Mr. Doer:** Mr. Speaker, if I could continue. The frivolity on the other side is very becoming. The question was raised about the water flows and there is no question that the winter precipitation rates were less than last year, less than the year previous. There is also no question that this year in April the rates of moisture as witnessed by this morning are up and certainly in the North are even up further. Manitoba Hydro establishes estimates based on predicable water flow. Those estimates are contained within the documents that are before the Legislature and the predicted revenue is obviously lower in the budgeted amount this year than it was in the previous two years. The members know that if they have read the documents. Maybe that is a big question.

Secondly, Mr. Speaker, the Government also in 1999-2000 determined that we would have a gas-turbine operation in Brandon. You will note that some of the comments made by members opposite about the debt load of Hydro includes an asset that is completed, I believe, in June of this year for a gas-turbine system that will, if you will remember the press release when that was announced in Brandon, this operation will allow us to continue to have revenues generated from export sales and at the same time back up our system if there is a drought situation or dry situation in Manitoba.

**Mrs. Mitchelson:** In that long rhetoric I am not really sure that I heard an answer, Mr. Speaker. We all know that given that the amount of hydro that can be exported depends on the amount of water flow in the system, and given that Manitoba Hydro on a regular basis does detailed analysis of that, is the Premier prepared to table in this Legislature all of the analysis that has been done by Manitoba Hydro and all of the concerns that they might have in this drought year?

**Mr. Doer:** Mr. Speaker, the number in the Budget documents is the number that is provided by Hydro based on all their predictions. They are routinely low relative to other revenues. I think that two years ago the number was 270; last year

2001-02, it was predicted to be about 110 or so, and it is up about 230 minus the \$10 million loss in Centra Gas, so you will find that Hydro provides the best advice they can to the Legislature and it is contained within the Budget documents.

#### **PUB Review**

**Mrs. Bonnie Mitchelson (River East):** Mr. Speaker, since the management at Manitoba Hydro are the experts, and we have not always gotten the truth from this Premier or his Minister of Finance (Mr. Selinger), or Minister responsible for Hydro, would the Premier now call the legislative committee on Public Utilities and Natural Resources and have the management of Manitoba Hydro come forward and give us a full analysis of what their concerns are, given that western Canada is in a severe drought situation? We know that the last time there was a drought in Manitoba, Hydro export revenues plummeted significantly and they were about one-quarter of what they were the previous year?

\* (14:00)

**Hon. Gary Doer (Premier):** Mr. Speaker, the \$109 million projected by Hydro is quite a bit less than attained in the year 2001-02 and the year 2002-03, so those are already contained within the report.

Mr. Speaker, I will consult with the minister responsible and the House leader. We have absolutely no difficulty with arranging with Hydro management appearance before the committee.

#### **Manitoba Hydro PUB Review**

**Mr. Harold Gillehammer (Minnedosa):** Mr. Speaker, during the dying days of the Pawley administration, with this Premier (Mr. Doer) at the Cabinet table, Autopac rates were politically manipulated and politically set, which led to a new government that mandated that rates for public utilities should be reviewed and set at the Public Utilities Board.

Why is this Government reverting to the old discredited ways of avoiding the scrutiny of the Public Utilities Board?

**Hon. Tim Sale (Minister of Family Services and Housing):** The member opposite, Mr. Speaker, must be referring to the acquisition of Winnipeg Hydro, I presume. It has been clearly stated by the Premier and by our Government that this is a policy matter, it is matter for the Legislature. We believe it should be debated fully in the Legislature, debated at committee. We will bring legislation to that effect.

The Public Utilities commission has a role in setting rates, but this is a major policy question for the people of Manitoba. This is the Chamber in which those policy questions should be asked, debated, answered and decided, and that is where it will happen, Mr. Speaker.

**Mr. Gilleshammer:** Mr. Speaker, I would ask the Premier, who sat at the Cabinet table during those Pawley government years where they manipulated rates, is he not prepared to follow the standard that was set in the '90s that rates be taken to the Public Utilities Board.

**Hon. Gary Doer (Premier):** The rates are frozen, Mr. Speaker. I wonder whether the member from Minnedosa, when he was at the Cabinet table, had the courage to stand up for the customers and ratepayers in Minnedosa about a rate rebalancing that would take place with the sale of Manitoba Telephone System. When he sat at the Cabinet table and manipulated an election promise to sell the Manitoba Telephone System, did he speak up on behalf of the consumers or did he side with the brokers?

**Mr. Speaker:** Order.

#### Point of Order

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

Mr. Speaker, the Premier knows all too well that the CRTC deals with the issue of MTS rates. What we have requested is that the PUB deal with the Hydro rates instead of him and his Cabinet table.

**Mr. Speaker:** On the point of order raised by the honourable Official Opposition House Leader, I will have to continue allowing leaders' latitude until I get agreement from the House. I have to follow the practice that has been set by previous Speakers.

\* \* \*

**Mr. Gilleshammer:** Mr. Speaker, does the Premier not see the slippery slope he is on now that he wants to set Hydro rates at the Cabinet table? He wants to avoid that public scrutiny that the seniors of Manitoba are calling for. They have clearly called this a regressive tax measure. Will the Premier not step in and have this reviewed by the Public Utilities Board?

**Mr. Doer:** Mr. Speaker, the rates are frozen. The rates that are generating the revenue for Manitoba Hydro are rates in a competitive market in the United States, and \$400 million is being generated from export revenues to the United States. Some of us were involved in negotiating those agreements back in the mid-'80s. You, members opposite, in this Chamber said it was going to be 3 cents a kilowatt-hour. It is 6 cents a kilowatt-hour now, and that is producing a benefit to Manitobans.

The Business Council of Manitoba, in its pre-budget submission, wisely said that the Province should look at a dividend from Manitoba Hydro to take advantage of the export revenues. They thought it was sensible. It is a good safety valve through these uncertain times. It means we have not taken a nickel out of the rainy day fund since we have been elected, and that allows us to build for the future with an asset that is owned by all Manitobans for the benefit of all Manitobans.

#### Cardiac Care Surgery Sites

**Mrs. Myrna Driedger (Charleswood):** Mr. Speaker, in 1997, all cardiac surgeons and cardiac anesthetists unanimously concluded that one site for cardiac surgery was essential to maintain excellence in the treatment of cardiac surgery patients.

As is the standard practice in Calgary, Ottawa, Hamilton, Halifax, Victoria, Kingston and London, to name just a few, I would like to ask this Minister of Health if he can tell us if his decision to politically interfere and force the Winnipeg Regional Health Authority to have two cardiac surgery sites has in any way contributed to the cardiac surgery problems we are hearing about lately.

**Hon. Dave Chomiak (Minister of Health):** Mr. Speaker, the member is wrong.

**Mrs. Driedger:** Mr. Speaker, the minister did not answer the question, but I will ask him another one.

Can the minister tell us why he prevented the consolidation of cardiac surgery into a centre of excellence, as the experts strongly suggested back then, if he is truly committed to decreasing administrative costs in health care and if he is so committed to centres of excellence? He seems to be a bit contradictory and hypocritical in his comments.

**Mr. Chomiak:** Mr. Speaker, the member is factually, as is often the case, wrong.

**Mrs. Driedger:** Mr. Speaker, I will table at this time actually a letter to the editor that was written some time back by the head of cardiology and the head of cardiac surgery, who both strongly support the concept of a centre of excellence and one site for cardiac surgery.

I would ask the minister: Does he feel that the Minister of Finance's (Mr. Selinger) promises during the election in support of two sites has in any way compromised the quality of our cardiac surgery program and therefore compromised patient safety in cardiac surgery in this province?

**Hon. Gary Doer (Premier):** Mr. Speaker, we made the promise and were opposed to what the government, the previous government was doing on the cardiac—*[interjection]* Perhaps you would like to listen to the answer—surgical programs with the two hospitals.

I had made the commitment to implement the Bell-Wade Report that the members opposite had rejected. We had thought that there is—

**An Honourable Member:** Wade-Bell said one site.

**Mr. Doer:** Two sites, one administration, Mr. Speaker.

I think we have an excellent cardiovascular program at the Health Sciences Centre. I think there are excellent cardiac surgeons and programs at that centre. I note—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order.

**Mr. Doer:** Thank you, Mr. Speaker. Secondly, we believe the program at St. Boniface is, again, world class, like the Health Sciences Centre. We believe we have world-class surgeons. We have some displacement going on with capital investments that are going on, one hospital versus the other right now. Thank goodness, we have two.

Mr. Speaker, I was particularly proud last year when Winnipeg and Manitoba hosted the world heart congress where cardiac surgeons and experts on heart surgery and preventative health from all over the world came to Manitoba and were able to be hosted by the excellent, excellent medical people at the Health Sciences Centre and the St. Boniface Hospital.

That was our promise in the election campaign, and I am glad we followed through with it.

### **Krindle Review Terms of Reference**

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, as a practising physician for many years, one of the important things I learned was the importance of considering patients first, that the well-being and outcome of patients was most critical and should come before anything else. My question to the Minister of Health: What measures will the minister be taking to ensure that patient input and patient satisfaction are part of any review of physician performance and evaluation such as the one being considered during the Krindle review of Doctor Del Rizzo?

**Hon. Dave Chomiak (Minister of Health):** I am very pleased that Manitoba hosted a conference just last week, at which I was the opening speaker, called Advancing Quality in the Name of Patient Safety, one in a series of measures undertaken by Manitoba Health, the WRHA, the College of Physicians and Surgeons, the College of Nurses and the College of Pharmacists to deal with some of the issues that arose as a result of the Sinclair inquiry. One of the keynote speakers was, and I had opportunity to meet, the eminent professor from Harvard who wrote the book, *To Err is Human*, Lucien Leap. I am very pleased that we have taken the recommendations of Sinclair and Thomas, and that we are proceeding to move forward in that regard.

\* (14:10)

**Mr. Gerrard:** I think that many members of the Legislature and the public would like a clear answer to the question. I would ask the minister: Would the minister consider as fundamentally flawed any review of physicians like Doctor Del Rizzo which did not make a substantive effort to obtain and evaluate input from patients like those who are here today?

**Mr. Speaker:** Order. Prior to recognizing the honourable Minister of Health to answer, I would just like to inform the visitors we have in the public gallery that there is to be no participation from the public, and that includes applauding. I would ask the co-operation of all members that are in the public gallery.

**Mr. Chomiak:** The last time the member referred to patients of Doctor Del Rizzo that were in the gallery, he asked and they asked for an independent third-party review of the situation. Mr. Speaker, the WRHA implemented an independent third-party review by a judge. Now the member is coming to the Chamber and is asking for something else. I suggest to the—  
[interjection]

**Mr. Gerrard:** I am just asking for clarification on how the review will proceed. I would ask my second supplementary to the Minister of Health: What measures will be taken during the Krindle review to ensure confidentiality? As I understand, there are a number of people who are

interested in testifying that will not testify in an open hearing because they feel their jobs might be in jeopardy if they do so.

**Mr. Chomiak:** When the matter occurred, the WHRA went through its procedures and Doctor Del Rizzo gave up his privileges, the members came to this House and said that was not done fairly. We want an independent third-party. The WHRA set up an independent third-party process with a judge, with a mandate, and now the member is asking me to interfere in the mandate of a judge to do that. I daresay, Mr. Speaker, that would be inappropriate for me to interfere in that process. The member knows the process is in place, is an open process and steps will be taken to protect all involved, but I daresay it was not long ago that the member rose in this House and said, third-party, third-party, third-party independent. Now it is third-party independent, and he is standing up, and he is criticizing the process. He cannot have it both ways.

#### **Beaver Control Government Initiatives**

**Mr. Tom Nevakshonoff (Interlake):** My question is for the Minister of Conservation. Beavers have been causing problems for many of my constituents as their dams cause damage to land, to crops, roads and drainage ditches because of flooding. What steps has the Government taken in this Budget to deal with the problems caused by beavers?

**Mr. Speaker:** Order. The clock is running.

**Hon. Oscar Lathlin (Minister of Conservation):** I thank the member for the question. To respond to an issue that is a very serious issue to municipalities in Manitoba, last fall Conservation initiated a new program with not only AMM and other local municipal governments but also with the Manitoba Trappers Association.

Mr. Speaker, we have doubled the money available for problem beaver removal from \$125,000 to \$250,000 a year. This is part of a new winter program that takes advantage of increased beaver pelt prices in the winter as opposed to lower summer prices. It is an incentive for the trappers because it means a

higher income for them and their families. We are very proud of this program that is being supported by the Association of Manitoba Municipalities. It is being supported by the Manitoba Trappers Association. We have received some very positive feedback from several quarters in Manitoba, and we plan to continue the program next year as well.

### **CareerStart Program Elimination**

**Mr. Larry Maguire (Arthur-Virden):** Mr. Speaker, it appears as if this Government has taken the money from horses and given it to beavers. It is one thing to treat this industry with contempt as they did in the Budget on Monday, but now for youth, non-profit organizations and small businesses, who have had the opportunity of benefiting from the CareerStart program in the past, have just found out that that program has been decimated. Calls to the Minister of Education's office have indicated that this program is dead for this year. Can the Minister of Education, Training and Youth tell this House why he has decimated this valuable program?

**Hon. Drew Caldwell (Minister of Education, Training and Youth):** I appreciate the question from the honourable member. I also appreciate members opposite concern for the youth of this province.

Mr. Speaker, Manitoba has had the lowest summer student unemployment rate in each of the last three summers. I think this is a testament to the policies of members on this side of the House. The Government is very—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order.

**Mr. Caldwell:** Mr. Speaker, we on this side of the House are very, very concerned about providing the best possible educational environment for young people in our province, the best possible work environment and economic environment for people and young people in this province.

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order.

**Mr. Maguire:** Mr. Speaker, there was absolutely no answer in regard to the CareerStart program, and this Government's attention to youth has been extremely lacking in this valuable program that is at least over two months from when it was normally announced. Can the minister explain to this House why they have completely decimated this program?

**Mr. Caldwell:** Mr. Speaker, the CareerStart—

**An Honourable Member:** That is a tax and spend party over there.

**Mr. Caldwell:** Mr. Speaker, the member says that we need the money for the schools, and I agree with the member. Schools in this province are very, very important to this Government and over the last three budgets this Government has invested in our public school system at historic levels, unprecedented levels.

### **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.

The question was about the CareerStart program being decimated, if the minister could answer the question.

**Mr. Speaker:** On the point of order raised by the honourable Opposition House Leader, he does have a point of order. *Beauchesne* Citation 417: Answers to questions should deal with the matter raised.

\* \* \*

\* (14:20)

**Mr. Caldwell:** In regard to the decimation of the CareerStart program as put by the Member for Arthur-Virden, the CareerStart program was introduced by the New Democratic Party of Manitoba in 1983 to address a high student unemployment rate at the time which stood somewhere in excess of 14 percent.

Mr. Speaker, the Manitoba economy is performing better than virtually every other economy in Canada. Over the last three years—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order. The honourable Minister of Education, Training and Youth, continue with your answer.

**Mr. Caldwell:** The Manitoba economy and the student unemployment rate—

**Mr. Speaker:** The honourable Member for Arthur-Virden.

**Mr. Maguire:** Well, Mr. Speaker, the minister has shown his lack of faith in youth in Manitoba. We are 20 years down the road. Why have they cut this program in half?

**Mr. Caldwell:** The members opposite may recall, those who were in the previous government may recall, Mr. Speaker, that the CareerStart program was cut significantly under members opposite in 1990. Decisions were made to reduce the levels of support to CareerStart. Correspondingly, of course, in the marketplace in the communities around the province there has been a dramatic decrease in the number of businesses that are availing themselves of the program. Also, the program was set up in a context of high youth unemployment. That situation no longer exists.

**Mr. Speaker:** Time for Oral Questions has expired.

### Speaker's Rulings

**Mr. Speaker:** I have a few rulings for the House. May I ask all members to please stay in their seats when the Speaker stands.

During Oral Questions on December 6, 2001, the honourable Government House Leader (Mr. Mackintosh) raised a point of order regarding a telephone answering machine message that had been tabled in the House on an audio cassette tape along with an accompanying transcript. The honourable Government House Leader asked that the member bringing the material to the House provide the basis for who

made the calls and who received the calls. The honourable Member for Russell (Mr. Derkach) also spoke to the same point of order and noted that in tabling the material he had provided a transcript for the House, a transcript which identified a telephone number as being associated with a particular individual. I took the matter under advisement in order to review the transcript and the tape.

I thank both honourable members for their contribution to the point of order.

I have had the opportunity to listen to the audio tape and to review the transcript that was tabled in the House on December 6, 2001. I would like to note for the House that the Speaker is being placed in a difficult position with this ruling. I do not see my function in this case as attempting to identify the authenticity of the tape or of the information on the tape. Instead, my role in this matter is to determine whether the material is receivable and whether it conforms to House practices. The authentication of the material is not the responsibility of the Speaker.

Similarly, concerning comments regarding questions of legality in connection with the item that was tabled, I would like to advise the House that the Speaker does not determine questions of law or decide whether actions comply with the law. *Beauchesne* Citation 31(9) advises that failure to comply with the law is not a matter for the Speaker but should be decided by the courts.

Joseph Maingot advises on page 180 of the Second Edition of *Parliamentary Privilege in Canada* that "the Chair is in no position to interpret the law or the constitution. Whether something that takes place in the House is constitutional or legal is not for the Chair to decide. The Chair only decides whether we are following our own rules." This concept is supported by rulings delivered by Speaker Rocan on May 5, 1994, and by Speaker Dacquay on November 4, 1996. Therefore, I consider that my function in this case is to indicate whether a breach of the rules has occurred without condemning or condoning the legality of any actions. Nor do I consider my examination of this matter to be lending validity to any discussion of whether or not an action is legal.

Although the material tabled by the honourable Member for Russell (Mr. Derkach) was on an audio cassette and had an accompanying transcript, I am ruling that the material is comparable to a written document and must therefore satisfy the same standards and criteria set out by our practices in order to be received by the House.

I would like to advise the House that in comparable circumstances where members have tabled documents in the past without identifying information, previous Manitoba Speakers have ruled that unsigned materials are not receivable by the House. On June 2, 1970, Mr. Speaker Hanuschak ruled that according to *Beauchesne* Citation 158(3), Fourth Edition, an unsigned letter should not be read in the House.

On April 13, 1981, Mr. Speaker Graham ruled that an unsigned and unidentified document is an incomplete document and cannot be considered to be properly before the House.

Mr. Speaker Rocan ruled on November 14, 1988, that a document that was unsigned and not directed to any individual is inadmissible and cannot properly become a document of the House. He went on to state in the ruling that if the member who had tabled the document involved in that particular ruling was prepared to sign and file a declaration regarding the unsigned and unaddressed document, then the document could be received by the House.

Mr. Speaker Rocan also ruled on November 28, 1988, and on December 2, 1992, that tabled documents in the form of letters and other unsigned documents must be signed or must bear a declaration respecting their origin signed by the member tabling them.

Looking at information available from other Canadian jurisdictions, Marleau and Montpetit also advise on pages 517 and 518 of *House of Commons Procedure and Practice* that "Members may not quote . . . from correspondence when there is no way of ensuring the authenticity of the signature. They may quote from private correspondence as long as they identify the sender by name or take full responsibility for its contents." *Beauchesne* Citation 498(3) advises that when quoting a

letter in the House, a member must be willing either to give the name of the author or to take full responsibility for the contents.

\* (14:30)

On April 23, 2001, Speaker Schneider of the Yukon Legislative Assembly ruled that a member could not table an e-mail communication in the Yukon Legislature because the name of the sender and the recipient were blocked out. He advised that the member tabling the e-mail had two choices, to either inform the Legislature of the name of the person who wrote the e-mail or to take full responsibility for its contents.

Based on these precedents, I am ruling that the honourable Member for Russell (Mr. Derkach) should sign and submit a declaration regarding the items tabled. This action would make the items receivable by the House, because according to *Beauchesne* Citation 494, statements by members respecting themselves and particularly within their own knowledge must be accepted.

On the larger issue of tabling items associated with certain technologies, such as audio or video cassettes or items on computer disks, I would suggest to the House that the Standing Committee on the Rules of the House may wish to examine this issue in order to establish criteria for the tabling of such items.

I have another ruling.

During Oral Questions on December 6, 2001, the honourable Government House Leader (Mr. Mackintosh) raised a point of order regarding the content of a question addressed by the then honourable Member for Lac du Bonnet to the honourable Minister of Education and Training (Mr. Caldwell). The honourable Government House Leader contended that the question was asking the honourable Minister of Education and Training to comment on a third-party conversation, namely a telephone conversation or message that was tabled in the House on an audio cassette, along with an accompanying transcript. The honourable Government House Leader asserted that the question was seeking information that could not

be rightly sought from a minister because the question was based on a third-party conversation. The honourable Official Opposition House Leader (Mr. Laurendeau) also spoke to the same point of order. I took the matter under advisement in order to review the issue and consult the procedural authorities.

I would like to note for the House that I had previously taken the matter of the tabled cassette tape under advisement earlier during the same Question Period on December 6, 2001. Therefore, as Speaker, I should have either cautioned members to not ask questions about the matter taken under advisement or to rephrase the questions so that questions were not incorporating the matter already taken under advisement. This is in conformity with rulings from Speaker Rocan on December 20, 1994, and from Deputy Speaker Laurendeau on April 25, 1997, which state that matters taken under advisement should not be referred to during Question Period.

Turning to the substance of the point of order raised by the honourable Government House Leader (Mr. Mackintosh), I am being asked as the Speaker to indicate whether it is appropriate for a minister to be answering questions that are based on third-party conversations. As Speaker, I have no way of knowing whether or not the minister would be privy to any third-party conversations or whether or not the minister has information on that subject and can provide an answer to the House.

There are no previous Manitoba rulings on this exact point, and I was not able to find reference to prohibitions on this type of question in the procedural authorities. In the absence of guidance from precedents or procedural authorities, I am reluctant to establish a new criteria concerning third-party conversations. If this issue is one that the House feels strongly about, perhaps it would be appropriate for the Standing Committee on the Rules of the House to contemplate whether restrictions should be placed on questions related to third-party conversations. I would also like to note that a minister is under no obligation to answer any question that is addressed to that minister and can indeed choose not to answer the question. Therefore, I rule there is no point of order.

\* \* \*

While they are passing out the document, I would just like to clarify for the House why I stand and I ask members to be seated, because when I am making a ruling, the parties that are involved in the ruling must be here or else I will not bring that ruling without the member that is involved if the member is absent. That is why I stand and I ask all members to stay at least until the ruling is made.

\* \* \*

During Oral Questions on December 6, 2001, the honourable Member for Russell (Mr. Derkach) raised a matter of privilege regarding the tabling of a letter by the honourable Minister of Education, Training and Youth (Mr. Caldwell). The honourable Member for Russell indicated that his privileges were violated because the letter in question had been provided by the honourable minister to the media prior to being tabled in the House. He concluded his remarks by moving: "THAT the actions of the Minister of Education in providing copies of a letter or document to the media without first providing that document to the Legislature as requested, after that document had been repeatedly asked for by Members of this House, constitutes a breach of privileges of the Members of this House and that this matter be referred to a committee of this House."

The honourable Government House Leader (Mr. Mackintosh), the honourable Member for River Heights (Mr. Gerrard), the former Member for Lac du Bonnet and the honourable Minister of Transportation and Government Services (Mr. Aston) also spoke to this issue. I took the matter under advisement in order to consult the procedural authorities.

When a matter of privilege is raised in the House, there are two aspects that the Speaker must decide. The first is whether the matter was raised at the earliest available opportunity and, second, whether a prima facie case of privilege has been established. The honourable Member for Russell asserted that he was rising at the earliest opportunity on this issue once he ascertained that copies had been provided to the media.

The Speaker is not in possession of information that would verify if and when the letter had been provided to the media, therefore the Speaker must accept the word of the honourable Member for Russell (Mr. Derkach) that he did indeed raise the matter at the earliest opportunity.

Regarding the second issue, of whether a prima facie case of privilege has been established, there are several rulings from Manitoba Speakers on the subject of information being provided to the media prior to being provided to members.

On June 2, 1983, a matter of privilege was raised respecting the distribution of a news release regarding a bill at the same time that a bill was distributed. Mr. Speaker Walding ruled that there was not a matter of privilege. He stated: "The matter of which he complains may be a matter of discourtesy but it is not a matter of privilege."

On July 8, 1986, a matter of privilege was raised regarding a press conference held to announce amendments to a government bill prior to the bill being introduced for second reading. Madam Speaker Phillips ruled on July 11, 1986, that there was no matter of privilege. In her ruling she quoted from the fifth edition of *Beauchesne*, Citation 19(3): "statements made outside the House by a member may not be used as the basis for a question of privilege." She also quoted a November 23, 1976, ruling from Speaker Jerome of the House of Commons: "it is clear that parliamentary privilege does not extend and never has extended to compelling a Minister or Prime Minister to make a statement in the House under any circumstances, regardless of the importance of the subject."

\* (14:40)

On June 26, 1991, a point of order was raised concerning the release of a report by the government of the day at a press conference prior to the report being tabled in the House. On July 4, 1991, Mr. Speaker Rocan ruled that there was no point of order nor were there grounds for raising the issue as a matter of privilege. In his ruling, he stated that, and I quote: "the rules and customary modes of proceeding apply only to

activities occurring within the House; however the action complained of occurred outside the House, therefore it does not qualify as a point of order. Further, there is not, in my understanding, any custom that reports must be tabled in the House before being released to the media."

Speaker Rocan also cited *Beauchesne* Citations 352 and 31(10). Citation 352 states: "the option of a Minister to make a statement either in the House or outside it may be the subject of a comment, but it is not the subject of a question of privilege." Citation 31(10) reads: "the question has often been raised whether parliamentary privilege imposes on ministers an obligation to deliver ministerial statements and to make announcements and communications to the public through the House of Commons or to make these announcements or statements in the House rather than outside the Chamber. The question has been asked whether honourable members are entitled, as part of their parliamentary privilege, to receive such information ahead of the general public. I can find no precedent to justify this suggestion."

Joseph Maingot, in the second edition of *Parliamentary Privilege in Canada*, advises on page 224 that "a complaint that a Minister of the Crown has made a statement outside the House rather than in the House or that the government provides information only to its supporters in the House may well amount to a grievance against the government, but in the absence of an order in the House forbidding such activity, there is no personal or corporate privilege that has been breached in the doing, and neither does it constitute contempt of the House in the 'privilege' sense."

I would also like to reference a point raised by the honourable Member for Russell (Mr. Derkach) during his raising of the matter of privilege regarding the fact that the House of Commons has had some recent experience with information briefings concerning a federal bill being provided to the media in a lock-up one and one half hours prior to being released in the House. Although the House of Commons Modernization Committee did release a report recommending that more ministerial statements and announcements be made in the House of Commons, Speaker Milliken noted in a ruling

delivered on October 29, 2001, that while he recognized that there are words in this report that would be of solace to any member making the argument that a breach of privilege occurred because of information being provided outside of the House prior to being given to members, he did state: "I question whether the report has changed the situation such that failure to make a statement in the House has become a question of breach of privileges of the House." Speaker Milliken then went on to rule that there was no prima facie case of privilege because the Minister of Transport held a press conference to announce a \$75-million bailout for Canada 3000 rather than making the announcement in the House first.

Based on the rulings cited from Manitoba Speakers and on the citation from Maingot indicating that in the absence of orders forbidding such activity such cases are not prima facie privilege, I would rule that there is not a prima facie case of privilege. However, I would encourage members if they are displeased with the past practices of the House on this issue that the matter could be discussed by the Standing Committee on the Rules of the House, in order to contemplate whether such an order should be adopted by the Manitoba Legislative Assembly.

I have one last ruling, very short, very short.

Following the Prayer on April 22, 2002, the honourable member for Fort Whyte (Mr. Loewen) rose on a matter of privilege to offer an apology to the House and to Crocus Investments and its unit holders for comments he made outside of the Chamber regarding Crocus Investments. I took the matter under advisement in order to consult the procedural authorities.

The long-standing Manitoba practice and requirement is that a member raising a matter of privilege concludes by moving a substantive motion. This is confirmed by rulings of Speaker Forbes in 1965, Speaker Graham in 1980, Speaker Walding in 1982, Speaker Phillips in 1986, Speaker Rocan in 1990 and 1991, and Speaker Dacquay in 1999. The honourable Member for Fort Whyte did not move a substantive motion at the conclusion of his remarks.

In addition, a member rising in the House on a matter of privilege to offer an apology does not satisfy the criteria for a prima facie case of privilege.

Therefore, I rule that the matter raised is out of order and is not a matter of privilege.

## MEMBERS' STATEMENTS

### Telehealth Program

**Mr. Tom Nevakshonoff (Interlake):** Mr. Speaker, I rise to announce that the Manitoba Telehealth program, which has 22 other sites across the province, has now been expanded to cover the town of Ashern. Whereas in the past people living in the Ashern area would have had to travel all the way to Winnipeg for certain health services, they can now have these services performed in their own community.

The Telehealth program, now at Ashern's Lakeshore general hospital, uses the latest technology to let patients consult with up to three doctors or other specialists across the province, all simultaneously and in real time. Now patients will have access to an astounding network of 25 to 30 specialists across Manitoba. It will also save them the expense, stress and time taken by travel as well as other inconveniences they have previously faced. Ashern is approximately 100 miles from Winnipeg.

Through video conferencing, doctors will be able to observe patients up close or from a distance. This will allow them to diagnose aspects such as posture, demeanour or appearance. Patients will be able to see the specialists to whom they are speaking, giving the experience a more human and comfortable feeling. The project's satellite or IP ground link also allows for the transmission of pictures, X-rays and test results. The equipment can be used for meetings, consultation, education, support groups and even televisitation.

This new initiative for the 23 Telehealth sites across Manitoba is funded as a two-year cost-shared incentive with \$1.5 million from Manitoba Health and \$3 million from Health

Canada through the Canada Health Infrastructure Partnerships Program or CHIPP.

On behalf of the people in the Ashern and other rural areas, I would like to express my thanks to Manitoba Health, Health Canada and the Interlake Regional Health Authority for making this possible. Thank you, Mr. Speaker.

\* (14:50)

### **National Organ and Tissue Donation Awareness Week**

**Mrs. Heather Stefanson (Tuxedo):** Mr. Speaker, I rise today to speak to an issue that touches thousands of Canadians every year, an issue that may indeed touch many of us, our friends, families and loved ones.

This week, Mr. Speaker, is Canada's National Organ and Tissue Donation Awareness Week. This week gives us a timely opportunity to share our views on the wonderful gift of organ and tissue donation and to urge more Manitobans to consider becoming organ donors.

I want to make mention, in particular, constituents of mine, Helen and Dean Murdock [*phonetic*] who recently lost their daughter awaiting an organ transplant. Also a high school friend of mine, someone who inspired me to do something about this issue, Linda Graham recently passed on at the age of 32, just after having received an organ transplant that she spent the better part of the last four years awaiting.

There are currently more than 3700 Canadians waiting for organ transplants and thousands more are in need of tissues. Unfortunately, while almost 2000 transplants were performed in Canada in the year 2000, nearly 150 Canadians died while waiting for a suitable donor organ. In addition, statistics indicate that 20 percent to 30 percent of people currently waiting for organs will die before a suitable organ becomes available. A lack of awareness about organ donation and uncertainty about how to express one's wishes may be obstacles to increasing the number of organ donors and successful transplants in Manitoba and Canada.

To that end, I am pleased to share with the House my intention to introduce a bill to provide a means of tracking the organ donation wishes of Manitobans with their medical information on the Manitoba Health card. It is hoped that this would provide a reliable way for Manitobans to express their wishes and for suitable organs to be located more quickly for those individuals in desperate need of them.

The best way to indicate one's wishes to become an organ donor is to ensure that these wishes are shared by family members.

For many Manitobans who would otherwise be at risk of becoming another sad statistic, our decision to become an organ donor could truly mean the gift of life. Thank you.

### **Children's Hospital—CT Scanner**

**Mr. Harry Schellenberg (Rossmere):** Mr. Speaker, I rise with pride today to tell the Assembly about a \$1.8-million CT scanner project for the Children's Hospital in Winnipeg. This scanner is the first in Manitoba to be dedicated to the unique diagnostic needs of children.

CT scanners are used to diagnose brain and spinal cord injuries and disease. They can also detect diseases of the liver, lungs, kidneys and other abdominal organs. The new unit announced today brings the total number of CT scanners in Manitoba to 14. Between 1999 and 2002, the number of CT scans conducted in the province rose from 69 000 to 83 000. The CT scanner at the Children's Hospital is expected to conduct about 2700 tests this year, up 34 percent from last year. This is another feather in the cap of our Minister of Health (Mr. Chomiak), who is nationally recognized for his wise use of money for medical equipment.

In fact, a national association of health care professionals was quoted in the *Free Press* as saying that Manitoba leads the nation in responsible spending on high-tech hospital equipment. The only Health Minister I can raise my hat to is yours, said Normand Laberge, chief executive officer of the Canadian Association of Radiologists.

Manitoba also received a letter from former federal Health Minister Allan Rock congratulating the Province for the way it is spending its share of the \$1-billion high-tech hospital equipment fund.

This Government continues to consult with medical experts on the best use of resources for equipment. The health professionals who help us make practical decisions appreciate that close working relationship.

The federal money alone for replacing and purchasing new equipment does not solve the problem of training, recruiting and retaining the staff to run the equipment. It supplements our resources. In addition, we have committed to expanding training for ultrasound technicians.

I applaud the Health Minister's decisions regarding medical equipment, and I am confident that this new scanner will improve the quality of care we provide to our young people. Thank you.

#### **CareerStart Program**

**Mr. Larry Maguire (Arthur-Virden):** Mr. Speaker, I rise today to mourn the passing of the CareerStart program in Manitoba.

This NDP administration has chosen to ignore youth and small business in Manitoba and all of the tremendous good works done by the CareerStart program and has coldly cancelled it. This unceremonious dumping of a program that has provided opportunities to literally thousands of young people and employers since its inception is simply beyond comprehension. It is an extremely short-sighted move that speaks volumes about this Government's commitment to young people and to the employers that have welcomed their assistance for nearly two decades.

CareerStart provided an important service to our youth, who gained invaluable work experience and needed monies for school, and to employers who benefited from having creative and enthusiastic young people in their service.

In recent weeks, my colleagues and I have received many calls inquiring about the status of CareerStart. The decision to axe this well-

received program should worry rural and urban residents alike. Small businesses and non-profit organizations, in particular, benefited from this program. An investment in CareerStart was an investment in the young people and in our communities.

The Government should be creating an environment that encourages our young people to explore opportunities at home. Instead, the NDP has decided that it is more important to waste money on the Manitoba Comebacks campaign trying to lure back former Manitobans who left for lower taxes and better job opportunities elsewhere. The decision to axe the CareerStart program sends an extremely negative message, Mr. Speaker, about this province's commitment to our youth and our community.

This Premier (Mr. Doer) has raided Hydro, killed harness racing, and now raided the pockets of our youth and small business. That this NDP government could axe CareerStart in the manner they have is simply unfathomable. Thank you.

#### **Clara Hughes—Olympic Medalist**

**Mr. Jim Maloway (Elmwood):** Mr. Speaker, I rise before the House today to speak of a hometown hero, an accomplished athlete, and a recent Olympic medalist. Clara Hughes became the first Canadian and only the fourth Olympian in history to win medals at both the Olympic Winter and Summer Games. Hughes earned this honour with her recent bronze medal finish in the women's 5000-meter speed skating final at the Utah Olympic Oval at the recent 2002 Olympic Winter Games.

Only six years earlier, Hughes won two bronze medals in cycling, one in the road race and the other at the time trial at the 1996 Atlanta Games. Hughes also holds the distinction of being a 16-time Canadian cycling champion.

Hughes began her accomplished career as a speed skater in 1988 where she competed for two years before deciding to become an Olympic cyclist.

Her first international cycling medals came at the 1991 Pan Am Games, where she was a

silver and a bronze medalist. Hughes followed that win with a second silver medal at the World Cycling Championship in 1995. That same year Hughes also claimed silver and bronze medals in cycling. In addition to her Pan Am and World Cycling Championship wins, Hughes competed in four Tours de France Féminin.

Hughes returned to speedskating in 2000 after a 10-year break from the sport and within less than two months had earned a spot on Canada's national speed skating team. Only months before the Salt Lake Olympic meet Hughes won the bronze in the 3000-metre race at the CODA invitational in a race with fellow Olympic competitors. In the 5000-metre race full of record-breaking performances at the Utah Olympic Oval at the Salt Lake Olympics, Hughes crossed the finish line with a time of 6.53.53 and claimed yet another Olympic medal.

I am proud to rise before you to congratulate Clara Hughes on her recent Winter Olympic medal win, to recognize her prestigious career and her contribution to sport in Manitoba, Canada, and the world. I would also like to thank two of my Elmwood constituents, Clara's mother, Maureen, and grandmother, Dodi, for their assistance in preparing this statement.

## ORDERS OF THE DAY

### GOVERNMENT BUSINESS

#### ADJOURNED DEBATE (Fourth Day of Debate)

**Mr. Speaker:** Resumed debate on the proposed motion of the honourable Minister of Finance (Mr. Selinger) that this House approve in general the budgetary policy of the Government and the proposed motion of the Leader of the Official Opposition (Mr. Murray) in amendment thereto. The debate remains open.

**Mr. Gerald Hawranik (Lac du Bonnet):** Mr. Speaker, I would like to begin by thanking all the members in this House for the warm reception that they have given me over the past few days.

I am honoured to rise in the House today for my first address to the Legislature. I would first like to thank the constituents of Lac du Bonnet for their faith and for the privilege of representing them in this Legislature. I would not be standing before you today had it not been for the support of many outstanding residents in the constituency. I thank them for their commitment and guidance throughout this process.

I also want to thank all of my colleagues on this side of the House for their tireless support and their encouragement during the campaign and during the last several weeks. I look forward to working with all members on both sides of the House to ensure that debate continues and that debate continues for the benefit of all Manitobans.

Mr. Speaker, there are a few people I would like to single out today, a few special people I would like to thank: first of all, my wife, Pamela, of 27 years for all of her encouragement and her support during the campaign and afterwards, and, secondly, my daughters, Melanie and Marcie for all their help. They always encourage me in whatever I do.

Over the past few months I have had the opportunity to work with hundreds of outstanding volunteers in the Lac du Bonnet constituency and under the leadership of my campaign managers, Cliff Zarecki, Don Halbert and Randy Bialek. Most of these volunteers were new to the political process, as I was, and most of them shared their own concerns with me about the direction that the Government has been taking. They felt it was time to get involved, and they became volunteers in the campaign.

I would also like to take this opportunity to thank Darren Praznik for his many years of dedicated service and energy to the residents of Lac du Bonnet constituency. I thank my Progressive Conservative colleagues, in particular, Louise Dacquay and Stuart Murray, for all of their commitment and their tireless organization through the campaign.

Pamela and I were both born in Whitemouth and we graduated from Whitemouth school in the constituency. My background is in law. I have been a lawyer in Lac du Bonnet constituency for more than 23 years, and I have largely practised in the areas of corporate and commercial law, although, because I practise in a rural area, you take all areas of law. So you end up doing criminal, civil litigation and all areas of the law.

\* (15:00)

I have much experience in volunteer work in the constituency. My volunteer work did not start immediately after the election; it started 30 years ago. I started, with my wife, the Beausejour and area food bank in 1991. It was the first rural food bank in Canada, and we, together, established and helped establish more than a dozen other food banks throughout Canada, including, last year, one in Lac du Bonnet.

In addition, I founded the Brokenhead River Community Foundation three years ago, and that foundation supports other non-profit charities in our community. Over the three years since I founded that foundation, we have more than \$200,000 on deposit to help other non-profit groups in our community.

In 1983, we established a facility called Beausejour Homes in Beausejour, and that facility is a residential teaching facility for handicapped adults in Beausejour, the first such facility in Beausejour.

Our family has been a member of St. Mary's Roman Catholic Church for the last 23 years. I have been a trustee of that church for 12 of those years. My wife has been a lector co-ordinator of that church for the last 15 years. I have substantial business experience. I practised law in Beausejour for the last 23 years, and I also co-owned a General Motors automobile dealership for 8 years. I also owned, in partnership with another, a general insurance agency in Beausejour for 12 years, so I have substantial business experience to bring to the Legislature.

I believe that my volunteer experience, my work with non-profits and my legal experience

will be valuable assets to becoming an effective member of the Legislature and, of course, the Government.

Lac du Bonnet is a very large constituency. It extends from Ste. Rita in the south to Bissett in the North, to the Ontario border to the east, and Garson-Tyndall beaches area to the west. The constituency includes two provincial parks, the very popular Whiteshell Provincial Park and to the north of Lac du Bonnet, the town of Lac du Bonnet, Nopiming Provincial Park. We also have two First Nations reserves, those being Sagkeeng First Nation and Little Black River.

We have 15 municipal councils that we have to deal with in Lac du Bonnet constituency and three school divisions. Of course, after the forced amalgamation of Agassiz School Division with Springfield School Division, there will now be two school divisions.

The Lac du Bonnet constituency is really a reflection of the entire province. It has a sampling of all the resources contained in the entire province. If the economy of the province is doing well, the Lac du Bonnet constituency does well. If the economy of the province does not do very well, neither does Lac du Bonnet.

Lac du Bonnet constituency has extensive and varied natural resources. We have forests for pulp and paper and lumber. In that respect, Tembec pulp and paper mills in Pine Falls is the largest employer. It employs more than 500 residents of Powerview, Pine Falls and St. George.

We also have minerals for mining. In that respect, we have two major mines, the Bissett gold mine, which I understand is going to undergo an ownership change and is going to be reopening shortly, and we also have TANCO mines that mines tantalum. That is north of Lac du Bonnet, just south of Nopiming Provincial Park.

We have peat deposits for harvesting, and in that respect the major employer is Sun Gro. Sun Gro has more than 250 employees in the constituency. Those 250 employees mainly come from the Beausejour, Lac du Bonnet, Seven Sisters, Whitemouth, Elma areas. We also

have rich agricultural land for farming. Farming is still the backbone of the economy of Lac du Bonnet constituency. It employs more people in that industry than any other single industry in the constituency.

The constituency also has lakes for recreation and tourism, and in that respect we have Whiteshell and Nopiming Provincial Parks. Together with the Lac du Bonnet area, the Pine Falls, Powerview, Manigotagan areas, the Whiteshell and Nopiming areas, we have nearly 10 000 seasonal cottages in our constituency.

We also have rivers for power generation, mainly the Winnipeg River, as the Winnipeg River proceeds from Ontario, goes west until Lake Winnipeg. We have five power generating plants which include Pointe du Bois, Seven Sisters, McArthur Falls, Great Falls and Powerview. We have five power generating plants, so when the Government unilaterally takes money from Manitoba Hydro, it becomes a personal insult to the residents of the Lac du Bonnet constituency, because they return very little to the constituency.

We have all these resources in the Lac du Bonnet constituency, but over the last 25 years we have really failed to develop and really failed to increase in population.

There are a number of reasons why this has happened. First, we had the closure of the Milner Ridge air force base near Milner Ridge. In that, we lost 200 jobs. Secondly, Atomic Energy of Canada Limited, AECL, is in the process of shutting down. At its peak, AECL employed more than 1300 people. Today it employs less than 300. It is projected that in the next five years there will be less than 50 employees.

To put this into perspective, 1500 lost jobs in Lac du Bonnet equates to 30 000 lost jobs—a very heavy blow to Lac du Bonnet constituency and the Lac du Bonnet economy. The loss of that many jobs from Lac du Bonnet reduces payrolls in the constituency by more than \$75 million a year, and that is a devastating blow to our retail sector.

I think, thirdly, and maybe even more importantly, as to why we failed to develop is

we failed to develop our local entrepreneurs in our constituency. I believe that, given my experience in business and in law, I can make an important contribution to developing our local entrepreneurs. I believe that most jobs in this country and in this province are created by small business, by local entrepreneurs, one job at a time. Those are the lasting jobs. Those are the jobs that stay within our constituency, and I believe that is where my strength lies.

During the by-election, I spent most of the campaign going door to door and listening to the concerns of residents. During this process, I became well aware of the issues and concerns of all the residents. I would like to share some of them with you today.

Drainage is an important issue as it is an important issue in most of rural Manitoba. In July 2001, a heavy rainfall caused a great deal of damage in the rural municipality of Brokenhead and in the rural municipality of Whitemouth. In August 2001, only a month later, another heavy rainfall caused a great deal of damage. Together these two rainfalls washed out bridges, caused damage to roads and flooded farmers' fields, destroying their crops. Both municipalities applied for disaster assistance, but were refused on the grounds that each individual rainfall did not qualify for assistance.

What does it take to qualify? I asked the Government to reconsider and to approve both the R.M. of Whitemouth and the R.M. of Whitemouth disaster assistance claims.

For the last 15 years, the drainage maintenance budget was only at or near \$4 million annually for all of Manitoba. The drainage maintenance budget is the part of the budget that hires the backhoes and moves the dirt. If you do not move dirt, you do not move water. Four million dollars today does not buy you what \$4 million did 15 years ago. So effectively there has been a drastic decrease in funding of drainage maintenance.

Several municipalities, particularly the R.M. of Lac du Bonnet, mentioned to me that provincial drains in their municipality have not been maintained for the last 30 years.

I would suggest to the Government that we need to increase the maintenance budget, and we need to increase it by two or three times what it is today to \$10 million or \$12 million for the next four to five years simply to catch up on maintenance on those provincial drains.

Roads are an important issue to the constituency. Provincial road 304 is in terrible condition. Provincial road 304 provides access to the communities of Pine Falls, Powerview and St. George and surrounding communities. A total of 2500 people depend on provincial road 304 for access to the south and west towards Provincial Trunk Highway 59 to Winnipeg and to Selkirk.

A number of years ago, the first two-thirds of that road, about 18 kilometres of that road, was rebuilt, about 10 or 12 years ago, starting at the 59 highway and going toward Powerview. The last 10 kilometres of that road as it approaches Powerview was not rebuilt, and that road has no shoulders and is in very, very poor condition. What compounds the problem on that road as it approaches Powerview was not rebuilt, and that road has no shoulders and is in very, very poor condition. What compounds the problem on that road is the fact that there are many logging trucks that travel that road and bring logs to Tembec pulp and paper mill in Pine Falls. Combined with the heavy volumes of traffic of people in that area travelling to and from Winnipeg and to and from Selkirk, that creates a very, very dangerous situation for people who are residents in those communities. I think that ought to be made a priority by this Government for repair and reconstruction.

\* (15:10)

In addition to that, in that area, we need a bypass for Powerview and Pine Falls. As these pulp trucks approach Provincial Trunk Highway No. 11 along 304, they have to turn west onto Provincial Trunk Highway No. 11 and go directly through Powerview and Pine Falls to get to the Tembec pulp and paper mill. That creates a very dangerous situation for residents in those communities, particularly since there are two schools that are located directly on Provincial Trunk Highway No. 11. I would suggest that the Government look at providing funds to build a bypass for that purpose.

There are other roads in the constituency that need rebuilding and reconstruction. First of all, Provincial Trunk Highway 44 east of Whitemouth to Rennie needs reconstruction and Provincial Trunk Highway No. 15 near Ste. Rita. I am in support of the road on the east side of Lake Winnipeg because I think it is important that First Nations peoples are connected to our constituency and connected to health care and services like other people in the province, but it also brings an important economic benefit to our constituency because they would all have to come through our constituency, and it brings business to our constituency.

Some of our roads in the constituency are under restrictions of 65 percent of standard-axle load during the restriction time. In fact, Provincial Trunk Highway No. 12 from Beausejour north to Provincial Road 317 is under a 65% restriction, but it has never before been under any restrictions. This creates a financial hardship among truckers and small businesses, who must bear the extra costs, and rural municipalities, who must spend extra tax dollars to maintain their gravel roads. In fact, we have had several truckers on Provincial Trunk Highway No. 12 who have received tickets for being overloaded when travelling on the road without a load.

I understand that the decision as to the restriction on Provincial Trunk Highway No. 12 was made based on computer modeling and not as a result of a physical inspection with objective on-site testing. Given that this was not done and given the drastic change in the restrictions on the highway from no restriction at all to a 65% restriction, I would request this Government to re-evaluate that restriction on Provincial Trunk Highway No. 12.

Agricultural diversification is an important issue for our constituency. We produce excess grain in our constituency. We export it out of our constituency. I believe that we need to have agricultural diversification, and one of the ways is to ensure that ethanol becomes a blend to gasoline sold in Manitoba. I am pleased to see that the Government has taken some initiative, but I would like to urge them to ensure that this becomes a reality.

We also need diversification into intensive livestock operations, but of course we have to be ensured that they are environmentally safe. We need sewer and water projects in our constituency. Clean drinking water is a necessity. I was pleased to see the Government award \$1.2 million to the Town of Lac du Bonnet to renew its water system, even though the cheque was given to Lac du Bonnet during the by-election.

Tyndall and Garson need a new water system. Those communities have been under a boil-water advisory since the year 2000. For how long does a community in a developed country have to wait before it gets a safe drinking water supply?

The community of Elma also needs a water and sewer system. Sagkeeng First Nation needs modification to their water system. Their water intake is actually downstream from the Tembec pulp and paper mill and downstream from the discharge streams of the Pine Falls and Powerview lagoons. The water system needs modification to prevent contamination of their water supply and unnecessary illnesses of its residents because of contaminated water. Again, why can the residents of Lac du Bonnet constituency not receive a clean and safe water supply as do people in the city of Winnipeg and other cities and towns in Manitoba?

First Nations land claims with the Rural Municipality of Alexander and the R.M. of Lac du Bonnet are an issue. These municipalities do not take issue with the fact of the land claim. These municipalities simply require compensation for loss of a part of their assessment basis. Each rural municipality ought to be compensated for the municipal services that they have installed to benefit that land.

Economic development is an important issue to Lac du Bonnet. The city of Winnipeg has no difficulty in attracting business and industry. There are 650 000 consumers living all within close proximity of each other. Rural areas are substantially different. Rural areas have a difficulty in attracting industry and business to their communities. At present what we depend upon is councils, rural councils, mayors, reeves, to in fact attract industry and deal with businesses and industry coming to their

communities. They neither have the expertise nor do they have the time to deal with that.

I would suggest that economic development officers be subsidized by the government for rural municipalities. It is important that municipalities be on an even playing field with other areas, with other cities that have no trouble attracting business and industry. An economic development officer whose full-time job it is to attract industry is important.

As a lawyer practising in a rural area for 23 years, I can tell you that we need to streamline the subdivision approval process. We have to make it easier for amendments to development plans and rezoning applications. Businesses coming to rural areas cannot wait six months or a year until things get settled in terms of zoning and development plans. They simply cannot wait, nor will they wait. If they wait that long for that process, they will be gone. That stops development in rural areas. We need to streamline the act with regard to development plans and rezoning.

Health care is an important issue, as it is in all areas of Manitoba. I can tell you that the Beausejour Hospital opened in October 2001. The entire communities of Beausejour, Brokenhead, and surrounding communities are very proud of that facility.

Of concern to our residents is the per capita grants from Manitoba Health to the North Eastman Health Association. It is much less than other rural health authorities in Manitoba. Why is this? In fact, funding is less than \$700 per capita in the North Eastman Health Association. Funding is also more than \$1,600 per capita in the Parkland Region of Manitoba. Why has the current government not changed the funding formula in order to better meet the needs of the residents in Lac du Bonnet?

The Lac du Bonnet constituency is a huge geographical area. It has three small acute care hospitals. Whitemouth Hospital is listed as the fourth, but it really has become a long-term care facility. It really has become a nursing home. The Pinawa Hospital is 40 years old and is outdated. Pinawa does not have a long-term care facility but needs one, so I would recommend

that the existing Pinawa Hospital be turned into a nursing home and that a new acute care facility be built in a strategic location to serve the communities of Whitemouth, Pinawa, Lac du Bonnet, and the Whiteshell all the way to the Ontario border. The constituency would gain another badly needed long-term care facility and at the same time would have a replacement, new acute-care facility to effectively serve more communities more efficiently.

\* (15:20)

Education is an important issue in our constituency. During the by-election, I can tell you that the amalgamation of school divisions was very important. I am not, per se, against amalgamations. What I am against is forced amalgamations. Forced amalgamations do not produce good results. Forced amalgamations produce increased costs to taxpayers. Absolutely no doubt. The way it was proceeded with was wrong.

Two weeks ago I was at the opening of Gillis School in Tyndall along with Premier Doer and Education Minister Drew Caldwell. During that time I can tell you that there was a swell of pride by the communities of Tyndall and Garson, so much so that there were 450 people packed into the gymnasium of Gillis School. It really was a very proud moment for Tyndall and Garson. It really struck me that Larry Schroeder, the principal, was very vibrant and enthusiastic. It is really nice to see that in a principal, because I know that that will be passed on to his staff and to the teachers and other staff members at the school. In turn, of course, his enthusiasm and his dedication for learning will be passed on to students. That is really heartening to see in that community.

Tyndall and Garson is in the process of amalgamating their two communities into one political structure. The difference between the Tyndall and Garson amalgamation and the amalgamation of the school divisions is that Tyndall and Garson are doing it co-operatively. They are negotiating an amalgamation which will absolutely save costs, and all of the community is behind it. Both communities are behind it. It does not create animosity. I can tell you that the amalgamation of Tyndall and

Garson and the new proposed sewer and water system that they are proposing in those communities along with the opening of the Gillis School will ensure the growth of Tyndall and Garson. Tyndall and Garson need to grow because if they do not grow, like some other rural communities they will lose services, and they know that. The community is all behind the amalgamation and the modernization of their sewer and water system and of course all behind their new school.

Another issue is the payment made by MPIC for rural municipal fire and ambulance calls when an accident on a provincial trunk highway or a provincial road occurs. The Manitoba Public Insurance Corporation only pays a small fraction of the true cost of the service. This places a burden on some of the smaller municipalities. One of my municipalities, the Rural Municipality of Reynolds, because of its huge geographical size and its small tax base, cannot afford and therefore it does not have its own fire and ambulance service. It instead contracts with other municipalities for the service and pays a premium price because of it. When a fire and ambulance call comes in as a result of a traffic accident, the closest contracting municipality to the accident responds. They bill the rural municipality of Reynolds for the service and then MPIC pays the Rural Municipality of Reynolds. But it pays them only a fraction of its actual cost, sometimes only a third of the actual cost. This places a huge burden on property taxpayers within rural municipalities with small tax bases.

Another issue is the purchase of Winnipeg Hydro by Manitoba Hydro. This is certainly an issue in Lac du Bonnet. No one seems to know the details of this agreement. The details of this agreement, I feel, should be more transparent. Winnipeg Hydro owns the Pointe du Bois and Slave Falls generating stations, which are, of course, in my constituency. I am concerned about my constituents who are employees of Winnipeg Hydro. I have concerns relating to the security and well-being of those families, concerns about wages, pensions, concerns about benefits after the deal is completed. The entire agreement should be made public by hearings at the Public Utilities Board, and all unions of Manitoba Hydro and Winnipeg Hydro ought to

be granted standing to be represented at this hearing. By not presenting the agreement to the Public Utilities Board, this Government is placing, I feel, unnecessary strain and stress on those of my constituents who are employed by Winnipeg Hydro.

The Budget clearly shows me that the current government has no plan and no vision for the province of Manitoba. The Budget clearly identifies the same old spend philosophy of this Government. This Government continues to justify the spending by saying: We are rebuilding programs left in tatters by the previous government. The current government, after two and a half years of administration, still does not accept responsibility for problems or issues. Whenever they are faced with a difficult problem or issue, the Government simply throws up its hands and says: It is not my fault, it is the fault of the previous administration; or, it is not my fault, it is the fault of the federal government, they did not give us enough money.

Well, rather than accepting ownership of the problem or issue and then proceeding to solve the problem, the current government takes the easy way out and throws money at it. Throwing money at the problem is the easy way out, but it often does not solve the problem, and whose money are they throwing at this problem? It is not their money, it is Manitobans' money. It is their money.

The problem with the current government is that they simply spend too much money. In fact, during the last two years, the NDP spent a billion dollars more of taxpayers' money than the previous two years of Progressive Conservative government. Are we a billion dollars better off now than we were two years ago? I do not think so. In the last two years the NDP spent \$500 million more on health care. Is the health care system better off by \$500 million? I do not think so. There still are people being treated in the hallways of hospitals in spite of the promise by the current government that it would be cured within six months and for \$15 million.

In spite of the \$500 million spent on health care, the Health Minister (Mr. Chomiak) is quoted in *The Winnipeg Sun* on March 7 as saying it is time for Manitobans to lower their

expectations when it comes to health care. We just expect too much. That is what he said. I ask the Health Minister and the current government: After spending \$500 million more on health care, is it not reasonable for Manitobans to expect more from health care, not less?

The Budget relies heavily on a revenue stream from Manitoba Hydro, not just revenue from Manitoba Hydro to balance last year's books, but a continuing commitment from Manitoba Hydro to provide a long-term income source for the Government. This amounts to making the ratepayer a taxpayer. Instead of retaining profits to reduce hydro rates for provincial ratepayers or to use the funds to build another hydro generating station, this Government is making Manitoba Hydro a source of general revenue.

The Minister responsible for Finance is also responsible for Manitoba Hydro. As the Minister responsible for Manitoba Hydro, he is mandated to provide a low-cost hydro service to Manitobans. Instead, that mandate has changed. He is now obviously mandated to provide a general revenue source to fund the Government's poor spending habits at the expense of the hydro ratepayer. This amounts to an increase in taxes to the ratepayer. This is an indirect tax.

The budget speech indicates that this is the first time the current government has made a draw from the Fiscal Stabilization Fund.

However, had the Government not unilaterally taken the money from Manitoba Hydro, last year's Budget would have seen a \$150-million withdrawal from the fund, and, along with this year's projection, a further \$68-million draw would be required. This would have left the fund with only \$41 million in the fund for future use, certainly an accomplishment for this Government for which it should not be proud. Clearly, the Government cannot live within its means, and this does not bode well for the future of Manitobans.

\* (15:30)

Mr. Speaker, I would like to conclude by once again thanking the people in Lac du Bonnet for their confidence in electing me to be their

representative in the Manitoba Legislature. It is certainly an honour and a privilege to do so. Thank you.

**Hon. Tim Sale (Minister of Family Services and Housing):** Mr. Speaker, let me first add my congratulations to the new member from Lac du Bonnet who is being congratulated by his colleagues as well on his first speech in the Legislature. I wish him well in his work of representing the electors of that constituency.

I am pleased to rise in support of the third balanced Budget that we have presented as a government. I wish to address a number of the issues that are made plain in the commitments that are made in this Budget.

I would like first to reflect briefly on a little bit of spending history which I think tends to get misrepresented by members opposite from time to time. They left government when they had approved their 1999-2000 Budget. Of course, that Budget we inherited part way through the year, and the Deloitte & Touche audit apportioned the spending responsibilities under that Budget. The really interesting fact is to take a look at over just the last couple of years of the program expenditures that the previous government made. They talk a lot about growth and expenditures, but during their time in office, the last couple of years, 1997, '98 to 2000, '99 to 2000, it was just a two-year period, their actual expenditures in two years went up exactly \$800 million. Now, that is just a two-year period. You can go back farther, of course, and find that over a longer period it went up much more than that, but in two years it rose \$800 million. So when they speak about spending increases that have taken place under our Government in four years, of somewhat less than \$600 million, you can look at the rhetoric and you can look at the fact. The fact is that the rate of expenditure growth under this Government has been less than the rate of expenditure growth under the previous government.

*Mr. Conrad Santos, Deputy Speaker, in the Chair*

I want then to look at one of the issues of expenditure control. Now, I have the privilege and pleasure and pain of sitting on Treasury

Board. I think I can attest to perhaps some of the difficulties that the former Minister of Finance is chuckling a bit about in his seat, that it is not one of the easier seats to occupy in government. But, you know, in this year, according to the best estimates that we have at this time. Our expenditure management has been incredibly effective. We are going to spend less than 0.3 percent more than was budgeted. In spite of the tremendous pressure on our health system, in spite of the slowdown in the economy which puts an increased pressure on our child welfare system, in spite of unforeseen things which arise in any budget, our expenditure management control this year has been quite amazing.

I want to pay tribute to our Minister of Finance (Mr. Selinger), the honourable member for St. Boniface, for an outstanding job in managing the finances of this province, and particularly managing expenditures in a very challenging year as we face the reactions to 9/11 and the downturn in our economic fortunes that were less than most parts of Canada, and certainly less than the United States but nevertheless were significant.

I also want to draw members' attention to something that they may have missed, because there is so much information in the Budget that it is hard to pick it all up. I do not blame them for that. But this Minister of Finance, as soon as he was elected and appointed, he asked our department officials what was the exposure to American debt, and they told him it was 19 percent. In other words, 19 percent of our general purpose debt was denominated in American dollars. Our Minister of Finance has a Ph.D. from the London School of Economics, and it was not very long before he saw the problem inherent in that. Over a two-year period, using opportunities in the market and the skills of our money managers, we reduced that exposure currently to about 6 percent.

Now that achievement may sound like just arithmetic, but the arithmetic adds up to a \$70-million saving in our interest costs in servicing our debt. So purely by strong financial management, purely by understanding how money markets work, our Minister of Finance was able to intervene, set a new policy, achieve a new direction and save \$70 million this year by

comparison with what we would have had to spend had he not repatriated that debt. I am told that we are still working on that task and that we will reach an even lower level of American-denominated debt in the months ahead. I want to commend our Finance Minister for that kind of prudence, because that gave us room this year to deal with some of the shocks in our expenditure requirements that we would not have been able to deal with as easily had he not taken that opportunity to more prudently manage the debt of this province.

I want to draw members' attention to the 10-year summary. When I was Finance critic in opposition and sort of assisting our caucus to look at this issue, I guess I kind of lived and breathed these numbers and got to be quite familiar with them. One of the important numbers is the percentage of our Budget and the percentage of our revenue that goes to the public debt costs. Now, it used to be that members opposite, when they were in government, they would natter away about how important it was to reduce the debt so that we would have more money available for health care and education and all those other good things.

I would just like to look at their last two years and our first two years; '99-2000, the debt-servicing cost went up from 7.3 to 7.6 percent of GDP. In our first two years, they went down from 5.7 percent to 5.3 percent. In fact, from the year in which we formed government, 1999-2000, we were paying 7.3 percent of our revenue to service our debt. This year, we are going to pay 5.3 percent. That is a reduction of 40 percent, a reduction of 40 percent in the amount of our general revenues that are going to service our debt, because we paid down the debt because our Finance Minister was prudent in repatriating American debt and denominating it in Canadian dollars.

Now, you know, a shift of 2 percent does not sound like much, but 2 percent of our revenue is \$140 million. That is how much more is available this year to meet the needs of Manitobans, because of the prudent money management of the Finance Minister of this province. I think that is an outstanding achievement. *[interjection]* Oh, we will get to Hydro. We will get to Hydro. The member who

is my honourable critic over there wants me to speak to Hydro. I hope he will stay in the House and listen. I certainly would not reflect on his presence or absence, but I certainly hope he stays.

\* (15:40)

So let me then move on to the question of how we have improved the long-term debt and the balanced budget legislation of this province.

We made a commitment to live within our means, but we did more than that. We made a commitment to improve on the balanced budget legislation of the previous government and specifically to focus on the real outstanding liability that we had in this province, and that is the pension liability.

I remember when the Provincial Auditor, then Carol Bellringer, year after year after year said to the previous government, why will you not put the pension liability on the books? Why will you not show the real debts that have been accrued by the failure to fund our pensions? I do not know whether members opposite would remember, but it was in 1966 when the Roblin government decided to stop paying the deposit required to fund pensions. They did that at the time because they knew they were going to have to pay for the floodway. As a tradeoff, to keep costs down, they stopped paying the cost of pensions. That judgment, and I will not pass judgment on whether it was right or wrong, but that judgment put us in a position where this year we had a liability of \$2.8 billion for pensions.

When we formed government and we took a look at this, we realized very quickly, and I am sure the prudent money managers would realize this very quickly, that when you fund your pension plan the rate of return on a funded pension plan is much higher than the cost of interest on debt. So if we have a billion dollars of debt out at 7 percent, that costs us \$70 million a year to service, but if we have a billion dollars in pension funding and it yields us 10 percent, we are much better to invest in the pension fund than we are in paying down the debt. So again I credit our Finance Minister with bringing forward legislation which allowed us to repay the pension plan as well as to pay down the debt.

I want to bring members' attention to page B-19 of the budget papers, and there is a curve in this, well there are three curves. There is a chart here with three graphs in it, three curves in it. This points out that under the status quo, the previous government status quo, we would be accruing pension liabilities that would reach, and wait for this, this is a big number, they would reach \$10,647,000,000 billion by the year 2035 and they would still be going up.

Under the plan brought in by our Government, initiated by our Finance Minister, in 2000, the Budget, we would take that same liability of \$2.8 billion and pay it off by 2035. We would be in a better position than if we followed the previous government's approach of simply paying off the accrued general purpose debt of the province.

Now, our Finance Minister was not satisfied with just last year's plan. He went to the allocation committee of the balanced budget legislation, and that is when he said: Look, fellows, what is the best way to use the 96 million that we are going to put in this year. And they sat down with their spreadsheets and said: Well, you know the best way to use it is to pay more on the pensions and less on the debt; still pay 96 but put more of it on the pension and less on the debt. By that one creative decision made again by the Finance Minister (Mr. Selinger) and reflected by the work of his officials, our pension liability is going to be paid off four years earlier than last year. So we took a situation where the previous government was not going to pay it off at all. We are going to pay it off in 2035, and by making a prudent decision this year, we moved it back another four years. Who knows what we can achieve by keeping the current government in place. Maybe we will repay our pension system down sooner than we could possibly think. By 2035 it may be time to look at a change in government. I would admit that.

So there is an incredible efficiency available to governments if they have prudent finance ministers and prudent managers. Unfortunately the reverse is also true. They miss things like this Government missed for a whole decade. They continued to focus on the debt when the real issue and the issue on which they had

leverage, if they had had the courage to put the liability on the books, was the pension plan.

Now I said we improved on last year by allocating the 96 million differently. We then went one step better. For the first time since 1964, every new employee will have their full pension entitlement paid by the Province and by their own contributions from the date of their employment as a matter of policy.

I met a young woman the other day at the opening of the Centre de service bilingue de Saint-Boniface [*St. Boniface bilingual service centre*]. She was a brand-new employee in my department. I welcomed her to the department, and I said: Something you may not know, but your entire pension is going to be put away for you through your working life with our Government. You are not going to have to worry that some future Conservative government might cut your pension. Okay, now that was something—[*interjection*] I did not actually say that, I did not say that to this young woman. I just said that her whole pension would be paid for. The member from Lakeside rises to debate as he often does.

**An Honourable Member:** I know exactly what you said now.

**Mr. Sale:** You do know exactly. Well, that is interesting.

I want to turn now to some taxation issues. Members opposite love to talk about taxation, and you know they were standing in the House today nattering about seniors and about seniors' concerns. I wonder if they would like to turn to page D-9 of this same book, an interesting page right towards the back. You know what? Manitoba seniors have the largest amount of tax-free income, except for Alberta, in the whole of this country. They have the second largest amount of tax-free income in the country. Do we care about seniors? You bet we do. Do we make it possible for them to save money by staying in Manitoba? You bet we do. And in this next page—this makes good reading; I commend it to all members—D-10, next page over, senior couple. Here is an interesting situation. In my riding at least, seniors do not make a lot of money. They are not really wealthy. So let us

look at a senior couple with \$30,000 income. Now that is a fair amount of income for a senior. That is not your low-income seniors. So under our Government, what have they saved in their taxes by virtue of the changes we have made? Now this is an interesting one. You might guess what: 10 percent, 15 percent, 20 percent, 25 percent. Well, keep rising, keep going up, because they will save, by the end of the new taxation year when our changes take full effect, 50.5 percent of their 1999 taxes. Their taxes will be cut in half for a \$30,000 senior couple.

Now let us go to the really poor, low-income senior, the woman who is living on OAS, GIS and nothing else. The woman who has got a small amount of income over that, if she has got \$10,000 or less in income. Ten thousand or less, that is a fairly low-income senior. How much will her taxes go down, 25 percent, 50 percent? *[interjection]* The member should stop smoking. That would help his health and our health care costs. Would they save 20 percent, 30 percent, 40 percent? No, that low-income senior, with \$10,000 only of income, would save 65 percent of their previous tax levels under the previous government, Mr. Deputy Speaker. That is how much they will save. So are seniors better off? They are better off because they have got stable Hydro rates. They are saving on their taxes. Their property tax credits have doubled. They are better off in so many different ways by staying in Manitoba. We have got a Pharmacare program that works for them. They have got health care that works for them. They have got seniors housing. Seniors in Manitoba are doing very, very well, and I know that they are proud to be Manitobans.

You know, I think it is valid to now move to the question of Hydro, and we should talk about, first of all, the principle of any corporation, whether it is for profit or nonprofit. The principle any corporation runs on is that, out of its current revenues, it has to do at least three things: It has to provide for its current real operating costs, it has got to do that; secondly, it has got to be able to service its debt so that it is not going further into debt each year; and thirdly, it has got to be able to invest to keep itself current. Partly, that is achieved through debt, but it is also partly achieved through doing

innovative things in research and development, testing new technologies and so forth.

So how does Hydro stack up on that particular test? You know, it is very interesting. The CEO of Hydro said in an interview with the CBC, April 23, 8:40 in the morning, he said, you know, the export market has been very good to us. He said, in 1990, our equity as a Hydro corporation was \$90 million—today, 2002, \$1.3 billion. Now, any private-sector company that took its equity from \$90 million to \$1.3 billion in a decade would say it is doing a pretty fine job, especially since all of its debt is secured by revenue streams that are absolutely themselves secure. The Xcel contract will be finalized in the next few days. Limestone has paid for itself, paid for itself times over.

You know, in all the debate about Limestone—and I enjoyed the somewhat interesting history lesson that the Member for Lakeside (Mr. Enns) presented to us yesterday. It was very interesting, not entirely complete, but it was interesting. He did not mention the fact that Limestone was built on time and under budget, substantially under budget, not just a little bit, but substantially under budget. Not only do we know how to build dams and when to build them, we build them efficiently and effectively.

The other thing which I thought was kind of interesting was that the member opposite has been kind of graciously allowed to get away with talking about three cents a kilowatt hour, but I want to quote to him his words August 1, 1986, because I think he knows what he actually said as opposed to what he has been allowed to get away with seeming to say. I quote: Limestone power coming off at three cents a kilowatt hour is what he—and he is referring to Vic Schroeder, the then minister responsible—told this House last night. With those kinds of figures, of course, you can create any kind of mythical profits you want. One can certainly take the position that it is preposterous to talk about any profits flowing at any time as a result of our generation of Hydro.

Any profits at any time, the Member for Lakeside. The former Minister of Industry, Trade and Tourism, at this time I think I can use his name since he is a former minister, right, Jim

Downey, was quoted as saying: What is he wasting the time of the Legislative Assembly for and the taxpayers' money for some mythical dream that he says is going to happen in the year 2000?

\* (15:50)

Then we had Clayton Manness, the Finance Minister at the time: Again and again I tell the members opposite, we do not accept the methodology that has been put in place with respect to the Northern States Power Agreement. We do not believe there are significant profits or, indeed, any profits associated with the sale.

Then there was the former premier. I really enjoyed this one: The effect of this legislation, Madam Speaker—in 1986, August 6—is to mislead the people of Manitoba into believing there will be significant surplus funds out of extraprovincial sales, principally from the Northern States Power Agreement.

Well, now, are those not an interesting set of backward looking quotes. They had their eyes fixed firmly on the rearview mirror. They had no idea where we were going, but they had some sense, they knew what was behind us.

The net income for Hydro since 1996-97, net, not the Northern States Power, just the net income, the profit, \$481 million; retained earnings growing each year by \$200 million-plus; \$1.088 billion by '01-02; now \$1.3 billion. You know, a corporation can pay out a profit and still meet any cash requirements.

I was appalled at the member from Fort Whyte's notion that because on a current balance sheet a corporation shows only \$10 million in cash it cannot pay out a dividend. By that test, BCE Canada could not pay out any dividends. By that test virtually no corporations that report at any given quarter could pay out a dividend, because no corporation leaves its excess cash sitting in the bank. They invest it. They invest it either in their ongoing capital programs, funding them from within their retained or their current earnings, or they invest in short-term paper, but they do not leave the money in the bank.

You know, it is no wonder the member from Fort Whyte had to apologize for his appalling

analysis of the Crocus Fund. He obviously does not understand basic business principles. You do not leave cash sitting in the bank. You invest it, and that is what Hydro does, to their credit.

So Hydro can well afford to take money from American consumers, to take money from American ratepayers in American dollars, excess earnings over and above any costs that they have, and they can provide health care and education and children's services and environmental services and conservation. They can provide new highways. They can provide security for our families.

There is nothing wrong with using American profits to stabilize Canadian-Manitoban services. That is what Manitobans want. They want their services stabilized, they want to be able to count on their services, and they value their Crown corporation.

They continue to remember the sad day when I and other members of my caucus stood at the back of this House while the Legislative Assembly was hijacked by a government that did not have the courage to use closure to force through a bill which would privatize a company at a song and provide to shareholders a tripling of their investment. It came on the market at \$13.50. It has been as high as \$45 a share. It is now at about \$39. Three times.

You know, usually, Mr. Deputy Speaker, an investor feels good if they can double their money in seven years. Well, these investors tripled their money in about seven years. What an incredible deal. What an incredible tragedy for Manitobans. A 65% percent increase in phone rates. No change in investment by the company. The company is not investing any more today than it was then, but they are paying 65 percent more for our phones, all because they have to pay income taxes now as well as some other taxes.

Well, that is interesting, because the former Premier stood right in this seat here and said over and over and over again this will never happen, this will never happen, this will never happen. He even fired the counsel, a learned counsel for MTS because the learned counsel told the truth and said they would have to pay

income tax, and it would happen. The Premier then arranged to have that contract with that legal counsel terminated. What a shame.

So this Budget is prudent. This Budget makes use of the excess profits on exports of Hydro to stabilize our health and other systems in times when our revenues are declining. It provides for a balanced budget. It, in fact, increases the stringency of the balanced budget test by allowing us to invest not just in the reduction of debt but in the paying down of the pension liability. It protects seniors, and it protects taxpayers.

I want to just refer to the last page of the Manitoba Advantage, second last page, pages 16 and 17: single person earning \$30,000 a year, cheapest place in Canada to live, No. 1; a two-earner family of four earning \$60,000 a year, second cheapest to Québec, No. 2, cheaper than Alberta, cheaper than B.C., cheaper than Saskatchewan, cheaper than Ontario by a long shot; annual personal costs and taxes of a single parent with one child, second cheapest in the country; annual personal costs and taxes, a two-earner family of five, \$75,000 income—these are not low-income people—a two-earner family of five, second lowest in the country, second only to Québec; annual personal costs and taxes of a single-earner family of four, \$40,000 income, lowest in the country. That is the Manitoba advantage, fairness to families, fairness to low-income earners, fairness to seniors, excellent health care systems, excellent education systems, affordable taxes, fairness for all of us. That is the Manitoba advantage, Mr. Deputy Speaker.

I want to conclude by focussing on a couple of other departments where I think the achievements have been remarkable. I want to pay tribute to my colleague the honourable Minister for Advanced Education and Training, the Member for Lord Roberts (Ms. McGifford), who has presided over the finalization of the plans for the downtown campus of Red River College. This campus will not only be a new home for some 1200 students in a very short time, it will also be an internationally recognized state-of-the-art environmentally friendly building. So we are not just building a school, we are building a showcase for an environmentally sensitive project. I am very proud of

that, and I want to commend the minister for her leadership in providing that kind of a building for Manitobans to go to school in but also to welcome the world to see, because it will incorporate many, many aspects of state-of-the-art technology.

I also want to recognize her work in integrating some of the training initiatives that are so effective, and I think particularly of places like Urban Circle, a training program that the Deputy Speaker, I am sure, is aware of in the inner city, which has provided both effective and very efficient training for particularly lower-income single women who have trained to become a number of different professions. But, under the leadership of this Government, this kind of training is integrated with credential training so that you can start here, achieve your goal, and that is going to help you move on to the next stage. I am very pleased with that because members of our community, citizens of Manitoba who are on welfare in my department are now at work because they went through the Urban Circle program, and they have become successful employees and, in some cases, successful entrepreneurs running their own, for example, home daycare.

I was at a graduation yesterday of a program that we did jointly with the Minister of Education and Youth (Mr. Caldwell), where we trained single parents and lower-income women to become home daycare operators. A number of them are opening up their own business. They will not be on social assistance. They will provide a needed service and we are delighted to work with them to do those kinds of things.

Four years of a freeze in tuition. *[interjection]* Three years of a freeze in tuition. What has that meant? Well, I have had students come up to me over and over again and say: I can plan my post-secondary career now because I know what I am going to have to pay in tuition. I know I have got a cap on my student loan. I know that I will qualify for a bursary that will allow me to complete my post-secondary education. I know I will not be blowing over a cap that would make me so far in debt that I would never get out of it in any reasonable period of time so I could start a family, buy a

house, do those other things which young people should do.

\* (16:00)

Instead, under the previous government they went into a future crippled by debt, with soaring debt levels that they could not service often, and we wound up with people defaulting on their debt. So they not only were not able to meet the needs that they had for education, they wound up with a bad credit rating and feeling like they failed. That was not a desirable situation.

Under this minister and under this Government, that has ended, and I am very proud of that, because those people used to be people that I would see a lot in my constituency, where I have many students who attend the University of Winnipeg and the University of Manitoba, living in the village and on River and Stradbrook.

I also want to point to some things that have happened in Healthy Child Manitoba and in our department, in Family Services and Housing. I am very proud of a government that built on the Children and Youth Secretariat, the previous government, which was a relatively small initiative, but a useful one. I think it was at about \$2 million when we took over government. That initiative is now \$22 million and is having a profound effect on families and children in many, many parts of our province.

No matter where I go in Canada and no matter where Manitobans go and deal with early childhood issues and come back home, they tell us that they are proud to be Manitobans because we are absolutely national leaders in the area of early childhood work. I am very proud and very grateful to our Government and my colleagues in caucus and Cabinet for making it possible for our department and for Healthy Child Manitoba to invest 40 million new dollars in early childhood interventions in the last two years.

In day care alone our increase has been 32 percent in 3 years. That is an incredible commitment to the day care system, which my honourable friend from Fort Richmond, the House Leader of the Opposition, did a study in. To give him credit, he pointed out things that

were wrong with the previous system that had been made wrong by the previous government, and they fixed them because they listened to that member. Well, we have built on that, increased the unit funding model so that infant care can be funded now more effectively. We can increase our day care centers.

I was delighted to be at the opening of a day care centre in his riding. I have been at many, many others during my time in office. *[interjection]* Well, it was the redevelopment of the old St. Avila School into a model day care centre and a very beautiful day care centre, achieved with a lot of community input and a lot of community effort. I commend the member for assisting in that. That was a good initiative. The quality of that setting is as good as any day care centre we have in the province.

But, you know, what I think is even more exciting and fundamentally exciting in the early childhood area is that we now know we are proceeding on absolutely sound research.

We know that when we intervene prenatally and post-natally with children, both in terms of nutrition and in terms of their nurture, that the return on that investment is a minimum of two to one. An American figure suggests seven to one. So we know that we are on firm financial ground when we invest in children. We know that we are making families stronger. We know that when you make families stronger, communities are stronger.

So when you invest in children, when you get it right for kids, it is right for all of us. I have said that many times across our province. Just ask people to think about not a program, not a department, not a centre, but think about a kid. If you can think about a child and help us get it right for that child, will it not be right for all of us? Would it not be right for his parents or her parents, grandparents, aunts, uncles, neighbours, teachers, health care workers? If a community nurtures children it is going to be a better community to live in, and I am proud to be part of a government that takes that seriously, at the Treasury Board level, at the funding allocation level and at the level of my colleagues in the seven departments which work together through Healthy Child Manitoba to achieve the goals that

we have set for ourselves in early childhood development.

I am expecting very shortly, in the area of Housing, that we will be putting in place a minimum of a \$52-million program with the federal government as 50-50 partners. I am proud of the part that my provincial colleagues and I played in negotiating with the federal government, not a program but a framework. We have long called on the federal government, and I believe that all provincial governments of every stripe have called on the federal government, to adopt a framework approach to their funding approvals rather than a program approach. In a country as diverse as Canada, let alone a province as diverse as Manitoba, there is no one program that meets the needs of all. We have to deliver health care differently in different provinces and different parts of provinces. We have to deliver our housing programs differently because the needs are different. In Newfoundland 80 percent of low-income housing is public housing—80 percent. In Alberta it is less than 4 percent. So a program meeting Newfoundland's needs will not meet Alberta's needs and the reverse is also true.

I expect shortly to have an announcement for Manitobans of a framework of how we will deliver a minimum of \$52 million of government-supported housing, but I am challenging the private sector, the voluntary sector, the municipal sector to come to the table and lever those dollars so that those dollars become two and three and four dollars for every dollar that we invest, and we can then talk about, not a \$52 million program but a \$104 million program or a \$208 million program if we can lever those dollars and that is not just a wild hope.

I can tell you that in a project in Brandon, which is currently under construction, there is a project which is being built for a total unit cost of \$70,000 a unit. We are only having to invest \$10,000 a unit to make that project affordable to people who pay the average or lower rents in Brandon. So we are getting a 6 to 1 boost on those dollars to put affordable housing in the city of Brandon. I do not think it is unreasonable that we should aim for at least \$3 for every \$1 that the provincial and federal sector invests in this new program.

In conclusion, I am proud to be part of a government that has produced a balanced budget, a balanced approach, security for Manitobans, health care, education and family services, investment in our environment, investment in our farms and investment in the safety of our communities. This is a good budget, a sustainable budget and a balanced budget.

**Mr. Harold Gilleshammer (Minnedosa):** Mr. Deputy Speaker, it is a pleasure to get up and speak on a budget. I do know the tremendous amount of work that goes into making a budget. It is not something that you could even tell the average citizen and have them believe because it is just so many hours of sitting and reviewing with staff and getting towards decision making, so I would like to thank the members of the Finance Department and the Treasury Board staff who put in countless, countless hours to bring a budget to completion. Even in the last few days I know that there are changes being made, but I think, in this province where we value the work of the Civil Service, it is so important to have those wonderful people who are dedicated staff of Treasury Board and dedicated staff of the Department of Finance, many of whom have been there through different governments, and they understand the system and they do a wonderful piece of work for the province of Manitoba. I know that they, in fact, probably read some of our speeches, and I not only say hello to them but I compliment them on the fine work they do.

\* (16:10)

Before I start, I would like to welcome my new colleague from Lac du Bonnet. I am sorry to see my previous seatmate leave. Darren and I were elected on the same day and were appointed to Cabinet on the same day. And many of the times there were Cabinet changes, Darren and I changed at the same time. I think the House and the province are going to miss Darren. He did make a tremendous contribution to policies and practices in the province of Manitoba, but it is always nice to see new people in here too and a fresh face. I am sure, when the Member for Lac du Bonnet (Mr. Hawranik) was speaking, at least some of us reflected on our first speech in here. At the time, it was kind of a daunting task. But I say to the Member for Lac

du Bonnet that he did a wonderful job today for his initial speech, and I think he is going to make a wonderful contribution to this House for many years to come.

Doing a budget is about making choices, and choices that governments make, depending on their philosophy, and some of the decisions that they make in crafting a budget, of course, are good. Some of them we take issue with, and I am going to talk a little bit about both of those things today. I do have a concern that, traditionally and historically in the British parliamentary system, and there are many in this House who understand that tradition, budgets were to be known by a very limited number of people and presented to the House, to the Legislature, as something totally new and people would hear it for the first time. I take issue with this Government leaking so many initiatives in the Budget prior to the Budget being tabled. I think it is a dangerous precedent and one that I think they should think about because I think it is very important that there are not selected groups who get advance knowledge of the Budget or actually taking a number of initiatives out of the Budget and seeing them on the front pages of papers as we lead up to the Budget. So I would ask the Government and the Finance Minister (Mr. Selinger) to think about that for another year.

A concern I have with this Budget—it was raised by my colleague from Steinbach the other day and I realize that a budget is called Budget Estimates and you estimate your revenue and you estimate your expenditures. In this Budget, on the revenue side, the Government is showing an 11% increase in transfers from the Government of Canada. The budgeted amount last year and the estimate of revenue was \$2.1 billion and this year it is \$2.3 billion, almost \$2.4 billion. I know you have to print a number. I question whether 11 percent in new revenue from the federal government is achievable. I know this relates, in large part, to some overpayments that go back into the early '90s that have been talked about, that made budgeting this year very uncertain, that the Government of Canada is no doubt looking for a payback of some of that \$700 million that they claim was overpaid to Manitoba.

Reading in *The Globe and Mail*, spokespersons for Paul Martin have indicated that no deal has been reached, that there has been no finalization of what Manitoba is going to have to repay. I can tell you from history that if the federal government decides that they are going to claw back money, they are going to claw back money, and there are ways of doing it.

I know that the Budget had to come forward, that you had to print an number, but I alert the Government and the staff and the public to say that printing up 11 percent on the revenue side of money from the federal government might be a little risky. Again, I accept that you have to put a number there, but there are clear messages in this article from the federal government, from the federal Finance Minister's office, that questions whether, in fact, the feds are going to cover 70 percent of that overpayment, 80 percent of that overpayment, and this turns out to be big numbers. So I say there is some risk in this Budget.

I want to look at the taxation side of the Budget. The previous speaker indicated that taxation levels in Manitoba were acceptable, that there was a cost-of-living factor that could be factored in there that makes paying higher taxes okay. I do not subscribe to that. I think that people have a better way of spending their own money than government does, and it speaks to the competitiveness or lack of competitiveness of Manitoba when taxpayers here have to pay higher taxes than adjacent provinces.

Only at the level of single parents and single persons does Manitoba actually out-perform Saskatchewan. At other levels, for instance a single-earner family of four making \$40,000, Manitoba taxpayers pay more tax than other Prairie provinces and certainly than Ontario. This is somebody who is a single earner with a family of four. Taxation is simply too high for that person and that family. The single earner of a family of four earning \$60,000, again a pretty stark difference in what that taxpayer has to pay compared to British Columbia, Alberta, Saskatchewan and Ontario.

We cannot afford to have that tax gap that exists there, and I think that the Government failed to address this in this Budget. They failed

to address it in previous budgets, and listening to the Minister of Family Services (Mr. Sale), they have no intention of addressing it in future budgets. In fact, I believe the Finance Minister (Mr. Selinger) indicated the same thing, speaking in Brandon recently, that he was not concerned about the tax gap that existed between Manitoba, the other western provinces and Ontario.

*Mr. Speaker in the Chair*

I can tell you that Manitoba does need to be competitive. It needs to be competitive with those provinces. It is one of the reasons we have so many people, young people in particular, leaving Manitoba and going to provinces like Alberta. Taxation is a very, very key component of what they are thinking about when they make those decisions.

It is also important on the business side. In Brandon alone, we have had head offices that have left Brandon. Myers, Norris and Penny is one such example, where they have relocated to Alberta primarily because of the tax regime in Alberta compared to Manitoba. Another example, a small company in Brandon, was Medichair. They too relocated to Alberta because of the tax climate here in Manitoba.

\* (16:20)

So I say to members opposite this is an important issue. As you get to higher levels of income in Manitoba, the tax gap is even wider. I do not accept the fact that cost of living is low here gives a government licence to levy higher taxes. This is an issue that is not going to go away, and it has to be addressed.

I would like to speak, too, to an issue that we have been talking about in the House here for the last few days and the fundamental difference that we have with this Government in taking money from Crown corporations. I listened to the Minister of Family Services (Mr. Sale), and if his arguments in his mind are valid with taking money out of Manitoba Hydro, I assume he believes they are also valid that they could potentially take money out of Workers Compensation, out of MPIC and anywhere else that they could find revenue buildups. I think

this is a very, very slippery slope you are on. This is money that was collected for an entirely different purpose, for the use of Manitoba Hydro.

I point out that Manitoba Hydro has over a \$6-billion debt, a debt that has been growing. The CEO, Mr. Brennan, indicated that quite possibly they are going to have to borrow more money. It is going to have an impact on their ability to borrow that money. So taking this \$288 million out of Manitoba Hydro does have a long-term effect on what Manitoba Hydro can achieve. I think it is a very, very much wrong-headed decision. The Government had options. The Government could have moved back on their spending and spent less. They could also have used the Stab Fund, which was put in place exactly for that reason.

So I do believe, as we have been saying in the House over the earlier part of this week, this was a wrong decision and one that should be reversed, because I think it sets a bad precedent and a bad trend that you are going to use ratepayers' money for issues that taxation should be the source of money for. I think that you still have a chance to address this issue and make changes. The public of Manitoba, as they get to understand this, the impacts that it is going to have, are not going to accept it. Third parties are saying that. The press release that was put out by the seniors association yesterday and the Consumers' Association of Canada, their headline is: Hydro dividends to government coffers is a regressive tax measure. These are people that are watchers of government and protectors of seniors and protectors of consumers, and they have said very clearly the Government has made a mistake here. They say that consumers and seniors want hydro revenues to be used for hydro costs.

There are a number of ways that that excess revenue could have been used. It could have been used to retire debt. I do not believe, if it is in your personal life or in your business, that if you have extra revenues, you give it away for other purposes when you can pay down debt. It is so important to pay down that debt. In fact, this Government today has bought into the balanced budget legislation which was brought in by our government that almost all of them

spoke against in 1995 and 1996, and now they have accepted that. They have also accepted that they are going to address the unfunded liabilities of pensions, and I think that is a good move. I can tell you the Hydro debt should be of concern to us. It is \$6.4 billion and growing, and if it is good public policy to pay down general purpose debt. It is also good public policy to pay down the debt of a Crown corporation, and that is what this money could have been used for.

These organizations which I referenced, the Society of Seniors and the Consumers' Association, indicate that they have concerns that this transfer of revenues could result in future hydro rate increases, and they have a valid concern there. We are getting a mixed message from the Premier (Mr. Doer) today and the Minister of Finance (Mr. Selinger). The Premier was asked very directly whether it means that rates have been frozen for the next four years. He did not answer that question. This is exactly what the Society of Seniors and the Consumers' Association are worried about. By taking cash out of Manitoba Hydro and perhaps increasing its debt and increasing its borrowing, it is going to at some point have an effect on rates.

These rates should not be set at the Cabinet table. We have raised examples today where this was done by the Pawley government in the late '80s with Autopac. There was a tremendous negative response from the public of Manitoba. There was a rally on the grounds of the Legislature, where upwards of 10 000 people came out because this was wrong and they objected to it.

In fact in the ensuing election, and it was probably the reason the Government fell, when one of their own members—I was not here at the time, but one of their own members voted against the Government. Crown corporations and the revenue that they generate, that revenue needs to be used for the intended purpose. Governments who play around with that I think do so at the risk of losing public favour. This is what we are trying to tell this Government.

I was concerned that the Minister of Finance the other day, when he was asked whether the Board of Hydro had confirmed this, whether the staff at Hydro were aware of this, said Manitoba

Hydro is treated like every other citizen of Manitoba, they get the information when the Budget is released in the Legislature. So they had no input into this. They had no ability to have their say about what the revenues of Hydro should be used for. The board was bypassed. The CEO and management was bypassed. This decision was made at the Cabinet table.

I think it is a decision that this Government will someday regret, because Manitobans do not believe that revenues from this Crown corporation should be used for that particular purpose. I indicated to the Premier today that he was one of the few members of the current government who sat at the Cabinet table during that time in the late '80s, in the Howard Pawley government. People spoke very clearly and very loudly at that time that they were opposed to that decision.

Just last year, as was mentioned, the Minister responsible for MPI was going to raid MPI for something like \$30 million. Well, it took five days, I believe, at that time, and this decision was reversed because there was a backlash. I recall the Premier and others saying that the offices and the switchboards in the ministers' offices, in the constituency offices lit up with calls from the public.

I can tell you there is a difference between MPI. There is a difference—[interjection] Well, the Minister responsible for MPI said she did not have a single call. There must have been a reason for reversing the decision on the MPI decision. I can tell you that you were wrong on MPI. You recognized that, reversed your field, you were wrong on this decision. If you have not had the same level of phone calls, you are going to I think over time reap a negative benefit from this, because not only the Society of Seniors but also the Consumers' Association are opposed to this.

I said there were some good things in the Budget, and I think the fact that the education support levy is going to be taken off property is a good move. Ten percent is a very modest start, and it is probably an issue that should have been addressed in the previous two budgets. The Government would be well on their way to doing away with the education support levy,

because we all know and we all agree that property taxes are going to be and are too high, and they continue to be too high.

\* (16:30)

I can tell you that this small, modest start of taking 10 percent of the ESL off residential property is probably not going to be seen by most taxpayers. It is going to be taken up by increases in special levy, increases in other taxes, and the homeowner is probably not going to see that saving. That is too bad, but this is going to be a positive move in the long run. It has been an irritant. I can tell you that particularly farm families feel this tax very abruptly on their income. They pay a disproportionate amount because of the holdings that they have. It is an issue that needs to be looked at. I believe it is a start, but I believe the Government should have started sooner, and they should have attacked this more aggressively.

The Budget, again, pours more money into health care, and it is what every government in Canada is doing. Unfortunately, the problems in health care are not being solved by money alone, that the issues continue to be there in terms of hallway medicine, in long waiting lists, in areas where they do not have proper diagnostic equipment, where they do not have the personnel to provide the health care that this society is going to continue to demand.

So the issues are not just in Manitoba, but they are national issues. I know the federal government, in the last few years, have put money back into health care, which is a positive step, but members should know how difficult it was to manage from 1994 onward without that federal support that was withdrawn by the federal Liberal government.

I know that all of us are privy to individual cases. The Minister finds it very difficult to deal with them in the House. I personally bring only a limited number of them here because hopefully they can be resolved in a different way. I am amazed at the growth and the number of individual cases that continue to come forward where people are not getting the service. They are not getting the satisfaction out of the system that they want.

I have dealt with a couple of issues lately. One is a young fellow in Souris that I have written to the minister about. There is a medication available, and it is the medication that works very well for him, but it costs \$3,000 a month. There is a group that are taking it, and it is effective, but this family simply cannot afford to pay that \$3,000 a month. I have talked with the boy and his parents. When that medication is available to him, and they do pay it, it has remarkable, positive effects.

I know from this Budget that Pharmacare continues to be a major cost driver. I think that the Government is trying to save money by having individuals pay more of the share of Pharmacare. Again, it is a very harsh decision that I think seniors particularly and users of the system, you are going to hear from them, because it has not been received with much favour.

Education issues, I will get a chance to talk about these in another venue. But it does baffle myself and the public how a school division, Morris-Macdonald, can be left without a governing body for upwards of a year, when a by-election was called because my colleague resigned, within an hour. Within one hour the Premier signed the papers and the by-election was called. When the R.M. of Piney had resignations, a reeve and some councillors resigned, the by-election was allowed to go forward so that they could elect a new governing body for that R.M.

The Minister of Education (Mr. Caldwell) certainly had the legislative authority to fire a board, but I think it is unconscionable that you would leave a school division without a governing body for upwards of a year. I know that members of that school division were in here today attempting to meet with the Minister of Education to present their case, because there are financial decisions, there are educational decisions, there are decisions of moving towards amalgamation that need to be dealt with, and the only person entrusted to do this is a man by the name of Alex Krawec, once an employee of the Department of Education.

But to shut out the public, to not allow for a by-election is so anti-democratic and so wrong

that the Government will pay a price for that. I do not understand how the Premier (Mr. Doer) could allow that to happen. He called a provincial legislative by-election in 50 minutes, and the departments allow other by-elections to go forward, but they have ordered this school division to be without governance for up to a year when so many significant and important decisions are being made.

The Government is fixated on cost recovering money that was paid possibly illegally. Yet they do not allow local people to have any input into that. In fact, the last act of the previous board was to ask that they be allowed to hire an accounting firm to try and put a sharp focus on just what amount of money was needed to be repaid. That request was apparently the straw that broke the camel's back and the Minister of Education fired them. Yet, as he does his own investigation, he has now admitted he is not able to really figure that out, so he has taken a number out of the air which was the low end of the Auditor's report, and said this is what it is.

Can you not understand how people are aggravated about that? They are going to be called upon to pay large sums of money back when nobody seems to have the proof. There could be a good process put in place to find that out. Yet this Government has treated those people very, very shabbily. People around the province have watched that and know that and are upset with that. As a result the minister is probably, the department is probably facing a legal challenge, but it is not the only legal challenge they have. They have also bungled the amalgamation of school divisions, basically because there has been no process.

You have another group of people who have hired a lawyer and who have initiated action against the Government. All of this could have been handled so much differently and you could have had a more positive outcome. You could have had people feeling that they had some input into it rather than this forced amalgamation, again a very wrong-headed decision that I think the minister is going to have this litigation brought forward, and he is going to have to defend himself. Perhaps, because of poor

process and poor treatment, is not going to look very well when the day is over.

\* (16:40)

I would like to also make mention about the decision made on the standardbred industry in the province of Manitoba. This is an industry that has been in existence for so many years—80 years in this province. We have a tremendous horse population in the province. Part of it is for this harness racing industry. It is an industry with 80 years of history in many rural communities.

I said at the beginning that governments have to make choices, and make decisions. Obviously, they have made a decision to go ahead with the mosquito-abatement program in the city of Winnipeg. Yet, they are destroying an historical industry here that provided jobs, provided entertainment, and, in fact, was part of the culture and fabric of rural Manitoba. Communities had already set race dates, starting in June—in Holland, in Glenboro, in Carman, Deloraine, Portage la Prairie, Killarney, Miami, Wawanesa, Minnedosa, and people from all over the province attended these things.

Now the Minister of Industry (Ms. Mihychuk) has been bad-mouthing this industry in this House in the last couple of days. She did not do that the day this was raised. She did not do that when these individuals were in the gallery, but since then she has been highly critical of this industry, saying that there were only six jobs there, when, in fact, by their own document, they had 500 jobs. She again chooses to reject that. These are the numbers brought forward by people in this industry.

#### Point of Order

**Hon. MaryAnn Mihychuk (Minister of Industry, Trade and Mines):** Mr. Speaker, I would like to rise to challenge the numbers that the member is citing for the record, which are completely inaccurate. The members of the harness racing association have informed me two days ago that there are six individuals employed full-time in this industry that support harness racing in Ontario, Manitoba and Saskatchewan. The suggestion that there are 500

people full-time employed in harness racing is inaccurate and the record must be corrected.

**Mr. Speaker:** Order. Prior to making a ruling, I would just like to remind all honourable members a point of order should be used and raised to the attention of the Speaker when a member is breaching a rule of the House or varying from the procedure of the House, not to be used for dispute.

On the point of order raised, it is a dispute over the facts.

\* \* \*

**Mr. Gilleshammer:** Mr. Speaker, I really appreciate your acknowledgement of the fact that this member did not have a point of order. She is disputing a document that was provided for our caucus, and I am sure for her, by members of this industry, and their first line is that over 500 Manitobans owe their direct and indirect jobs to the horseracing and breeding industry in this province.

I can tell you that this is a very, very important industry in Manitoba, very important. You are going to drive these people out of business. You are going to drive these people out of the province of Manitoba, and it is a very fundamental industry in much of southern Manitoba. I noticed, and we all noticed, how the Premier (Mr. Doer) jumped to the pump when there was an issue with the bus manufacturing company, and I congratulate the Premier for staring down the union, for calling the union bosses in and saying: Listen, that vote was a mistake, that vote was a terrible mistake and you must reconsider.

The Premier took a leading role in telling the bus manufacturing industry that they would have to accept the new realities, the new realities that existed in North America in a manufacturing industry that we are proud of here, but that changes had to be stated and the Premier had the courage at that time to call union members to his office and say: You have made a terrible mistake. I know you have voted, but you have to vote again. He was able to get his way with the union. This is a much, much smaller issue, that there was a tremendous amount of money put on the table to save those 1300 jobs here in

Winnipeg, money put there by the federal government, by the provincial government and money contributed by the City of Winnipeg in an indirect way.

Well, this industry is very important to rural Manitoba, and I would ask the Premier to get involved. We have a slight dispute over how many full and part-time jobs there are. I can tell you it is substantial and the harness-racing circuit is an important avenue for rural Manitobans to get together in those communities that I have referenced. Part of the industry includes veterinarians, blacksmiths, grain suppliers, transportation workers and many others who provide services in this industry. I cannot believe that the Premier is prepared to sit by. I know that he said the other day that he could not reverse this decision on the day the Budget came down or the next day, but it is something that he and Cabinet should seriously consider because it is a part of the fabric of rural Manitoba.

It is part of an industry that Manitobans enjoy and appreciate in many communities. I cannot help but notice in the communities that I referenced here that have race dates for this coming summer, starting on June 30, that they are all in southern political constituencies, that they are not holding these races in Swan River because I am sure if they were, the Minister of Agriculture (Ms. Wowchuk) would be gravely concerned about this, that they are not being held in Dauphin, although those are legitimate targets for this industry to expand to. I think that given time, this industry would expand. Now the Minister of Agriculture said it is going downhill. So, instead of helping them, instead of working with them you want to annihilate them, and that is exactly what you are doing by taking this grant away from them. In the bigger picture of government expenditures this is not a lot of money. I know that you are looking for funds to feed other departments, but this is—in fact, the Minister of Agriculture should be incensed by this and the minister of rural development.

Where was the minister of rural development on this issue? I can tell you, rural people are concerned that the department of rural development has been done away with. They do not see the activity that once took place there.

I noticed in her speech yesterday, the minister responsible for rural development talked about Steinbach and Winkler. Well, rural Manitoba consists of more communities than that. This was part of the fabric and the industry that existed in rural Manitoba. I can tell you, the Minister of Agriculture particularly has a special place at the Cabinet table because she is one of the few people who travels and represents rural Manitoba. Even though there was not harness racing in her community, she should understand that this industry was very closely associated to people who make their living and livelihood in agriculture. She should take a special interest in this and lead a charge at the Cabinet table to have a second look at this because it is an industry that Manitobans are proud of and one that she should be concerned with.

Just before I conclude my remarks, I would like to make a comment about the story leaked ahead of the Budget about the ethanol industry. It was part of the Budget that there is some interest in expanding the ethanol industry. I think that the Budget and the earlier reference to it is a bit of smoke and mirrors. There is no money put in place to expand this industry, but there are individuals and there are companies and there are people in Manitoba who have been working on this for a number of years in Russell and in Killarney and in other places.

So even though there was nothing definitive about the direction the government was going to take, there was not a cost to them in the Budget. It is one of those good intention announcements. It is one of the things that I would commend the Minister of Industry (Ms. Mihychuk) for. This issue needs to be looked at. I in my own mind am not sure whether you should mandate this. There is an issue about making it compulsory that is not sitting well with me, but I think there is good reason to look at this.

If it can meet our targets, I think that Mohawk has a wonderful business slogan that they are Mother Nature's gas station. I personally use their product. As members know, we do have a plant in Minnedosa. It does not provide enough product for either Mohawk or Husky. When Husky first bought Mohawk, they wanted more product and they said they really did not care where they got it. They could manufacture

it, but they could also partner with somebody and get product that way.

I think there is the potential to grow that industry, that there is interest in it and the Government should follow up their good intentions and their announcement with some direct involvement in assisting those people out there that want to get into the ethanol industry. The Minister of Agriculture is saying give her time.

While she is doing that, she should also look at that harness racing industry, because it is one that she should be supporting. Now that we have got her being more agreeable, it is something that she should look at. But it is one of those announcements in the Budget that really is not a very clear direction of what you are actually going to do, whether you are going to rely on the public sector or the private sector to move ahead with this, but it is one that other provinces and other states are looking at. I would hope that we hear something soon.

Now, I was going to also talk about what business people thought of this Budget. There were quotes from chambers of commerce calling this a planned budget, an editorial in the *Winnipeg Free Press* talking about grinding away and this being the last possible place the Government could find revenue, and I think you are right and it is a concern, it should be a concern to the Government that they are going to run out of pools of money where they can find that money to take in . . . . Thank you Mr. Speaker.

\* (16:50)

**Hon. Rosann Wowchuk (Minister of Agriculture and Food):** Mr. Speaker, it gives me great pleasure to have the opportunity to put a few words on the record with respect to this Budget, but before I do that, I want to take this opportunity to welcome the new Member for Lac du Bonnet (Mr. Hawranik) to the House. I had the opportunity to hear his speech this afternoon and certainly he knows his constituency well. I think he will be a good spokesperson for that constituency, and I hope he enjoys his time while he is in here in the House.

I want to speak to this Budget as it relates to rural Manitoba. I have to say that I am very

pleased with the Budget, and I want to commend our Minister of Finance (Mr. Selinger) and the Department of Finance for the amount of work that went into preparing this Budget. As I said, I am pleased with the Budget as it relates to rural Manitoba, and given the challenges that we have had this year there are some very good things that are happening within this Budget. This Budget contains unprecedented levels of support for education; strong support for health care; investments in families; there is an investment in rural economic development, agriculture and environment. I heard some of the members across the way say: Well, you know, you are the Minister of Agriculture and you do not have very much in this Budget for agriculture. Well, I want to remind the members opposite that people involved in agriculture also want good education for their children, they want a good health care system, they want our environment protected. So you cannot just look at a budget and say: Oh well, you have not done anything for agriculture without looking at the whole package of what we have done for the quality of life for people in rural Manitoba.

One of the speeches that I listened to with interest was the member from Emerson when he made his comments, and I will refer back and forth to his comments a few times in this speech. He talked about drainage and how his government had done so much for drainage and our Government was really not doing very much. I have to remind the member that in the year 2000 when there were very high water levels and problems in the southeast part of the province, what did the Member for Emerson (Mr. Jack Penner) say? The member from Emerson said: You know, it was our fault, we actually cut budgets instead of investing in drainages. *[interjection]*

Yes, he said it was his government's fault, he was part of the Conservative government that made the decisions to reduce the drainage budget. Well, I can tell you that this Budget builds on decisions that we made in the previous Budget and we have increased support for drainages which is an amount of \$10.1 million in this Budget. This is up \$1.7 million over the past year, so sometimes the member has selective memories about what his government did and what is happening now, but certainly I know that

rural Manitobans appreciate the investment that we are making. Certainly they will tell us it is not enough, but you cannot repair a deficit of previous governments only in two years, and we are making progress on it. We are increasing the number of conservation districts, working with municipalities on drainages to ensure that we do indeed have a proper drainage system built and a proper drainage system maintained.

Another important area for people of rural Manitoba is their infrastructure, and certainly with the abandonment of the Crow, that the Conservatives supported, Mr. Speaker. We have seen a shift of traffic from rail onto roads, and many of our roads are just not built to the level to carry those kinds of trucks. Our Minister of Highways has been very aggressive in trying to get the federal government to recognize their responsibility in transportation, but we took a big step forward in that for the first time ever the Province of Manitoba has a capital commitment of \$600 million for highways construction over the next five years. So this means that you are not going to see money coming in before an election for election promises and then reduced way down.

We have made our commitment for five years to rural Manitobans that they are going to have proper infrastructure. I was very pleased to be in Dauphin this morning with my colleague the Member for Dauphin (Mr. Struthers), the Minister of Highways (Mr. Ashton), and the Minister of Consumer and Corporate Affairs (Mr. Smith) to announce a particular project under this initiative where we announced that we are going to make improvements to No. 20 highway from Winnipegosis to Dauphin. The first phase of that is the reconstruction of the road from Valley River to Dauphin.

Now, you might ask why this is an important road. Well, it is important because an elevator was removed from Fork River so traffic has shifted onto the road, but as well there is a livestock industry that is building in that area. There is not only grain going from the area but a large number of feed trucks that will be going in. With the kind of infrastructure and the road that is built in the area right now, it is just not an adequate road. Our Government has made a

commitment to improve that road and other roads, Mr. Speaker.

I am very pleased to hear the member from Minnedosa's comments about the increased ethanol production in Manitoba. I hear him wanting more details on that plan, and I tell him to just be patient. It was part of the Budget rollout, and we will be making a more detailed announcement. We recognize this very much as an agriculture diversification initiative, an opportunity for producers to add value to their crop and then to also use the by-product as a livestock feed.

The member talks about the people in Russell who have been working on this for some time. He is right. They have tried it, but they have not been successful yet. I hope that under this initiative that they will be, but there is also interest in ethanol production in Swan River, Killarney, many other areas of the province. I see this as a very good opportunity for people in rural Manitoba.

Mr. Speaker, the member from Emerson in his comments made a few statements about spending in agriculture and the fact that there was a slight decrease in the Agriculture budget this year. As the Minister of Finance (Mr. Selinger) said in his opening comments, this was a very difficult year and there are a few departments that have taken a slight reduction. You know, if we look back in history, our Budget is still \$7 million higher than the previous administration's last Agriculture budget was. Certainly I would always like more money for agriculture and for the industry, but with the dollars that we have I think that we have put forward some very creative programs to help the farming community.

One of the ones that I am most proud of is the Bridging Generations Initiative that was announced and comes into effect just this April. We have had a tremendous amount of interest at the Agricultural Credit Corporation offices. This is a program that will help the transfer of land from one generation to the next. During the election, Mr. Speaker, we talked about this issue.

We said we would introduce Project 2000 because we recognize that we have an aging

farm population and that millions of acres of farmland are going to have to change hands in the next few years, but the farm families, retiring people have all of their money invested into the operations. The next generation is having a very difficult time taking over those. So through this Bridging Generations Initiative we have put in place some tools that will help with the transfer of land. This program will not be for every farm family in Manitoba, but it will help some. I have to tell you, Mr. Speaker, that the program that has been developed here in Manitoba is being looked at by every other province, and by Manitoba, and by the federal government to see how successful it is and how they can adapt similar programs in other provinces.

\* (17:00)

Mr. Speaker, one of the issues that the Member for Emerson (Mr. Jack Penner) raised was our crop insurance. I am really sorry that he just does not understand how crop insurance works. In his comments, he talks about us, the Government, taking money out of crop insurance reserves under false pretences. Well, that is completely inaccurate.

Mr. Speaker, Agriculture Credit Corporation is an insurance that has to hold reserves and hold reserves at a certain level in order to protect should there be a disaster or a lot of claims. The targeted level of reserves is about \$135 million. Our reserves were a lot higher. They were over \$200 million. We decided that, because farmers were in difficulty in the last few years, and you have heard a lot about that, because of low prices, we wanted to help them out.

Last year we took \$21.6 million out of the reserves and held the premiums down. This year we are taking an additional \$28.2 million. The reason we need more money this year is grain prices are going up a little bit, so that means the premiums are going up for producers. We want to help them through and hold their premiums level, so we have taken some of the money from the reserves to hold premiums down for the producers.

I do not know why the Member for Emerson cannot seem to grasp the idea that this is helping producers. He says it does not help them very

much and that we are stealing their money, but we are helping them. We are reducing their premiums, and, yes, in fact, Mr. Speaker, we are reducing the Province's and the federal government's premiums as well, because the money in the reserve is put in by the Province, the feds and the provincial government, so if you take some out, you have to take it out equally and help everyone.

The member does not seem to understand that. I guess, if he had his way, he would not touch those reserves. He would let the premiums rise substantially, and it does not matter whether the producers can afford the crop insurance or not. That appears to be what the members opposite would do, and I have to tell you that we are looking at ways that we can best give farmers protection on their crops but also make sure that they have the protection that they can through crop insurance, but also maintain their premiums at a low level and still maintain the amount that we need in the reserves should there be a disaster.

That is not the only place the Member for Emerson made a mistake. The day after the Throne Speech was just finished, the Member for Emerson was out in the hallway saying this Government is closing down the Food Development Centre, and they are moving it to Winnipeg. He caused havoc in Portage la Prairie. Everybody in Portage la Prairie is phoning, saying what is the matter, how come you are closing the Food Development Centre down in Portage la Prairie.

Well, I guess the member cannot read, Mr. Speaker, because, if he would read the Throne Speech, the Throne Speech says clearly that this Government is going to make investments in the food development centre in Portage la Prairie, so once again the Member for Emerson is wrong and creates havoc in the community.

You know, Mr. Speaker, I can understand why the Member for Emerson would think that we were not going to support the Food Development Centre, because their government, when they were in government, they did not support the Food Development Centre. They changed the Food Development Centre into a special operating agency—did not make

investments. In fact, Mr. Speaker, they took \$100,000 out of the Food Development Centre and put it into Crocus Foods. That was their commitment to the Food Development Centre.

Well, I can tell you, Mr. Speaker, that I will tell the member not to put false rumours out. Just be patient, and he will see that we are keeping our word that is in the Budget speech. Do not create havoc in the community. I would ask the member to show a little bit more respect for the people of Portage la Prairie. But there are other areas that the member has not done his research in. The member was quoted pre-budget. Pre-budget, he has been critical of us with respect to the hog industry. I quote him saying, he does not support taking environmental approval away from the municipalities, which is something that Wowchuk has said she is considering, unquote. Well, I have to tell the member to do his research properly, because if he would think about it, a municipality never did have the authority to do environmental approvals. The environmental approvals are done by the Department of Conservation, where they should be done. I never did say that we were looking at taking away environmental approval from municipalities because they never had it. Wrong again. The member has not done his work properly.

There are other issues. Well, there are a few other ones here, Mr. Speaker. I will just think about them, get those facts on the record, but I would encourage the member, when he says these kind of things, to do his research more carefully. Oh, the other area. He talked about the decline in the number of farmers in Manitoba, and he said that farm population had just gone down dramatically under this. There are 20 000 less farmers in Manitoba. Well, I want to tell the member that he is wrong again. He said that there are less farmers, and I will quote from his comments again. He said: In 1999, there were 25 000 farm operations in Manitoba, many of them small farms. Well, I want to tell the member that he is wrong.

I will use Stats Canada's numbers. In 1996, Stats Canada number tells us that there were 24 383 farm families in this province, so there is no way that in 1999 there were 25 000 farm families in this province. The number of farm

families has been decreasing, but the member is trying to imply that, since we took office, the farm families are leaving. Well, I want to put some numbers on the record. In 1961, there were 43 000 farmers in Manitoba; in 1966, we dropped down to about 39 747 farmers; in 1971, 34 981; in 1976, 32 104; in 1981, 29 400; in 1986, 27 300; in 1991, as I said, there were 25 730; in 1996, there were 24 393. The numbers that we have now are not the exact numbers because Stats Canada has not done their report and those are the numbers that we should be looking at. But if you look at the numbers, yes, the number of farm families is down to about 22 000 farm families.

\* (17:10)

That is a decrease but it is just part of what has been progressing and happening over time as farms become larger with bigger equipment. Families become smaller, and children have less interest in taking over family farms. That is what is happening. Certainly I would like to see the number of farm families increase.

You know, Mr. Speaker, it was quite interesting for me to notice that in my constituency we have had several families move in from Alberta. The member said that they were just moving their cattle here and not moving to Manitoba. That is not true. Families from Alberta are buying land in Manitoba, and they are moving their herds here because they recognize that we have a pretty good province to live in. But the main reason that many are moving is because these are cattle producers, and they are short of water in Alberta. So they are coming to Manitoba and not, as the member said, just coming here and bringing their cattle. They are buying land. They are moving here.

So I hope that we will see an increase in some of the numbers that we have here in this province, and more people will choose to live in rural Manitoba and take farming as a way of life. It is a challenging one and that is why we do things like the Bridging Generations Initiative that I spoke about to help young families get started in the business.

But, Mr. Speaker, part of the other things that we do is that by improving crop insurance,

by introducing a pasture program to crop insurance, it is something that will help maybe not the grain farmer but it might help the cattle producer, and I hope that that pilot project works for us. Certainly the investments that we have made into a variety of services will help farmers of rural Manitoba. I am very pleased that although it was not this year, in previous years we invested and we hired an organic specialist.

I heard some comments saying, oh, organic specialist; what is an organic specialist going to do? Well, just recently articles in the paper have indicated that there is a tremendous market for organic food. It may not be for every producer, but there are those niche markets out there that have helped many, many farmers add value and increase their incomes.

The sheep specialist—and, again, I heard some people mentioning, well, you know, what is the sheep industry? Well, the sheep industry is growing in Manitoba. It is one that I think we would like to see grow. As people move out of grains production and into livestock, there is a wide variety of species that people can invest in. I am very proud of what we have been able to do. I hope that the Opposition would recognize that there are other options, and that we should encourage as many of those options as possible, because, as I said, I think there is room for the traditional production, there is room for the production where people want to use a lower amount of fertilizer, and there is room for organic production.

We have a lot of land in this province and we should be encouraging those who want to have smaller operations to have them then, because smaller operations where people supplement their income off-farm but live on the land also helps our rural communities very, very much, Mr. Speaker. So I am pleased with what we have done for our agricultural community.

I heard members across the way talk about, well, there really is nothing new in this Budget for agriculture. We have done some new things, but you have to build on what you have. I think the announcement for the ethanol production is one that is very good. The announcement that we made earlier this year for investment in the nutraceutical centre, which will add another

opportunity to diversify production, another market for some of the traditional crops, markets for new crops to be grown on a very small scale, will help our producers, as well.

*Mr. Conrad Santos, Deputy Speaker, in the Chair*

I want to just get back to my constituency a bit and talk about how the Opposition, as well, does not do research in some of the areas when they try to raise issues in my constituency. Earlier this year, in fact in February, on Valentine's Day, the member from Charleswood (Mrs. Driedger) called up the *Star and Times* in Swan River and said I am going to send you this information. This Government has no intention of building the Swan River hospital. They have not budgeted for it.

Well, the *Star and Times* called me up right away and said, you know, what is this. Your Government is not building the Swan River hospital. I said what are you talking about. Well, we got this article from the member from Charleswood, and she faxed this article in that says: Construction projects that continued during 2000-2001 and the new capital building projects that went into construction during 2001-2002—Swan River is not on here. This is supposed to be big news.

Well, the Swan River project could not be continued in 2001. It had not begun, so it could not be constructed in 2001-2002. What I did tell the reporter was that, although the Opposition said that they were going to build a new hospital, when we got into office, Mr. Deputy Speaker, we looked at the capital program and, lo and behold, Swan River was not on the capital project. The previous government had no intention of building that Swan River hospital. There was a temporary facility, and I believe that it was their intention to leave it there because they did not put it into the capital project.

So, again, one of their researchers and one of their MLAs were trying to create trouble in my constituency by putting out this kind of information, saying it is not on the capital project. But she would not admit that their government had no plans. It was not there.

**An Honourable Member:** They did that in Transcona, too.

**Ms. Wowchuk:** Same thing. Same thing in Transcona. Lots of talk, no action. Mr. Deputy Speaker, that just shows how wrong this government can be and how they like to create havoc in the community, because that is what she was trying to do. She was trying to get a story in the *Star and Times* saying there are no plans for a hospital. Well, all of the work is being done. The building is being designed. The feasibility study is being done. The architects are doing their work, and, yes, the Swan River hospital will be built by an NDP government.

I am really proud of what we are doing there because the Conservatives were not going to do it. They do try to cause trouble, just as the member from Emerson tried to cause trouble in Portage la Prairie just two days ago saying they are moving the Food and Development Centre out of Portage la Prairie and moving it into Winnipeg. No research. Just trying to cause a disturbance.

I would encourage the members. It was just like prior to the Budget. What did they say? We were going to drain down the rainy day fund. We were going to have user fees in health care, all of those things, and we were going to close hospitals. My goodness, they must have been disappointed when all of the things that they predicted were not coming true and that we are actually delivering a better service than they ever delivered.

We are improving drainages, which is a real problem for many people in rural Manitoba. *[interjection]* Pardon me. At Roblin Boulevard? The member asks if we are going to start drainage projects on Roblin Boulevard. Well, you know, Mr. Deputy Speaker, it is going to take us a long time. Roblin Boulevard is in the city, so I do not know why he is worried about Roblin Boulevard. I am concerned about rural Manitoba. There are so many drainage ditches that have been neglected over the 11 years by the previous government. If we can start to clean up and correct some of those things, it will be a long time before we have to worry about drainages within the city boundaries. *[interjection]* Oh, on the south side of the city?

Well, if the member has a drainage ditch on the south side of the city in the Roblin Boulevard area that needs to be improved, that his government neglected, I would encourage him to bring it forward and put it on the plan. We will work through them, just like we are working through many of the other issues that have been neglected by the previous government.

\* (17:20)

As I have said, there are issues. Oh, I have to touch on the harness racing because the member opposite from Minnedosa just spoke and said—and other members have said over the last couple of days—that over 500 Manitobans are going to lose their jobs because of the closing of the harness racing. Well, Mr. Deputy Speaker, the Minister of Industry, Trade and Mines (Ms. Mihychuk) met with those harness racing people the day after, right after Question Period, right after she gave her speech to the Budget. But I have to tell you that we have met many times with this group, and the previous government met with them too. They recognized that this was not a growing industry as the member from Minnedosa indicated. In fact, this is a dying industry, unfortunately, and I feel badly about it, but it is a dying industry. There are fewer and fewer people participating in it and there are fewer and fewer people going to the races. People's lifestyles change and they have different interests. They have not been supporting the races. In fact, all of the money we were putting in was going to the purses for the races.

We have to make some very, very tough decisions but anyway, they said 500 jobs are gone. Well, the 500 jobs are not in the harness racing. The 500 jobs are in the breeding industry and the breeding industry will continue. You know what? They told the Minister of Industry, Trade and Mines that there are six full time employees. Yes, there are many other part-time jobs in this. There are part-time jobs and there will be an impact on a few people. Yes, there will and I recognize that. I hope that those people can find a way to replace their income with other things, because it is not easy to lose part of your income.

I hope that they can find a way to change their income, but the truth of the matter is the

public is really not supporting this industry anymore. As we said, there were places where we needed money and that is a decision we made. We have communicated that message to the harness racing industry, and the horse industry, I should say, is an important industry—the PMU industry, horseback riding. There are a lot of areas where there is a lot of interest in horses.

Mr. Deputy Speaker, as I have said and when I look at this Budget, I have to tell you that I also am on Treasury Board and spent a lot of time thinking about these issues and I really commend the Minister of Finance for his creative thinking. The Minister of Family Services and Housing (Mr. Sale) indicated steps that the Minister of Finance has taken since the last time we were in office to reduce our debt—better financing and paying down the pension plan to save money. All of those things are very creative. When I look at this Budget, as I said, it is a reasonable budget, given the constraints that we are in, given the global downturn.

**An Honourable Member:** You have to say that.

**Ms. Wowchuk:** The member says I have to say this. Well, you know, Mr. Deputy Speaker, I am proud to say it. I am proud to say that our Government has brought in a balanced budget and has been able to make decisions that will improve the quality of life. Since our time in office, we have been able to reduce taxes, property taxes for people. We have been able to reduce income taxes for people. When you look at the Budget book and look where seniors are, the variety of areas where we have been able to improve the quality of life, the overall budget spending increases only 2.5 percent—the lowest budget-to-budget increases in five years. Only areas of priority, such as health care, education, justice and support for families and communities received increases. Those are very important areas for people throughout Manitoba.

New personal income tax reductions in 2002 mean the average Manitoban will see an 11.5% cut in their personal income taxes in 2003. Another 5400 Manitobans are removed from the tax roll in Manitoba. *[interjection]* Certainly, Mr. Deputy Speaker. More people are being

added at the other end, but at the lower end there are people who—are you saying that you are so concerned about taxes that you would rather have these low-income people pay some taxes?

**An Honourable Member:** More people and less taxes.

**Ms. Wowchuk:** The member says more people and less taxes. I want to commend our Minister of Immigration and Labour (Ms. Barrett) and the Minister of Industry, Trade and Mines (Ms. Mihychuk) for the work that they have done to bring more people to Manitoba. More people have come to Manitoba under immigration under this administration than ever came under the previous administration.

Mr. Deputy Speaker, I would like to just close by saying that there are many steps that we have taken to improve the quality of life. There have been steps that we had to make—many more economic opportunities, many more job opportunities in this province. The research and development area is an area that we have made investment in. All of these things are building on the things that we did in our previous budgets and are steps that will indeed improve the quality of life for Manitobans.

*Mr. Speaker in the Chair*

I hope, as we progress and make further changes and further announcements in this Budget, that the Opposition will come to realize that this is indeed a very good budget. I hope that they will look very closely at what we have put forward and accept that these are good decisions, that they will accept the fact that Manitoba Hydro is owned, by the people, for the people. There is absolutely nothing wrong with taking money from Manitoba Hydro and investing it in Manitobans. I have to say that I am very proud that we did not sell Manitoba Hydro like the previous government sold Manitoba Telephone. They sold Manitoba Telephone, put the money into the rainy day fund and then spent all that money. Nothing left. No telephone system left. Mr. Speaker, 65% increase in our telephone rates. System is gone. They criticize the Saskatchewan Telephone System. Well, I will tell you, Mr. Speaker, if they had been smart and if they would have

taken up Saskatchewan's offer to join together and create a large telephone system between the two provinces, we would have a telephone system for the people and we would have revenues generated from Manitoba Telephone System like we do from Manitoba Hydro. *[interjection]* Yes, but what they did was sold Manitoba Telephone System off, made a lot of profit for a lot of their friends, and increased the rates for Manitobans.

\* (17:30)

They talk about taxes. Some of the increases in telephone rates means that some Manitobans cannot afford a telephone any more, and we will never have the opportunity to expand telephone services. I can tell you of an example in my constituency in Grand Rapids, where people cannot get a telephone because the private companies will not invest there. If at least they would have been smart enough to expand the services into those remote areas before they sold it off, they might have been doing something for Manitobans, but they sold it off, used the money for their election. The money is all gone.

We have made a commitment. We will never sell Manitoba Hydro, and Manitoba Hydro will be there to generate revenue. They spoke against Limestone, and those were very interesting comments that we heard put on the record about what the Conservatives said about Limestone—was not a good investment. I know, Mr. Speaker, you would not. You have some experience with Limestone, but they said bad investment. We said it was a good investment and it is paying off because we are selling Hydro to the United States and our surplus sales are creating revenues that we can use to help Manitobans. What we should be doing is looking at what other hydro generation we can do to create more revenue for Manitobans, not sell off services and Crown corporations like the previous government did. That was a bad decision. The decision we had made with Manitoba Hydro is the right one, and I am very proud of what we have done.

So, Mr. Speaker, I hope that the members will come to realize that this was the right decision and will, in fact, come to realize that this Government has made some very good

financial decisions that are in the best interests of Manitobans.

**Mr. Frank Pitura (Morris):** Mr. Speaker, it is always a privilege and honour to get up and speak to the Budget. Certainly, it is always a pleasure to follow the Member for Swan River (Ms. Wowchuk). It is interesting to listen to her factual and truthful outpouring of knowledge that she has about her government of the day, so it is very interesting to follow her.

Well, I first want to welcome our newly-elected member from the constituency of Lac du Bonnet. We do welcome him to our caucus. He is a very good addition to our caucus. He is, we feel, a very good representative for the people in the constituency of Lac du Bonnet. He has lived there all his life. He has practised there in law, and he has volunteered for a lot of activities in that constituency. So the people of Lac du Bonnet, I think, have elected a very good representative to represent them.

You know, Mr. Speaker, when I go through the highlights of the Budget, I just cannot help but look at some of the remarks that were made by the Minister of Transportation and Government Services (Mr. Ashton). He states in one of the paragraphs in his presentation that, quote, he has faced challenges on the revenue side. He says the most significant drop is in the corporate income tax side and so they have had a lot of difficulty with respect to making the Budget for 2002-2003 balance without the raiding of Manitoba Hydro. It is interesting to look at these statements, and at the same time you are hearing the Government say: We have the lowest unemployment rate in Canada; we have the lowest interest rates. Today, in this House in Question Period, we are talking about the youth unemployment rate as being the lowest in Canada. We are in a very positive economic time in this province, and yet we have a government that is saying: We are having trouble balancing the books because we are short of revenue.

What is going to happen when inflation starts to occur and we start having inflation rates of 4 percent, 5 percent, 6 percent? What is going to happen when unemployment rates start to go up? What is going to happen when youth

unemployment rates go up? What is going to happen when interest rates go up? You know, we are in a good time right now. This Government ain't going to be able to balance the books, period. They are going to go into deficit. It is the only way they are going to be able to handle it. They are going to have to be forced to take probably more money from Crown corporations to be able to balance the books. So I find it really strange that they would talk about having these really big challenges about not being able to balance the books without extracting money from Manitoba Hydro because, look out, a bad time is coming, and you are going to be really feeling the pinch. You know, when you take a look at taking money out of Manitoba Hydro—and I guess the interesting thing here is that when I see what this Government is doing, and I have been in this Legislature since 1995 and I always thought that governments were always honourable in the way they conducted themselves and that they always conducted themselves for the best of the people that they represented, that they were government of the people for the people by the people.

When I look at some of the things that this Government has done, I find that they have not got any respect for the law. They tend to want to do things and then look at the legislation and then say: In order for us to be able to do this, we are going to have to change the legislation. This is exactly what is happening with Hydro. It states very clearly in The Manitoba Hydro Act that funds from the Crown corporation cannot be used for the general purpose of the Government. So what are you going to do? You are going to change the law. Change the legislation so that funds can be used by the Government of Manitoba. How long has Manitoba Hydro been in existence? That legislation has held strong and has held true. Now, all of a sudden, it is going to be changed so that money can flow for general revenue purposes for the provincial government.

Also, the same thing occurred with the Manitoba Public Insurance, trying to take \$30 million out of the coffers there to spend on the campuses, the university campuses, for capital investment, only to find out that when the ratepayers got upset and started to slap their wrists, that they backed off and decided that it might be best not to take that money from MPI.

Another thing that I noticed in the Budget and I would like to spend a little bit of time talking about is the fact that the harness racing has been eliminated. An industry has been eliminated, and the Minister of Agriculture (Ms. Wowchuk) has talked in some degree about the number of jobs and part-time jobs that were affected, and the Minister of Industry and Trade (Ms. Mihychuk) has tried to reject the fact that 500 jobs have been lost or affected as a result of the loss of harness racing, but you have to look at some of the support services for harness racing that takes place. Of course, you have got the supply of straw, you have got the supply of hay, got the supply of grain. That all has to be supplied. You have to also have the disposable services for the manure from the barns. There is also the use of food services to the restaurants. There is the fuel and accommodation that is necessary for people who are on the racing circuit that are travelling through town. Every community facility such as Glenboro, Holland and Wawanesa have built facilities to accommodate harness racing, and even Dauphin and Swan River. There is also the repair of mutuel machines, the company that keeps them going and brings them around. There are a lot of jobs affected.

\* (17:40)

I guess what is kind of ironical here is that my father-in-law, who just recently passed away, was an ardent harness racing fan. He was also an owner of a horse used in harness racing. He spent a lot of time in this sport and a lot of investment in this sport, because the people who own the horses usually have paid quite a bit of money for these horses. They also pay a trainer, they hire a trainer to train them, they hire a driver to drive them. These are paid jobs. So there are all these people: the restaurants and hotels that feed all these drivers, the trainers that move from town to town. My father-in-law was all part of that picture, and, interestingly enough, just before he passed away, he was able to enjoy the video tapes of when he owned a horse and ran it. He ran this particular horse at the Downs by the way, the Assiniboia Downs, and his horse was called Beauty Grey. Beauty Grey won a couple of races, and he just loved to look at that video; it brought back such good times for him. So it is unfortunate, but on April 9 we lost him,

and strangely enough two weeks later or three weeks later we are sitting in this House, and I was saying I lost my father-in-law, now he has lost harness racing, so kind of ironical that harness racing would be gone at the same time.

I have also noticed in the Budget, that the budget for the Status of Women has been reduced. And from what I can see in just looking at the numbers in the Budget books, it looks like there is one less staff working in the Status of Women. For a government that always was very strong in promoting the Status of Women, to turn around now and cut this program back is, I think, very ironical and very strange that this would happen.

I also noticed in the Budget as well that the Government is attempting to maintain a higher vacancy rate of around 6 percent. I can say that when you are trying to maintain 6 percent average, some departments are going to be quite a bit higher than that in order to be able to meet that target. So I am somewhat worried and concerned that in some departments the vacancy rate may be so high so that some of these programs that this top-down government puts into place, the programs will be there, the money will be there, but alas, there will not be any staff to deliver the programs. Therefore, the money will go back to general revenue and we will have the announcement and we will make the announcement again, we will make the announcement over again and again and again and not spend the money because we do not have the staff. But it will look good. It will look really good, you know. So, anyway, always wonder, when you are talking about a 6% vacancy rate, that some departments are probably going to be ending up with 8 to 9 percent in order to meet that average.

Then, Mr. Speaker, I look in the Budget and see the announcement of the investment of the Food Development Centre, in nutraceutical research, in SMARTpark at the U. of M. Great investment, great investment. However, I would argue and debate with the Minister of Agriculture (Ms. Wowchuk) that probably, in the province of Manitoba, it is going to be very difficult to be able to support two food development centres. So one is going to have to go, and I am afraid that, eventually over time,

the minister will end up eating her words in terms of the development centre at Portage. I am afraid about that. But, maybe, the things we are saying right now might prevent that from happening.

Mr. Speaker, there is another thing that really did not come out in the Budget, but it is so prevalent and it is kind of a really sneaky way of doing things. What you do is you have a municipal government that approaches the Government and says: We would like to have some infrastructure funding. Infrastructure funding for water or sewer or whatever is usually a three-way partnership. You have the federal government, you have the provincial government, you have the local government cost-sharing to do the infrastructure funding. So the Province comes in and says well, yes, your project is good. Go ahead, go ahead; do the environmental impact study; have your hearings; have your engineering study. You know, it is a go. When the time comes for the project to get the approval, the Province writes a nice little letter, the NDP government writes a nice little letter saying: Well, congratulations on your new infrastructure project. We are happy to be able to supply you with 40% funding. Well, good. Then you are going to lay half a sewer line? Which half will it be? The top half or the bottom half? You know, it kills the project.

You might as well have told them right at the beginning, sorry, this project is not going to go. They end up spending a lot of money on the engineering studies, the environmental studies, only to find out that the project will not go at all. It was a joke and they are being strung along by this Government, as if to say oh, yes, you are going to be able to do it; it looks good; you are going to get the money.

They did the same thing with harness racing. Yes, you are going to go, and then the Budget is zero. Sorry. Sorry, but your industry is done. Ta-ta. Bye. We feel sorry for you, but we will do it anyway.

When I talk about a government that has no respect for the law, I come in to this area in education where we have the Minister of Education (Mr. Caldwell) breaking the law, not once but several times in the administering of

The Public Schools Act. Mr. Speaker, let me just spend a bit of time talking about the situation that is out there in the Morris-Macdonald School Division. First off, the Provincial Auditor's Report is brought about by a single individual having some difficulties with an adult learning site, and this triggers the study. The study is done and it basically does not say very good things about the situation in Morris-Macdonald. So the board of trustees, in responding to the Provincial Auditor's Report, agrees to every recommendation in the report, with the exception of one—one that the Department of Education made to them. The first one that they wanted is they wanted to continue to operate the adult learning sites within their own school division until the end of the school year, not too much to ask. You know it is kind of natural to be within your boundaries. The Department of Education said no; the minister said, no, you cannot continue with it.

\* (17:50)

The second request he made was that in order to establish and determine the exact amount of dollars, if it has overstated students, is to find out which students are overstated, then determine the dollars and then pay those dollars back. Very simple, hire and do the study to arrive at the numbers. At that point the Minister of Education says: You are out of here, you are fired, you are gone. I think that was a very unfeeling and very unprofessional way to handle the whole situation. So as it turned out is that the Morris-Macdonald School Division ended up with no trustees. I would remind you also that when it came to calling the by-election for Lac du Bonnet constituency, the same day that the Member for Lac du Bonnet, previous member, resigned his seat, the Premier called the by-election the same day. Yet the Premier is quite happy to have the residents of Morris-Macdonald School Division without any kind of representation for almost a year. He is prepared to tax those same residents without them having any input, and he is prepared to amalgamate them with another school division without their input.

These are very important decisions that have to be made on behalf of all the citizens in the Morris-Macdonald School Division. This

Government cannot, cannot ignore the fact that there is not representation because democracy is based on having representation if you are going to participate in taxation. If there was no taxation involved, then you could well say, well, you do not have an argument, but when you are imposing taxes upon the population and saying you will have nothing to say about this, you will pay, you have no ability to negotiate, nothing, this is it, done, that is not democracy, and I think that that goes to the reason why the citizens of Morris-Macdonald have organized. They are not going to roll over and play dead on this issue, and they are going to push until they have justice, they have truth, they have fairness and they have an openness about the whole process. They want nothing more and nothing less than to be treated fairly and openly in this whole area.

I could go on and on about this whole Morris-Macdonald situation since there is a lot of information there as a result of this whole process. The staff involved with the adult learning centres have been gagged. They cannot speak. They cannot talk publicly about it. There is really nothing that could be said about it. My charge is that if the Department of Education, out of the minister's office, had listened to the Morris-Macdonald School Division when they submitted their report in November 1999 about adult learning centres, would not be in this position today had they listened to the school division then. They could have done it, but, no, no, they decided that they would continue on, and so what they have essentially done is made a travesty out of our democratic system. They have ignored it. They have ignored the democratic needs of the citizens of the Morris-Macdonald School Division. I think that it is very important for all of us to realize the fact that democracy is part of Canada. Our basis for our country is that we have democratic representation. We have representation through taxation. We are willing payers of taxes if we are represented. We will not be willing taxpayers without representation.

I think everyone of us knows here, Mr. Speaker, that if you go back through history whenever that type of government was employed, was that usually what happened was there was a revolt that took place. We can look back through the history books in Great Britain.

So it is very important that the residents of the Morris-Macdonald School Division have a democratic voice and be represented in regards to amalgamation, with regard to pay back of any monies, if any, and also to have trustees in place that they can have there to represent them.

**Mr. Speaker:** Order. It is very difficult to hear the honourable member who has the floor. I would ask the co-operation of all honourable members, please.

**An Honourable Member:** There is some real gabbing here.

**Mr. Pitura:** Yes. Well, maybe I will have to speak louder.

Mr. Speaker, I am disappointed that the Government is not respecting the law more than they are, because I really have difficulty when as you govern, that when you make choices and when you make changes and when you make your decisions in whatever, you then realize after the fact you are going to change the legislation. So you can do it? That it makes it legal? That is not the way you govern. That is not the way government is done. Governments should have enough vision, enough future, that when you put legislation in place, it is there for a long time and you only change legislation on the basis of the future needs, not historical. That is, to me, a very mismanagement, misvisionary type of government. It really upsets me to see that.

I also see in the Budget all the special operating agencies are listed and all of the dividends that come back to the Government. I can recall the Member for Elmwood (Mr. Maloway) made many comments about the fact that the dividends coming back on the special operating agencies were part of the slush fund for the Government. So I guess his slush fund for his party—they are still there and they are still paying dividends.

But also of note—and I am hoping to be able to pursue this more in Estimates—is why they would be getting dividends from the Land Management Services special operating agency when, indeed, the Land Management Services is registering an operating loss this year. So it kind of strikes me strange that you want to extract

some dividends out of an operating agency that has lost money. I would be interested to follow that up into Estimates.

Mr. Speaker, I know that this Government is talking with very proud words about its Budget and how it is balanced, but this Budget, because of the fact that it is taking money out of Manitoba Hydro, because of the fact that you would have to change the law to do it. To me, I have no choice but to vote in favour of the motion for non-confidence in this Budget, and I will be voting against the Budget as it is presented.

I am looking forward to the system of Estimates, and asking and dialoguing with some of the ministers with regards to the Estimates for the department.

**Mr. Speaker:** The honourable Member for Rossmere.

#### House Business

**Hon. Gord Mackintosh (Government House Leader):** On a matter of House business, is there agreement of the House to call it six o'clock?

**Mr. Speaker:** Is it the will of the House to call it six o'clock? [*Agreed*]

\* \* \*

**Mr. Speaker:** When this matter is again before the House, the honourable Member for Rossmere (Mr. Schellenberg) will have 40 minutes remaining.

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

# LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, April 25, 2002

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