



First Session - Thirty-Seventh Legislature

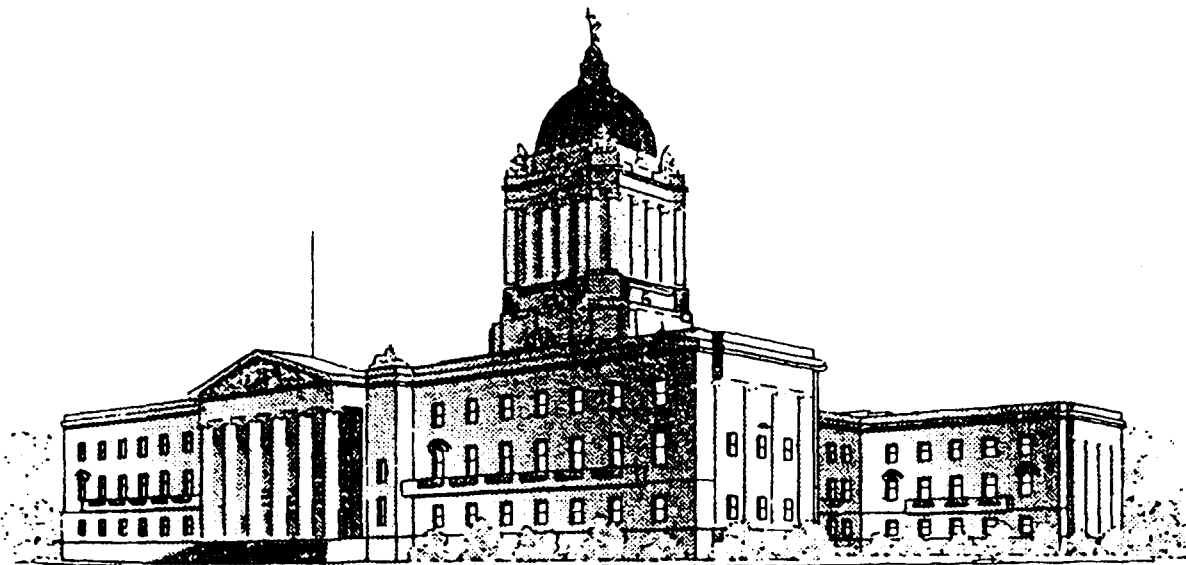
of the

**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.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CUMMINGS, Glen	St. Rose	P.C.
DACQUAY, Louise	Seine River	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
FILMON, Gary	Tuxedo	P.C.
FRIESEN, Jean, Hon.	Wolseley	N.D.P.
GERRARD, Jon, Hon.	River Heights	Lib.
GILLESHAMMER, Harold	Minnedosa	P.C.
HIELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
LOEWEN, John	Fort Whyte	P.C.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
MAGUIRE, Larry	Arthur-Virden	P.C.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McGIFFORD, Diane, Hon.	Lord Roberts	N.D.P.
MIHYCHUK, MaryAnn, Hon.	Minto	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
PENNER, Jack	Emerson	P.C.
PENNER, Jim	Steinbach	P.C.
PITURA, Frank	Morris	P.C.
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REIMER, Jack	Southdale	P.C.
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ROCAN, Denis	Carman	P.C.
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SANTOS, Conrad	Wellington	N.D.P.
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SCHULER, Ron	Springfield	P.C.
SELINGER, Greg, Hon.	St. Boniface	N.D.P.
SMITH, Joy	Fort Garry	P.C.
SMITH, Scott	Brandon West	N.D.P.
STEFANSON, Eric	Kirkfield Park	P.C.
STRUTHERS, Stan	Dauphin-Roblin	N.D.P.
TWEED, Mervin	Turtle Mountain	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

## LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, June 28, 2000

The House met at 1:30 p.m.

### PRAYERS

### ROUTINE PROCEEDINGS

### PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

#### Committee of Supply

**Mr. Conrad Santos (Chairperson):** Mr. Speaker, the Committee of Supply has considered certain resolutions, directs me to report progress and asks leave to sit again.

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

*Motion agreed to.*

### TABLING OF REPORTS

**Hon. Gord Mackintosh (Minister of Justice and Attorney General):** Mr. Speaker, I would like to table the Annual Report of the Seizure and Impoundment Registry for 1999-2000.

I would also like to table the 29th Annual Report 1999-2000 of the Manitoba Law Reform Commission.

### INTRODUCTION OF BILLS

#### Bill 33—The Highway Traffic Amendment and Consequential Amendments Act

**Hon. Gord Mackintosh (Government House Leader):** Mr. Speaker, I move, seconded by the Minister of Finance (Mr. Selinger), that leave be given to introduce Bill 33, The Highway Traffic Amendment and Consequential Amendments Act; Loi modifiant le Code de la route et modifications corrélatives, and that the same be now received and read a first time.

His Honour the Lieutenant-Governor, having been advised of the contents of this bill, recommends it to the House. I would like to table the Lieutenant-Governor's message.

*Motion presented.*

**Mr. Mackintosh:** The main focus of this bill is, first, to lengthen impoundment periods for motor vehicles driven by disqualified drivers and those involved in alcohol-related offences when blowing over 0.16 and for repeat offenders; second, to extend the time within which one is considered a repeat offender; and third, to suspend the licence of a person convicted of fleeing a police officer by vehicle.

*Motion agreed to.*

### Introduction of Guests

**Mr. Speaker:** Prior to Oral Questions, I would like to draw the attention of all honourable members to the Speaker's Gallery where we have with us today His Excellency Dirk Jan Van Houten, Ambassador of the Netherlands.

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

Seated in the public gallery from Netley School 25 Grades 1 to 9 students under the direction of Ms. Kelly Eckford. This school is located in the constituency of the Honourable Member for Gimli (Mr. Helwer).

Also seated in the public gallery from Wingham School 20 kindergarten to Grade 8 students under the direction of Mrs. Joan Wood. This school is located in the constituency of the Honourable Member for Carman (Mr. Rocan).

Also in the gallery we have from Henry G. Izatt Middle School 108 Grade 5 students under the direction of Mrs. Joann Eliuk, Miss Kristin Wyant, Miss Barbara Young and Miss Heather Wood. This school is located in the constituency

of the Honourable Member for Fort Whyte (Mr. Loewen).

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

\* (13:35)

### ORAL QUESTION PERIOD

#### **Minister Responsible for The Gaming Control Act Conflict of Interest**

**Mr. Jack Reimer (Southdale):** Mr. Speaker, over the last few days there has been a fair amount of comment and questions from both sides of the House here in regard to the definition of conflict of interest in our pursuit of asking the Minister of Consumer and Corporate Affairs (Mr. Lemieux) to step aside to get an outside legal opinion.

I just want to remind the First Minister in regard to the conflict of interest and the performance and the responsibilities of the Minister, and I would like to just quote: "Where, during the exercise of any official power or the performance of any official duty or function by a minister. . . there arises a matter involving the direct or indirect pecuniary interest of any person, corporation, subsidiary of a corporation, partnership, or organization to whom or which the Minister or any of his dependants has a direct or indirect pecuniary liability; the Minister shall . . . refrain at all times from attempting to influence the matter;"

I want to ask the First Minister whether he has sought or whether the Minister of Consumer and Corporate Affairs has sought an outside legal opinion as to their position in regard to the manner of the selection of the casinos.

**Hon. Gary Doer (Premier):** Mr. Speaker, certainly the Minister is aware of those provisions of the Act and he has used them properly in the past.

**Mr. Reimer:** I just want to ask the First Minister then: I believe there was even a doubt or an innuendo in his mind because in yesterday's comments, and I want to ask him why he replied

to one of the questions after the questions yesterday and the impressions that were left—I went back and inquired. I want to ask the First Minister then: Did he make a legal inquiry as to the position of his minister or was this just an inquiry back to his communicators or his spin doctors?

**Mr. Doer:** No, Mr. Speaker.

**Mr. Reimer:** Mr. Speaker, the matter of conflict is a very, very serious matter. I want to ask the First Minister: Will he do the right thing? Will he clear the air in regard to the perception of a conflict of interest in regard to his Minister of Consumer and Corporate Affairs in the handling of the awarding of a proposed casino to Thompson for the Nelson House First Nations where his wife acts as a lawyer? Will he ask for an outside legal opinion to clear the air? That is all we are asking.

**Mr. Doer:** Mr. Speaker, we believe the Minister in all the actions and decisions he has been conducting himself with has disclosed properly, and when there was a matter that required withdrawal, it was followed properly under the Act.

#### **Minister Responsible for The Gaming Control Act Conflict of Interest**

**Mr. Mervin Tweed (Turtle Mountain):** Mr. Speaker, the issue of a conflict of interest is a very serious matter, and indeed the mere perception of a conflict of interest is a serious situation. Just last week the First Minister himself said that democracy is improved by ensuring that a good perception is maintained in government.

Again, Mr. Speaker, through you, I would ask the First Minister is he prepared to seek an outside legal opinion in regard to the Minister of gaming's perceived or real conflict of interest.

**Hon. Gary Doer (Premier):** Mr. Speaker, we have dealt with issues in the past dealing with perceptions. Certainly one thinks about Mr. Cubby Barrett, who was able to obtain a hotel that was denied a liquor licence three or four times in the past and just happened to obtain a hotel and happened, as a new owner, to get a

liquor licence contrary to the views of the First Nations community in that area. That is a perception that I think that people of Manitoba want to know more about.

**Mr. Tweed:** Mr. Speaker, it is obvious that the First Minister continues to live in the past, and I would like to ask the First Minister: Will he heed his own words and remove the perception of a government in conflict by removing his minister from this file until a legal opinion can be obtained?

**Mr. Doer:** Mr. Speaker, if members opposite feel there is a breach of the Act, they have the full avenue of using section 20. If they do not, they should quit slamming and smearing the Minister and his spouse.

**Mr. Tweed:** Mr. Speaker, my final question to the First Minister: Is he saying to Manitobans that potential conflicts of interest in this Legislature are of no importance to him or his ministers?

\* (13:40)

**Mr. Doer:** Mr. Speaker, conflicts of interest are very serious matters and must be treated in a very serious manner. The seriousness under which they should be treated—all members should also respect the seriousness of our spouses and their work and our ability to disclose about their work and withdraw from decisions that have been made.

I do not know if it is just the members opposite or members that might be running for the party for members opposite, but we should all be very concerned that, yes, we follow the law which requires disclosure, and it requires removal from decisions that affect or may affect the performance of the Minister. It also means that members in this Chamber do not smear families for their political purposes.

**Minister Responsible for  
The Gaming Control Act  
Conflict of Interest**

**Mrs. Joy Smith (Fort Garry):** Mr. Speaker, the Premier stated in this House that, and I quote: Perception of the public is more important than

the realities. Now we are faced with the situation where perception and reality are one and the same. We have a minister responsible for gaming who is in a conflict-of-interest position and fails to recognize that fact.

Does this premier stand by his words and acknowledge that, and I quote, perception of the public is more important than realities? Is this premier going to avoid this situation?

**Hon. Gary Doer (Premier):** One of the conditions that has been stated by the Minister and by all of us, Mr. Speaker, for the conditions of a casino to proceed is the views of the public in the area that is affected. The members opposite had a choice to consider the views of the community of Cross Lake where they asked the Government not to provide a liquor licence to one Cubby Barrett. They chose to ignore the views of the public. We choose to honour and respect the views of the public, and that is what we said all along as a condition of these provisions.

**Mrs. Smith:** Mr. Speaker, will this premier keep to the issue and talk about the issue at hand, remove the gambling file from the Minister who has it at the present time, or is this premier simply offering Manitobans his daily dose of rhetoric?

**Mr. Doer:** No, Mr. Speaker.

**Health Care Facilities  
Rural Manitoba**

**Mr. Harold Gilleshammer (Minnedosa):** Mr. Speaker, over the last week, mayors, reeves and their councils have been meeting in regional meetings of AMM. One of the topics that has frequently come up is the template for the existence of rural health facilities. In a meeting in Killarney just the other day, the Mayor of Boissevain indicated that they no longer needed to discuss this issue, because the Premier has already indicated he does not accept that template for the existence of rural hospitals.

I wonder if the Premier (Mr. Doer) could confirm that.

**Hon. Dave Chomiak (Minister of Health):** Mr. Speaker, I think the Member ought to know that when he was a member of Cabinet in the former government, they put in place a process that was reviewing minimum standards for rural health facilities, and that the Member was a member of the Cabinet that put in place a process that reviewed the minimum standards with respect to hospitals. That process has continued. It is still in draft form, and we are awaiting recommendations in that regard.

**Mr. Gilleshammer:** Mr. Speaker, the Mayor of Boissevain clearly said that the Premier (Mr. Doer) had indicated that he does not support that template in its current form. I wonder if the Premier could confirm that he will not support that template and indicate what standards he would support in terms of the existence of rural hospitals.

**Mr. Chomiak:** Mr. Speaker, in the last few weeks in the House the Member's statements have been so inaccurate on so many occasions that I would be prepared to discuss that issue with the Mayor of Boissevain, but coming from the Member who released a document saying it was our document when in fact they had put that document in place I think questions the credibility. I will prepare to discuss that issue, but I do not accept the second-hand words of that particular member in this regard.

**Mr. Gilleshammer:** Mr. Speaker, I am pleased that the Minister of Health is prepared to meet with the Mayor of Boissevain.

I would ask if he is also prepared to meet with the committee that has been set up under Mayor Roy Stevenson and the citizens of Rivers, who are very concerned about their hospital. They have written to the Minister asking for a meeting. I wonder if he would confirm today whether he will accept that request and meet with them in the near future.

\* (13:45)

**Mr. Chomiak:** Mr. Speaker, I have endeavoured to meet with as many communities as possible and will continue to do that during the course of my tenure as Minister of Health. Obviously, I am confined physically to this Chamber for the

foreseeable future, and I welcome that; that is part of the process.

You know it is interesting, Mr. Speaker, that the members opposite put in place a regional health authority and regional health system, and now they are completely ignoring that process. I find it very curious that they put in place a particular process, that they completely ignore it, and I would like some clarification from members opposite as to how they see that functioning.

#### **Southwest Regional Health Authority Meeting Request**

**Mr. Mervin Tweed (Turtle Mountain):** Mr. Speaker, I would offer to the Minister of Health that, on this side, we would pair with him to go to any meeting in southwest Manitoba.

Mr. Speaker, in light of his comments today that he would be prepared to meet with the Mayor of Boissevain, in light of his comments to the Member for Carman (Mr. Rocan) recently that he was prepared to meet with all Manitobans, my question to the Minister of Health is: Has he had a request from the Southwest Regional Health Authority to meet to discuss budgetary issues? Has he had a request?

**Hon. Dave Chomiak (Minister of Health):** Mr. Speaker. I have had numerous requests from numerous groups and numerous organizations and RHAs to discuss budgetary issues and to discuss related issues.

**Mr. Tweed:** Mr. Speaker, obviously, he has refused to meet with them, and that is the reasoning for the questioning today. He has absolutely avoided the issues and avoided the questions that are out there.

I am asking the Minister of Health today to commit to a meeting, and I am prepared to go with him and pair him in this House to give him the time to go. Will he commit today to meet with the Southwest Regional Health Authority to discuss budgetary issues?

**Mr. Chomiak:** Mr. Speaker, as I understand it, officials from the Department of Health have

met with the Southwest Regional Health Authority to discuss budgetary issues.

**Mr. Tweed:** Here is a minister, Mr. Speaker, that talks about meeting people from all over Manitoba. We have got a Minister of Agriculture (Ms. Wowchuk) that talks about ag issues in southwest Manitoba but refuses to go there; we have got a Premier (Mr. Doer) that talks about southwest Manitoba but refuses to go there.

**Mr. Speaker:** Order.

### Point of Order

**Hon. Gord Mackintosh (Government House Leader):** On a point of order, Mr. Speaker. In light of *Beauchesne's* and the rules of this House, could you ask the Member if he has a question?

**Mr. Speaker:** On the point of order raised, I would like to take this opportunity to remind all members that *Beauchesne's* Citation 409(2) advises that a supplementary question should not require a preamble.

\* \* \*

**Mr. Speaker:** I would ask the Honourable Member to please put his question.

**Mr. Tweed:** Mr. Speaker, my question to the Minister of Health is: How can he justify ducking his responsibility in his failure to meet with the Southwest Regional Health Authority?

**Mr. Chomiak:** Mr. Speaker, I will compare the record of my meetings with Manitobans, with workers, with people in the system, with nurses, with doctors, with hospitals, with personal care homes, with those in the North, within rural Manitoba and across the province against any record of the ministers of Health on that side of the House.

### Portage Correctional Institution Charter Rights Violations

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, to the Minister of Justice: The costs to the province and our society of the Minister's present justice system are excessive because the

existing system and facilities like the Portage Correctional Institution provide conditions which in reality enhance criminal activity instead of correcting it.

\* (13:50)

As Debbie Blunderfield, the Executive Director of the Elizabeth Fry Society, indicated publicly today, we know women's Charter rights are being violated. I ask the Minister: Why is the Minister of Justice continuing to violate the rights of women?

**Hon. Gord Mackintosh (Minister of Justice and Attorney General):** Well, perhaps the Member might have some specifics. As the Member well knows, if one alleges a breach of the Charter and the individual is before the courts, that is the forum within which that kind of challenge is dealt with. We refer those matters. We do not deal with it at the bar of this House, although theoretically we could, but many, many years ago we gave up that right and that duty, and we leave that to the courts.

Now, in terms of the conditions and the concerns of the Elizabeth Fry Society, we met with the Elizabeth Fry Society I think in the last two or three weeks, and we have put together, I think, a good plan to deal with some of the concerns that they have raised. I look forward to a good, productive and co-operative working relationship with that organization.

### Overcrowding

**Hon. Jon Gerrard (River Heights):** My supplementary to the Minister of Justice: When, as Debbie Blunderfield has indicated, the Portage Correctional Institution is currently warehousing women, when will the Minister stop warehousing women in this province?

**Hon. Gord Mackintosh (Minister of Justice and Attorney General):** I wonder if it is the position of the Member that we should be closing the jails of Manitoba. Is this what he is suggesting, because incarceration does serve a purpose for public safety and for corrections? I am sure the Member in another moment and perhaps another place would agree to that.

In terms of the current challenges at Portage, those are challenges that are well known first-hand to the Minister responsible for the Status of Women (Ms. McGifford) and myself, because I do not know if the Member has been there, but we have been there, we have talked to the people who work there and we have seen the conditions. Unfortunately, much of the current situation is the result of inaction and delay on the part of the former government in putting in place a new facility at Headingley, as recommended very strongly by Ted Hughes, who urged the immediate building of a medium and maximum security unit at Headingley. Currently, women are being held on remand at Portage. Otherwise, they would be at the Winnipeg Remand Centre if not for the inaction of the members opposite.

#### Closure

**Hon. Jon Gerrard (River Heights):** Ma question supplémentaire pour le ministre: Parce que les conditions à l'Établissement de correction de Portage-la-Prairie sont terribles, quand le ministre de la Justice fermera-t-il cet établissement et construira-t-il un nouveau qui est meilleur et plus acceptable?

*[Translation]*

My supplementary question to the Minister: As conditions at the Portage Correctional Institution are terrible, when will the Minister of Justice close this institution and construct a new one that is better and more acceptable?

**Hon. Gord Mackintosh (Minister of Justice and Attorney General):** Oui, je suis d'accord. Il y a une situation très difficile à Portage, mais c'est un problème qui aura une solution dans un ou deux mois. Le Centre de détention provisoire est très rempli, trop. La situation—

*[Translation]*

Yes, I agree. There is a very difficult situation at Portage, but it is a problem that will have a solution in one or two months. The Remand Centre is very full, too full. The situation—

*[English]*

—it will only get better.

#### Riverview Health Centre Bed Closures

**Mrs. Myrna Driedger (Charleswood):** This morning I spoke with somebody at CancerCare Manitoba who told me that the average waiting lists there are 12 weeks long and rapidly climbing. I think it shows that what we are seeing here is a further deterioration of the health care system in Manitoba, that it is getting worse and not better.

Mr. Speaker, will the Minister of Health confirm that for the first time ever Riverview Health Centre will be closing beds?

**Hon. Dave Chomiak (Minister of Health):** Mr. Speaker, the Member started out with a cancer question and then went to a bed-closure question. I will try to deal with both issues, and I hope I will be allowed.

The one thing I can assure the Member is that, because of our programs, we did something the members opposite refused to do, and we have managed to bring the waiting list—the last count for the general situation, the average waiting lists were half of what they were under the previous government.

Now, as the Member might know, there is still a collective bargaining agreement issue that has to be dealt with that there is still ratification on, and I would prefer not to talk about specifics in that regard. With respect to the Riverview situation, I think it is a lot similar. I will look into the particulars of that. They are not permanent bed closures like there were 1600 beds under their government.

#### Grace Hospital Bed Closures

**Mrs. Myrna Driedger (Charleswood):** Mr. Speaker, will the Minister confirm that for the first time ever the Grace Hospital will soon be closing medical beds? The point I am making with my questions is related to the deterioration generally of health care in Manitoba.

\* (13:55)

**Hon. Dave Chomiak (Minister of Health):** Mr. Speaker, what I find curious about this is from



members who closed 1600 acute care beds permanently and that every year there were summer shutdowns. There are summer shutdowns this year, as there have been every year. As I indicated in Estimates yesterday with respect to medical beds, the medical bed portion of the shutdowns is less this year than it was last year. There are summer shutdowns that are taking place in the system, as take place every single year in this province. But we are not closing 1600 beds permanently, and in fact we will continue to open more acute care beds as we work through the year.

### **Nursing Profession Recruitment Strategy**

**Mrs. Myrna Driedger (Charleswood):** I am wondering when will this Minister of Health fulfil his election promise to hire a hundred nurses full time to ensure that patients are not in the hallways this summer when everybody is taking summer holidays. When will he hire the hundred nurses he promised?

**Hon. Dave Chomiak (Minister of Health):** As I have indicated on many occasions, Mr. Speaker, with respect to hallways, we are down 60 percent, 70 percent, 80 percent per month with respect to people in the hallways. I have always said I am not perfect, but we have done a much better job by our program, and we have been recognized nationally with respect to how we have done in the hallways.

With respect to nurses, it is unfortunate that members opposite oppose our five-point nursing plan. For the first time, we are taking action and we cannot, in nine months, undo what was done for ten years of neglect of nurses, cancellation of programs, attempt to eliminate LPNs, cancelled diploma program, and now they even oppose the efforts we are taking to try to get and attract more nurses. I think that we, under the circumstances, under nine months, by all counts and by all outside analysers, have done a better job on hallway medicine than has been done in this province for a decade.

### **First Nations Casinos Community Opposition—Headingley**

**Mr. Frank Pitura (Morris):** The council of the Rural Municipality of Headingley, last evening,

stated it will abide by local residents' wishes and stand in opposition to a proposed First Nations casino in the area. The council will be forwarding this resolution to the Government indicating their position very shortly.

Mr. Speaker, will the Government confirm today that the wishes of the Rural Municipality of Headingley and their local residents will be respected and that a casino will not be allowed to proceed in the Headingley area?

**Hon. Gary Doer (Premier):** Mr. Speaker, we have indicated publicly before that public support is one of the conditions and that condition remains.

**Mr. Pitura:** Mr. Speaker, I then ask the Government if they are now prepared to place this guarantee in the form of a letter to the council of the Rural Municipality of Headingley and to the Swan Lake First Nation as a result of last night.

**Mr. Doer:** Mr. Speaker, I think our answer to this question for the last three weeks in the Hansard, in this Chamber, and the report from Nadeau and Freedman, has consistently stated that for success to take place—and we want these programs and these projects to be successful. In our view, part of the success is public support. That condition was there with the recommendation of the Nadeau and Freedman committee, and it was stated after the report was accepted by the Government, and it remains as a condition today.

**Mr. Pitura:** I would then ask the Government: What will happen to the proposal being put forth by the Swan Lake First Nation now that the community in which they wanted to build this casino has rejected them as a location?

\* (14:00)

**Mr. Doer:** I do not want to do this to the Member opposite but to all members opposite, unlike the members opposite when in government where they neglected to take in the views of the Chief and Council of the Cross Lake community when they established the liquor licence in the newly attained hotel owned by one Mr. Barrett. We have said all along that—

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

**Mr. Speaker:** Order.

**Mr. Doer:** As I was saying, Mr. Speaker, the issue of public support is a condition of our licensing process. It has been in the recommendations of Nadeau and Freedman. It was stated by us publicly after the recommendations were received by our ministers, and it remains a condition. And it is important. We want these projects to succeed, and we are very committed because the success will bring greater employment, greater positive economic opportunities. But, to succeed in a community, we need support of the community, and without that as a condition, there are not the conditions of success.

#### **First Nations Casinos Selection Process**

**Mr. Jack Penner (Emerson):** Unsuccessful First Nations casino applicants have many questions about the process of awarding casinos. Roseau River First Nation wonders why their proposal, which would have seen a casino situated on a site where 1.5 million potential visitors pass by annually, was turned down in favour of a casino up North. Moreover, the Roseau River First Nation planned to use Manitoba Lotteries as their management firm and had also had financing arranged by a Canadian bank.

Will the Premier indicate to this House what part his Cabinet played in the decision-making process in determining where the casinos will be located?

**Hon. Gary Doer (Premier):** I am pleased to see the Member opposite now does support Aboriginal casinos. It is a welcome change in his position.

**Mr. Jack Penner:** The concerns of my communities will be—

**Mr. Speaker:** Order.

#### **Point of Order**

**Hon. Gord Mackintosh (Government House Leader):** I should have gotten *Beauchesne's* out

when I saw him stand up, Mr. Speaker, but sub 417, 410, 409: Supplementary questions require no preamble. We are getting a preamble.

**Mr. Speaker:** The Honourable Member for Emerson, on the same point of order.

**Mr. Jack Penner:** I find it very interesting that this premier will stand in this House and not want to allow a member of this Legislature to represent the views of his communities. I find that very interesting.

**Mr. Speaker:** Order. On the point of order raised, I would like to once again remind all members that *Beauchesne's* Citation 409(2) advises that a supplementary question should not require a preamble.

\* \* \*

**Mr. Speaker:** I would ask the Honourable Member for Emerson to please put your question.

**Mr. Jack Penner:** Will the Premier assure those communities whose casino applications were not accepted in the first round that their proposal will be given full and fair consideration if and when they make a second-round choice?

**Mr. Doer:** I have not seen a conversion like this since Paul on the road to Damascus, Mr. Speaker. He now is not only critical of us on the first selection site, he is wanting to expand it to a second set of selection sites. I would like to thank the Member for his changed position.

**Mr. Jack Penner:** I find the Premier's comments absolutely astounding. I would like to ask the Premier—

**Mr. Speaker:** Order. I would like to take this opportunity, before I recognize the Honourable Government House Leader, that *Beauchesne's* Citation 168: When the Speaker is rising to preserve order or to give a ruling, the Speaker must always be heard in silence. I would ask, please, the co-operation of all honourable members.

The Honourable Government House Leader, on a point of order.

### Point of Order

**Mr. Mackintosh:** On a point of order, Mr. Speaker. My legs are getting more exercise when this member stands up with a question than I get in the garden, but I just want to remind the Member once again, second time in a row, of *Beauchesne's* 409, 410. This is a supplementary question; there is no preamble allowed or required, long-held convention and rule of this House.

I ask, Mr. Speaker, that you draw the Member's attention to that once and for all.

**Mr. Speaker:** The Honourable Member for Emerson, on the same point of order.

**Mr. Jack Penner:** On the same point of order, Mr. Speaker. I apologize for the intrusion I made, but on a new question, then.

**Mr. Speaker:** On the point of order raised, the Honourable Government House Leader does have a point of order. *Beauchesne's* Citation 409(2) advises that a supplementary question should not require a preamble.

\* \* \*

**Mr. Speaker:** The Honourable Member for Emerson, on a new question.

**Mr. Jack Penner:** Mr. Speaker, it is very clear that the Premier of this province has just indicated to this Legislature that members of the Legislature should not and have no right to represent the views and the positions of their community. I believe that it is our right to represent the views. No matter what our personal beliefs are, we carry those views of the constituencies and our constituents to this place.

So I ask the Premier today: Will he assure this House that he and his Cabinet will not intervene politically when another selection is made of a new site for a casino when some of the sites that have been selected are turned down? Will there be no political intervention?

**Mr. Doer:** Mr. Speaker, Mr. Freedman at his media conference, I believe the Tuesday after the report was released on the Thursday, made it

very clear that this process was a non-partisan, non-political process. He did state that this was a far—even though it was more challenging for the two individuals to try to evaluate the process. The fact that it was free of partisan politics speaks to the principles that we utilized with the arm's length selection process in the past. The Member's concern about some other application of that in the future, obviously we have already got a set of recommendations, and they were prepared on an independent basis.

**Mr. Jack Penner:** Will the Premier now confirm, as he just has done, that it was not just a committee that made the selections, it was the political intervention that has made the selections of casino sites in this province to this date? Will he confirm that?

**Mr. Doer:** No, Mr. Speaker.

### First Nations Casinos Operations Management Fees

**Mr. Larry Maguire (Arthur-Virden):** Mr. Speaker, in reference to out-of-province operations for casino management fees, the Premier said, and I quote: Whatever arranged agreement is reached as part of the condition for licensing is to make sure that those levels of licensed management fees are low.

First Nations members, and indeed all Manitobans, have the right to know what percentage of casino revenue the Premier is piping out of Manitoba instead of going directly to our First Nations people.

\* (14:10)

**Hon. Gary Doer (Premier):** Again, we are really happy with another conversion on the road to Damascus for people now supporting aboriginal casinos. I think that is wonderful that we have this change in views. I would take your question as a sincere suggestion in terms of those fees. We have looked at the Harris government management operation with casinos. The members opposite would know Mr. Harris' group of people and would be well aware of the arrangements they have made in Ontario with companies that are located not only inside Ontario but outside of Ontario. The Bostrom re-

port was commissioned by members opposite, and if they read that, they will see some of the proposed recommendations.

**Mr. Maguire:** Mr. Speaker, the question is simple. Will the Premier, given that the skater is not here today, define what he means by "low management fee"?

**Mr. Speaker:** Order.

#### Point of Order

**Hon. Gord Mackintosh (Government House Leader):** Mr. Speaker, I recognize the Member is new to the Chamber, but I believe he has been given a copy of the rule book. First of all, it is inappropriate to refer to the absence of any member from the Chamber; second of all, he knows how to refer to members and ministers in this House.

**Mr. Speaker:** The Honourable Official Opposition House Leader, on the same point of order.

**Mr. Marcel Laurendeau (Opposition House Leader):** The Honourable Member is aware that he cannot refer to the absence of anybody. I would ask you to peruse Hansard, Mr. Speaker, because I believe he said "the skater" was not here, and there are a whole bunch of them on that side of the House. Saying anybody over there is not a skater would be a second thought.

**Mr. Speaker:** Order. On the point of order raised, I would just like to remind all honourable members, if the Member was referring to any honourable member's absence or referring to a minister, please do not mention the absence of a member. Also, when addressing members in this Chamber, all honourable members will be addressed by their constituency and ministers by their titles, and I would just like to remind all honourable members at this time.

\* \* \*

**Mr. Maguire:** Well, Mr. Speaker, the question is still very simple, and given the thin ice that we are on, will the Premier define what he means by "low management fees"?

**Mr. Doer:** Low would be higher than this and lower than that.

**Mr. Maguire:** Mr. Speaker, can the Premier confirm, given the fact that we are talking about accountability, that the Saskatchewan Indian Gaming Authority was to receive a 40% management fee, and could he advise Manitobans what the maximum percentage of revenue in terms of management fees his government will allow to leave this province?

**Mr. Doer:** Mr. Speaker, I think we have indicated in the past and will indicate it again today that the implementation committee will have to look at this as one of the conditions that is obviously recommended in the Nadeau-Freedman report. We obviously want the maximum amount of economic opportunities and economic employment to flow to First Nations people. We also want the management fees to be reasonable. The Bostrom committee had a number of sliding scales based on different forms of gaming and management, but that was a report commissioned by the previous government. We will await the recommendations from the implementation committee.

#### First Nations Casinos Economic Impact

**Mr. John Loewen (Fort Whyte):** Mr. Speaker, on numerous occasions in this House both the Minister responsible for Lotteries and the Minister of Finance, who presumably are overseeing this massive expansion of gambling in the province of Manitoba, have admitted that there will be a loss of government gambling revenue due to the significant increase in gambling in Manitoba.

I would like to ask the Minister, who yesterday said he had no idea, the plans had not been finalized—the Minister of Lotteries (Ms. McGifford) said she had no idea. I would like to ask the Minister of Finance if he can today advise Manitobans how much Crown gambling revenue is going to be shared as a result of their plans to expand gambling in this province.

**Hon. Greg Selinger (Minister of Finance):** I thank the Member opposite for acknowledging that we will be sharing revenues with First Nations communities. That is a significant breakthrough in thinking on their part.

We are at the beginning of a process of identifying which casino proposals will come to fruition. When we move beyond the hypothetical and have concrete proposals in front of us, then we will be in a position to make a realistic estimate of revenue sharing.

**Mr. Loewen:** I would ask the Minister of Finance if the reason that he increased taxes to Manitobans in his recent budget was to cover the loss of revenue that is going to result as a result of an expansion of gambling in Manitoba. Is that why you raised taxes?

**Mr. Selinger:** The last time the Member opposite made that allegation, I asked him to show me anywhere in Manitoba where a person's paycheque had seen an increase in taxes. He was completely unable to do that. As a matter of fact, people's pay stubs will see their taxes being reduced in a very few days, and the Member is once again demonstrating that he is, in fact, a stranger to the truth when he makes his statements.

**Mr. Loewen:** You would think the Finance Minister would understand that his budget does not come into effect till July 1, and that is when taxes are going to go up and people will see it.

I would ask this Minister of Finance, seeing as he has no idea, has not finalized any plans: Will he commit to this House that he will have a full economic impact study, which will also include the social effects of expanding gambling in Manitoba? Will he provide that before they move any further with their plans to expand gambling?

**Mr. Selinger:** First of all, I will remind the Member opposite that the tax reductions that we have brought forward in Manitoba this year are greater on a per capita basis than what the federal government has brought forward and that an implementation committee has been put in place to move forward on the casino proposals, and impacts will be looked at as part of the overall process.

#### **Bill 42**

#### **Impact on Property Taxes**

**Mrs. Joy Smith (Fort Garry):** Mr. Speaker, taxes are a grave concern to Manitobans, es-

pecially looking to the future at this time and the kind of planning that has been undertaken by this government.

I would like to ask the Minister of Education: Can he guarantee that taxes for Manitobans will not go up as a result of the introduction of Bill 42?

**Hon. Drew Caldwell (Minister of Education and Training):** Mr. Speaker, I have to say I find it passing strange that the party that presided over the single largest explosion in property taxation in Manitoba's history with their dramatic cuts that were made to education are asking such a question.

\* (14:20)

I can assure members and Manitobans, frankly, that the ability-to-pay issue is a consideration of arbitrators and has been for decades in the province of Manitoba. I can also assure that this government will not embark upon policies which devastate the public education system and lead to an explosion in property tax increases, as was provided by the members opposite.

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

#### **MEMBERS' STATEMENTS**

##### **Peak of the Market**

**Mr. Jack Penner (Emerson):** Mr. Speaker, today I am very proud to stand in this House and recognize the outstanding contribution made by Manitoba's own Peak of the Market. Peak of the Market is one of Canada's premier vegetable suppliers that has grown quality produce in Manitoba for 85 years. It supplies over 120 different varieties of locally grown vegetables on a year-round basis. Their produce has a well-deserved reputation for excellence.

Peak of the Market, along with its growers, employ over 1000 people and it contributes over \$35 million a year to the provincial economy. In the last six years, the company has recorded its highest sales in history. This mark has been reached by using aggressive marketing strategies

and Peak of the Market's increased export sales around the world.

Because of its tremendous success, Peak of the Market has recently been named one of Canada's 50 best-managed companies. More than 20 000 companies were considered for this distinction. I would like to congratulate the management and staff of Peak of the Market on this prestigious accomplishment and also on their act of charity work with Winnipeg Harvest and others. Furthermore, on behalf of this Assembly, I want to thank Mr. Larry McIntosh, President and CEO of Peak of the Market for all his great work and the tremendous commitment his staff has made to the contribution of Manitoba.

**Ms. Bonnie Korzeniowski (St. James):** Mr. Speaker, I want to take a few moments to tell the House about an important and delicious event that I was pleased to attend this morning. Peak of the Market held its first ever potato pancake breakfast today on their newly landscaped front lawn. This event provided an opportunity to celebrate as Peak of the Market was presented an award by Arthur Andersen for being one of Canada's 50 best-managed private companies. This is a very prestigious honour as Peak of the Market was selected from thousands of companies across the country.

Peak of the Market is truly a home-grown success story. For the past 57 years, Peak of the Market has brought Manitoba-grown vegetables to people all over the world. In the last five years, they have recorded the highest sales in the company's history. Along with its growers, Peak of the Market employs over 1000 people in Manitoba and injects over \$35 million a year into our economy.

Peak of the Market is also concerned with giving back to the community. Every year they donate more than half a million pounds of fresh vegetables to food banks. This morning's breakfast was also an opportunity to raise money and food donations for Winnipeg Harvest. On behalf of our government, I want to take this opportunity to thank Ken Krochenski, Vice-President of Operations, for the most interesting and informative tour and to congratulate Larry McIntosh, President and CEO, his staff and all

of the Peak of the Market growers for a job well done. Thank you.

### **Scott Tournament of Hearts**

**Mr. Larry Maguire (Arthur-Virden):** Mr. Speaker, I was very pleased to learn yesterday that once again southwestern Manitoba will be hosting a national sporting event. On June 26, the Canadian Curling Association announced that the 2002 Scott Tournament of Hearts, Canadian women's curling championship will be held at Brandon's Keystone Centre. The event will run from February 23 to March 3, 2002, and everyone is invited.

The Westman area has become renowned for its ability to host world-class sporting events due to the strong community involvement, spirit of volunteerism and great facilities. The Westman area has had a strong record in hosting large events and making them very successful. Westman is indeed a community made for curling events. Curling enthusiasts throughout the Westman region have a history of supporting the major curling events hosted in the area with an unparalleled level of passion and excitement.

Congratulations and best wishes to Lois Fowler, the chair of the host committee, all host committee members and everyone in the Westman area who worked so hard to have the Scott Tournament of Hearts returned to Brandon. It was last held there in 1993 and since then, Brandon and the Westman area has hosted national men's, mixed, world, and Olympic curling events. I know that the Westman community will make sure that the 2002 Scott Tournament of Hearts will be the most successful Canadian women's championship ever.

### **Cardiac Care Program**

**Mr. Cris Aglugub (The Maples):** Mr. Speaker, I would like to congratulate our Minister of Health (Mr. Chomiak) on the expansion of cardiac services, which he announced yesterday. I am impressed by the comprehensiveness of his plan. It includes setting up new labs, purchasing state-of-the-art equipment, the opening of a new step-down unit to take pressure off the intensive

care and improving community-based rehabilitation services.

Given that cardiovascular disease is the leading cause of death and disability in adults, I am pleased to see that prevention and community education are part of the expansion. The \$20-million program will have the net effect of improving heart patients' access to leading-edge treatment. It will also have the spinoff effect of making Manitoba more attractive to health professionals. Minister Chomiak works phenomenally hard—

**Mr. Speaker:** Order. I would like to remind the Honourable Member for The Maples, when addressing members in the House, to address by constituency or ministers by their titles, not by name.

**Mr. Aglugub:** Sorry, Mr. Speaker. The Minister of Health works phenomenally hard. We see the results in dramatic improvements that he is making to our health care system such as this expansion in cardiac services.

On behalf of all Manitobans, thank you, Mr. Health Minister, for your dedication.

\*(14:30)

### Conflict of Interest

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, I rise to say a few words on the issue of conflict of interest in this House, which has been a subject of much debate over the last several days.

I believe that where we have in the current circumstance the potential for a significant conflict of interest with the Honourable Minister of Consumer and Corporate Affairs (Mr. Lemieux) and the involvement of his spouse with a First Nation which has been granted permission to proceed with the development of a casino, I would suggest that it is reasonable to have an independent opinion, that it is reasonable to have an outside legal opinion.

The alternative under this circumstance is to have a situation as happens in Ottawa where there is an ethics commissioner. This is less to

judge on what has happened but to provide guidance for all members in the future conduct of the portfolio and activities and the participants.

The citizens of Manitoba deserve access and deserve to have the knowledge of information which would confirm that the activities of ministers of the Government and their spouses are in agreement with what is generally considered to be appropriate given the circumstances and the involvement of all.

This is not to say that there is a concern but that there may be a concern. I would suggest to the Government that it is time to get a neutral opinion rather than just to continue with arguments back and forth across the Chamber. Thank you.

### ORDERS OF THE DAY

**Hon. Gord Mackintosh (Government House Leader):** Today it is the intention to move into Interim Supply, that labyrinth of procedures, Mr. Speaker.

**Hon. Greg Selinger (Minister of Finance):** I move, and it is seconded by the Minister of Justice (Mr. Mackintosh), that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

*Motion agreed to.*

**Mr. Speaker:** Mr. Deputy Speaker, please take the Chair.

\*(14:30)

### COMMITTEE OF SUPPLY

#### Interim Supply

**Mr. Chairperson (Conrad Santos):** The Committee of Supply will come to order, please. We have before us for our consideration two resolutions respecting the Interim Supply Bill.

The first resolution reads as follows:

RESOLVED that a sum not exceeding \$2,270,289,138, being 38 percent of the total

amount to be voted on as set forth in Part A Operating Expenditures of the Estimates be granted to Her Majesty for the fiscal year ending the 31st day of March, 2001.

Does the Minister of Finance (Mr. Selinger) have any comments? Does the Opposition critic the Honourable Member for Kirkfield Park (Mr. Stefanson) have any comments?

Is the Committee ready for the question?

**Some Honourable Members:** Question.

**Mr. Chairperson:** Shall the resolution be passed?

**Some Honourable Members:** Pass.

**Mr. Chairperson:** The resolution is accordingly passed.

The second resolution respecting Interim Supply reads as follows:

RESOLVED that a sum not exceeding \$20,520,000, being 38 percent of the total amount to be voted as set out in Part B Capital Investment of the Estimates be granted to Her Majesty for the fiscal year ending the 31st day of March, (2001).

Is the Committee ready for the question?

**Some Honourable Members:** Question.

**Mr. Chairperson:** Shall the resolution be passed?

**Some Honourable Members:** Pass.

**Mr. Chairperson:** The resolution is accordingly passed.

Committee rise. Call in the Speaker.

## IN SESSION

### Committee Report

**Mr. Conrad Santos (Chairperson):** Mr. Speaker, the Committee of Supply has adopted two resolutions respecting Interim Supply,

directs me to report the same and asks leave to sit again.

I move, seconded by the Honourable Member for Radisson (Ms. Cerilli), that the report of the Committee be received.

*Motion agreed to.*

**Hon. Greg Selinger (Minister of Finance):** Mr. Speaker, I move, seconded by the Minister of Family Services (Mr. Sale), that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider the Ways and Means for raising of the Supply to be granted to Her Majesty.

*Motion agreed to.*

**Mr. Speaker:** Mr. Deputy Speaker, please take the Chair.

## COMMITTEE OF WAYS AND MEANS

### Interim Supply

**Mr. Chairperson (Conrad Santos):** The Committee of Ways and Means will come to order, please. We have before us for our consideration two resolutions respecting the Interim Supply Bill. The first resolution reads as follows:

RESOLVED that towards making good the Supply granted to Her Majesty on account of certain expenditures of the Public Service, for the fiscal year ending the 31st day of March, 2001, the sum of \$2,270,289,138, being 38 percent of the total amount to be voted as set forth in Part A Operating Expenditure of the Estimates for the fiscal year ending the 31st day of March, 2001, laid before the House at the present session of the Legislature, be granted out of the Consolidated Fund.

Does the Minister of Finance have any comment? Does the opposition Finance critic, the Honourable Member for Kirkfield Park (Mr. Stefanson), have any comment? Is the Committee ready for the question?

**Some Honourable Members:** Question.



**Mr. Chairperson:** Shall the resolution be passed?

**Some Honourable Members:** Pass.

**Mr. Chairperson:** The resolution is accordingly passed.

The second resolution respecting Interim Supply reads as follows:

RESOLVED that towards making good the supply to be granted to Her Majesty on account of certain expenditures of the Public Service, for the fiscal year ending the 31st day of March, 2001, the sum of \$20,520,000, being 38 percent of the total amount to be voted as set out in Part B, Capital Investment of the Estimates for the fiscal year ending the 31st day of March, 2001, laid before the House at the present session of the Legislature, be granted out of the Consolidated Fund.

Is the Committee ready for the question?

**Some Honourable Members:** Question.

**Mr. Chairperson:** Shall the resolution be passed?

**Some Honourable Members:** Pass.

**Mr. Chairperson:** The resolution is accordingly passed.

Committee rise. Call in the Speaker.

## IN SESSION

### Committee Report

**Mr. Conrad Santos (Chairperson):** Mr. Speaker, the Committee of Ways and Means has adopted two resolutions respecting Interim Supply, directs me to report the same and asks leave to sit again.

I move, seconded by the Honourable Member for Radisson (Ms. Cerilli), that the report of the Committee be received.

*Motion agreed to.*

\* (14:40)

## INTRODUCTION OF BILLS

### Bill 46—The Interim Appropriation Act, 2000

**Hon. Greg Selinger (Minister of Finance):** I move, seconded by the Minister of Family Services (Mr. Sale)—Mr. Speaker, do I have leave to move that leave be given to introduce Bill 46, The Interim Appropriation Act, 2000; Loi de 2000 portant affectation anticipée de crédits, and that the same be now received, read a first time and be ordered for second reading immediately?

**Mr. Speaker:** Is there leave?

Leave has been granted.

It has been moved by the Honourable Minister of Finance (Mr. Selinger), seconded by the Honourable Minister of Family Services (Mr. Sale), by leave, that leave be given to introduce Bill 46, The Interim Appropriation Act, 2000, and that the same be now received and read a first time and be ordered for second reading immediately.

*Motion agreed to.*

## SECOND READINGS

### Bill 46—The Interim Appropriation Act, 2000

**Hon. Greg Selinger (Minister of Finance):** Mr. Speaker, I move, seconded by the Minister of Family Services (Mr. Sale)—do I have leave to move that Bill 46, The Interim Appropriation Act, 2000; Loi de 2000 portant affectation anticipée de crédits, be now read a second time and referred to the Committee as a whole?

**Mr. Speaker:** Does the Honourable Member have leave?

**Some Honourable Members:** Agreed.

**Mr. Speaker:** Leave has been granted.

*Motion presented.*

**Mr. Harry Enns (Lakeside):** Mr. Speaker, I just want to alert all members of the House, particularly members on Her Official Majesty's

Opposition side, that what we are dealing with here is, in effect, a minibudget; 38 percent of the expenditures for the coming year, we are being asked to approve in the next little while.

I want to assure the Honourable Minister of Finance (Mr. Selinger) we do not intend to hold up the passage of this traditional bill that is made necessary because of the process of the Legislature. It requires the authorization of this Legislature for the Government to continue with the expenditure of these funds, but it is an opportunity for us to make note of where this government is. This government, that is now entering into its ninth month of existence, is starting to wear thin the constant blaming and the referring back to what previous governments have done, and they have to start and begin to stand on their own record.

I am sure that insomuch as this 38 percent or \$2 billion-plus represent expenditures in all fields of government, Education, Health, Agriculture, Conservation, that I want to assure you, Mr. Speaker, it is entirely incumbent upon us and within the rules to discuss all these issues at this particular time on this particular bill.

I am particularly upset, Mr. Speaker, that despite the fact of a great deal of political grandstanding, trips to Ottawa, all kinds of hand-holding gestures to the stricken southwestern farmers in this province, there is no relief in this 38 percent of the Budget, no recognition of the unfairness on how the southwestern farmers are being treated in the field of agriculture. That is an omission that is contained in this bill, and I wish to draw the Minister of Finance's (Mr. Selinger) and all members of the Government's attention to that fact.

They speak a bold line. They make the politics. They travel to Ottawa. They talk about a new and better and a more generous relationship with the federal Liberal government, but it does not spell out to any further assistance, not the kind of assistance that was provided to Red River Valley farmers a few years earlier in the '97 flood. That is an ongoing festering sore with members of the Opposition. It is an ongoing festering sore with a good portion of the population of the southwestern part of this province. I regret that this government and this

Minister of Finance (Mr. Selinger) has chosen not in any way to address that particular issue with respect to agriculture.

Mr. Speaker, as I said, we are moving forward into a period now where, within three months, this government will be in office for a year. Surely they have to start working on their own track record. Seldom has a government come into office under more precipitous circumstances, a strong, healthy economy that keeps generating additional revenues above and beyond projection, a no-deficit situation when they came into office, despite again all the politics that they play, the hiring of outside consultants, the imagery that they tried to project on the general public within days of taking office that they were facing huge and difficult deficits, None of that came to bear. They were left in fact with the additional \$400 million to \$500 million in excessive revenue, precisely the amounts that we, in fact, had called upon as we were in that election campaign as being available to the Treasury of Manitoba over the next four or five years, ergo the promises that were made in that election campaign. All of that is now washed away in these last nine months, and all of that is being disregarded by this government.

I simply want to register the fact that this government has a great deal to answer for in how they have squandered their opportunity to correct some of the injustices that certain segments of our society have faced in the last year under very difficult circumstances, and I see nothing in this request for 38 percent of the overall expenditures to address those problems. Shame on this minister. Shame on this government.

\* (14:50)

**Mr. Eric Stefanson (Kirkfield Park):** Mr. Speaker, I just want to make a few brief comments basically on the Budget and as it relates to Interim Supply today. I know we will have other opportunities to make comments. As I said when I responded to the 2000 Budget, I am certainly, like many Manitobans, disappointed in this budget for a number of reasons. I know the focus today is on Interim Supply, but I would be remiss not to make comments on the whole issue of taxation.

When we had the Minister of Finance in Estimates for the Department of Finance, I think many of us were somewhat frustrated with the answers we were receiving to very important questions about how this decision was made on the tax front for all Manitobans. As is outlined very clearly in this budget document that was tabled, we now have the distinction of having the highest taxed province in all of Canada when it comes to middle-income families.

All members opposite need do is to look in the Budget document themselves, and they will see that information readily apparent. I ask them to go back to a budget just one year ago, the previous budget that showed at that particular point in time for middle-income families, our taxation levels were the fourth highest in Canada. We felt that was something that was not appropriate for Manitoba, that when we compare ourselves to other provinces right across Canada in terms of our economic well-being and so on, we should be in the lower half of provinces when it comes to overall levels of taxation.

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

In one budget, this current government has taken us from fourth highest taxes to the highest taxes in all of Canada, and all I can say is shame. But what really concerns me is what that will do to the economy of Manitoba. Today businesses we know are extremely mobile. They rely on intellectual capital, and they do not rely on fixed assets. In many cases, they do not rely on their geographic location. They can be anywhere, businesses in technology, businesses in financial services and so on. It is incumbent upon us in Manitoba to maintain a very competitive environment in all respects, and we have not done that today when it comes to taxes.

**I do not want to be standing here painting doom and gloom, Mr. Deputy Speaker, but I want to be a realist.** These businesses look at many issues when they look at where to expand or where to locate their businesses, and definitely taxes are one of the important issues that they look at.

We are already hearing comments from businesses that have left Manitoba. A company

out of Brandon left Manitoba in part because of the high taxes created by this government in their very first budget. That leaves me to thinking back to first budgets of many governments, some that I have been a part of, some that the Member for Lakeside (Mr. Enns) has been a part of over the many years and so on. All budgets are important, but your first budget, it casts the die for what kind of a government you are going to be, what your priorities are.

When you have a budget today when we are in the era of surpluses as most provinces across Canada, you have three choices with how you can utilize surpluses. You can utilize surpluses to increase some priority spending in areas that you believe are important or that need additional resources. In our many budgets that we brought down, our 12 budgets over the last 12 years, it was very apparent that our No. 1 spending priorities were in the areas of health and education. If you look at the increases in those areas over those 12 budgets, Mr. Deputy Speaker, they were in the magnitude of 60-70 percent, and we took Manitoba, in many cases, in the case of health care, to having amongst the highest funding per capita in all of Canada. Those were clearly our spending priorities.

Another area that you can utilize surpluses is to pay down your debt, and back in 1995 we passed legislation here in this Chamber. Our government passed legislation that put in place a debt retirement plan to start paying off the general purpose tax-supported debt in Manitoba over less than 30 years, and that plan is currently in place. I am pleased to see that the current government is abiding by that plan to pay down the debt. You do have the opportunity to even increase your payments against your debt. That is another choice you have when it comes to surpluses.

Of course, the third choice you have is in the area of taxation, that you can reduce taxes, basically give money back to Manitobans, put the money in their pockets, and allow them to make the decisions where their money should be spent, where their money should be invested, and so on. Those are really the three choices that any government has, and when you look at this budget it has failed miserably on the tax front.

What is of even greater concern is if you look in this document and you look at pages 26 and 27 of the Budget speech and you look at the medium-term plan of this government going forward—and that is what I mean when I say that the first budget sets the tone for what kind of government we are going to get from the Government of the day—you look at this medium-term plan, Mr. Deputy Speaker, and it shows very modest surpluses going out over the next four years of between \$5 million and \$10 million. What is shown here is that, even though revenues are going to go up by some \$900 million over the four- to five-year period, this government is choosing to spend all of that money. They are not choosing to pass on any tax reductions, and they are not choosing to accelerate the repayment of debt.

*Mr. Speaker in the Chair*

If you look at this chart on pages 26 and 27, they are providing Manitobans with no hope for any future tax reduction, and you compare that and contrast that to what governments are doing all across Canada. You look at our neighbouring province, the Province of Saskatchewan, and what they are doing on the tax front. In fact, Saskatchewan is an interesting comparison, because if you look at the year 1999, when it came to personal income taxes, at literally every income level and every family situation, Manitoba's taxes were significantly lower than the Province of Saskatchewan.

But take the time now to look ahead over the next two to three years and compare Manitoba to the province of Saskatchewan and you will see, Mr. Speaker, at literally all of those income levels and all of those family situation levels that taxes in Saskatchewan are now going to be lower than the province of Manitoba. What this government is doing in their very first budget and in their medium-term plan is taking Manitoba, when it comes to middle-income families, to the highest tax in all of Canada.

I think we should all share concern for what that is going to mean to the economy of this province going forward. When you talk about the economy, one way of keeping our young people, of keeping Manitobans here in this province, is to have a strong economy creating

the jobs that give those young people and give all Manitobans the opportunities we all want them to see, and that is the opportunity to have reasonable, well-paying jobs right here at home in the province of Manitoba. I think this budget, which was just introduced and passed by the current NDP government, is going to do a great deal of harm when it comes to that entire area.

I know members opposite like to point to some of the financial commentary, and I, too, have taken the time to look at some of the commentary. When you look at the area of taxes, the kinds of comments you get from financial institutions are comments like these. Those who were hoping for tax cuts will surely be disappointed. However, others who thought the new government might raise taxes, obviously, they are reflecting on the past performance of NDP governments here in the province of Manitoba, in the first year of its majority mandate may sigh with relief. Well, Mr. Speaker, there are no governments in Canada today raising taxes. Even the fact that the commentary alludes to that, shows the concern that is out there in the investment community and the business community about what this government is going to do in the area of taxes.

I also want to raise an issue that I think gets at the heart of some of the credibility of the campaign promises made by the NDP during the recent election. Two days before the vote, parties were asked to cost out their election commitments and the NDP tabled a document costing out their election commitments, and in the year 2000-2001 showing some \$69 million of expenditure reductions that they were committing to Manitobans.

Well, you take this document and you now compare it to the detailed expenditures that we all have, and you do not see any correlation between the kinds of expenditure reductions in areas like business subsidies. A \$23-million reduction in business subsidies, where is it in this document? A 1% reduction across the board in program expenditures of \$25 million, where is it in this document?

I gather they talk about shutting down the office in Ottawa, even with all of the issues we have to deal with from agricultural issues to the

Canada Health and Social Transfer issues. They, here in this document, the NDP in this document, basically take \$330,000 out of the Ottawa office, which I am imagining is their intent to shutdown that office.

You go through a number of other areas and you see these reductions in the NDP pledge, but they are nowhere to be found in the expenditure document. So again they stand up in this House and talk about some of their commitments. Here is a document that they prepared. In fact, what is interesting, I am hearing some heckling from members opposite. I am not even sure members like the member for Crescentwood and others saw this document or even knew about it prior to its being tabled.

\* (15:00)

They certainly do not in any way abide by it today, because it is not reflected in their expenditures at all, nowhere to be seen at all in this document. Early on again when you talk about credibility, we had the members opposite stand up and talk about a hiring freeze. Do you remember that, Mr. Speaker, back early on in the mandate of this government? They talked about a hiring freeze. They told Manitobans only essential positions are going to be filled here in the Province of Manitoba. That is what they all stood up and said. They were only words.

Their actions did not follow through on that at all. In fact during their first few months, between December 1 and March 31, they hired 354 more people. As the *Winnipeg Sun* went on to say, that is 354 more bodies, 354 more civil servants.

Granted, some of them, I think we would agree, are essential services. Some of them are nurses and so on. I think we would definitely agree, Mr. Speaker, but it also goes on to talk about research assistants, clerks, administrative secretaries, curriculum consultants, home economists and media specialists. Now, there is a real essential service.

**An Honourable Member:** Spin doctors.

**Mr. Stefanson:** Spin doctors, my colleague says. We have certainly seen many examples of

the spin doctors at work, including the day after the Budget when they were out there spinning and complaining about the coverage that they saw in many of the media outlets across Manitoba, complaining profusely to anybody who would listen about their perception of the kind of coverage that was given by the media, when all the media were doing was reflecting the facts as illustrated in their own budget document, the facts that are confirmed in this document showing that Manitobans at middle-income levels will now pay the highest taxes in all of Canada.

Then, Mr. Speaker, what did we have? We had the federal budget. The federal government brings down fairly reasonable personal income tax reductions. Under the traditional personal income tax system, once the federal government brought down a personal income tax reduction, the provinces would be affected, and that would also reduce provincial personal income taxes. What did this government do, even though it had been outlined in a budget two years ago, outlining very clearly that we were going to delink our system from the federal government in the year 2001?

This government accelerated the process and delinked from the federal system one year early to preserve \$30 million of revenue for themselves to spend, as they are doing consistently throughout this document, more importantly to put in place a taxation system that means that Manitobans did not receive those \$30 million of tax reductions. In one fell swoop, they actually did increase taxes, because Manitobans were paying lower taxes on May 9 under a combined system than they were paying on May 11 after this government brought in their budget.

At least the other provinces that decided to delink one year early flowed through the equivalent of the tax reductions to the people in those provinces, but, again, not this government. They did not pass those on to Manitobans. They kept the taxes higher. They kept the revenue to spend. What they did with that simple manoeuvre again is create a higher tax situation in Manitoba that has now existed in many provinces right across Canada. Again, I say shame to them. They did not stand up and say

they were going to do that to Manitobans during the election.

Then, to make matters worse, the ultimate in hypocrisy, we have the Minister of Finance and some of his colleagues standing up and taking credit for a personal income tax reduction that was implemented on January 1 of this year, that was introduced in our last budget in 1999–2000. On top of that, you will recall, the NDP in opposition at that particular point in time brought in an amendment that would not have allowed that personal income tax reduction to be in place on January 1, 2000, and their amendment passed. Then they come into government, and they stand up and start talking about the \$40 million in personal income tax reduction.

We have the Minister of Finance today saying the personal income tax reductions were more significant in Manitoba at the provincial level than at the federal level. The only reason that happened was because of a personal income tax reduction introduced by our government in our last budget, that they proposed an amendment to, that would not have allowed it to take place. Hypocrisy, Mr. Speaker.

I could go on and on talking about taxation and their position on taxation, but I know I will get other opportunities during concurrence and, I am sure, in other ways over the course of the next while, but I did not want to pass up this opportunity to express my overriding concern with this being the very first budget of this government. The direction, the tone that it has taken is completely off the mark. I think that is recognized by many, if not most, if not all, Manitobans today. You see it through the media coverage; you hear it in the coffee shops in the commentary made by Manitobans right across this province.

So, with those few comments, I look forward to getting into Committee of the Whole and all of us having an opportunity to ask some of these ministers some specific questions about their priorities and what they are doing on behalf of Manitobans.

**Mr. Glen Cummings (Ste. Rose):** I would like to put some comments on the record. At this point, when we are seeking additional expen-

ditures on behalf of the Government, it seems to me that the appropriate opportunity to remind this government that, while they have talked about a plan and they have probably not, it appears, with the direction that some of their expenditures have been going, have not fully developed that plan and may well have some interesting problems to deal with as the year and as the next two or three years evolve. Mr. Speaker, the members opposite, I think I heard the Minister of Family Services say perhaps we were trying to defend the indefensible. I will take that comment under advisement because I think, as we proceed through the year and as we move from one tax year to the next, we are not that far away from where we will have to be considering expenditures and revenues for the forthcoming year and what the priority expenditures will likely be.

When I look at the programs that the current government is putting in place, I am sure that they have received considerable positive response in many parts of the community, and I do not think there is anyone on this side that would deny that. Certainly, all parties have indicated the concern about health care, the demands on the system that need to be addressed. We look at the announcement the Minister of Health just made putting significant commitment towards one particular aspect in heart care, and anyone who has a loved one or personally has any heart-related problems, then certainly there is an obvious reaction to applaud this type of announcement, but I look at the various directions that the Government has been setting forward as expenditure priorities. I wonder if they have thought about their long-term direction that this is going to lead them. I am assured from across that they have, and I would hope that that proves to be the case because one thing that comes as sure as day follows night is that it is much easier and much cheaper to establish new programs.

The first announcement, I would think, after a few years as a minister of the Crown, I can speak with some authority on the fact that it is very easy to make an announcement and attract attention. It is good for the ego. It is very nice for certain segments of society that may well be benefiting from the announcement, but it always seems to be that too often governments—and

perhaps I should not be giving free advice to this government—should let them find out for themselves. But it is always easy to establish new programs.

Even in the second year, the program is only starting to grow. It is only starting to pick up momentum in terms of those that it is going to service. It is only starting to capture beyond the immediate response some of the areas that the program was originally announced to deal with. By the time you get to the second or third year, the program is in full bloom. It has attracted administrative personnel. It has attracted attention through ongoing programs that attract media attention. It will bring forward more people to apply, and eventually the program goes from 0 to 40, 0 to 60 at a speed that is somewhat breakneck when you look at the responsibility the Government has just undertaken.

\* (15:10)

Let me give an example. A perfect example is the Pharmacare program and the associated rise in costs that goes with that. I know the Minister of Family Services (Mr. Sale) is considering my words carefully, because he and I may have an opportunity to discuss some of these issues in the next few days. But I suspect that the Pharmacare program is probably a pretty good example of how best of intentions and establishing a program that was needed, and certainly continues to be needed, appeared very easy in the early years of the decade. I think it began as a \$9-million or \$10-million project, and that was manageable in the days of the Government. Then we have gone forward from there, and with technology changing, with demand growing in terms of the people who seek the need and have a need for medicinal and drug-related support, then we have seen at the same time a ballooning growth in the cost of developing drugs, ballooning demand. Cost of certain heart drugs, for example, have gone from \$100 to \$500 for single administration. Those are the type of things that, all of a sudden, you have a program that is at least five to six times the size that it was originally conceived.

As governments develop programs, then they sometimes end up with these unintended

but very difficult-to-fund problems that rest at their feet. I would make the same comment about certain health care technologies. It has been made more eloquently than I can in this House on a few occasions, but in fact I look over the last decade; certain operations for joint replacement have gone from very small numbers to very large numbers with significant waiting lists. That did not occur at the rate relative to inflation or relative to the growth of the economy in this province. That came forward at a rate that significantly exceeded the ability of government's revenues to offset that.

Then the question becomes how do you set your priorities, and do you steal from Highways to fund health care? Do you take from agricultural programs? Those will be two that are pretty close to many of us living in rural Manitoba. Do we look at the concerns of the people in the North, the transportation and communication problems that they are dealing with? Do you steal from that area in order to maintain the growth, or do you seek fundamental change?

I would suggest that what has happened in the establishment of the Budget for this province is that the Minister of Finance (Mr. Selinger), along with his colleagues, has not set his priorities. He has not anticipated the systemic change that all governments are going through today. He has gone back to what perhaps he knows best and what many of us who come into government from time to time probably understand better than anything else.

The natural progression of how you manage your affairs balanced with your normal income becomes a benchmark by which you judge the decisions that you make in public life and on behalf of the public.

But we are living in a decade, we have moved out of one decade into the next, Mr. Speaker, where the rate of change and the demand for change not only in our society but particularly in government and how it does business, that rate of change has accelerated at a measure that is beyond the recognition of many people in terms of how you have to turn the tide, if you will, or how you have to change the

thinking of government and how it manages its expenditures or prioritizes its expenditures.

I think many times the Minister of Finance (Mr. Selinger), the Minister of Health (Mr. Chomiak) and their colleagues have turned to the public and said, well, what are we up to now, 39 percent of expenditures on public health, 39.5 I believe. So we are soon going to be in the 40% range of the Budget of this province that will go into public health. Will that leave enough for day care? Will that leave enough for the social programs that are needed in this province? Will it leave anything for infrastructure? Does it leave anything at all for infrastructure?

We have already seen that 10% reduction in the capital expenditures on infrastructure in this province, expenditures that have been sorely needed. Generally speaking, I would have thought that, given that we had 10 years to restructure and try and bring the balance of expenditures in this province together with the opportunity for income and the growth in the economy, now there is a pent-up demand for some infrastructure.

This minister and his colleagues are going to have to start thinking about whether or not they are living from day to day, which is often the case when we are faced with the pressures of health care, social services and so on, or are they going to be able to encompass the larger thinking of whether or not we invest in education, whether or not we invest in the real infrastructure of this province, whether or not we invest in opportunities that need to be created in this province.

It is very easy, as my friend from Lakeside and the former minister of Finance both indicated, promises were made that certain incentives to business would likely be eliminated. It is always easy to stand up and point to that bogeyman. What was it the federal NDP said? They called them corporate welfare bums. That was the rhetoric of the 1980s, I believe. Corporate welfare bums. That was the cry in Ottawa which somehow got transposed and revitalized and raised again by the current government during their election campaign. That is fine. Corporate welfare bums. They did not use that term, but they did point to the fact that

they thought there were grants that could be cut. They thought there were incentives that could be reduced.

I spent a considerable amount of time over the last number of years along with my colleagues administrating what was known as the Sustainable Development Innovations Fund. Because it provided small amounts of incentive here and there across the province, everybody I think assumed there were huge savings in an area like that. My goodness, we should be able to eliminate that and there will be enough savings to maybe fund a hospital or build a road, repair the road to Thompson or whatever the priority of the day might be. The fact is, you know what was in that fund? That was a \$3-million fund, maximum, and just about \$2 million was already committed to the recycling programs in this province and was accumulated from the provincial sales tax on disposable diapers. It was also already committed towards the reduction of tires in the waste in this province. So what was left in discretionary spending, which the people who talked—and there were those who did during the election, perhaps not in this Chamber but out in the door-to-door campaigning. At least in the areas that I am familiar with, this was one area that came up.

I suppose it was somewhat related to the fact that my name had been associated with this over the years, but the fact is there is about \$1.2 million there. They could wipe out the whole Sustainable Development Fund, and what have they got left? They have no incentives for those who are creating more environmentally friendly processes. They have no money left for those who might need a little bit to complete some community projects, and things of that nature can be eliminated.

\* (15:20)

This government made a choice when it came in. I think it eliminated the Millennium Fund in the main. I talked to people just this past week who had been working on some significant projects and had been hoping that either the provincial or the federal or a combination of the two under a millennium banner might well have been able to start to move on these community projects. They were eliminated. That was a



priority decision by the new minister related to budgetary information that he had, decisions he wanted to make, places where he thought he was going to save or accumulate a bit of money.

But the fact is the way the announcements have been coming out, Mr. Speaker, the way the direction has been set in the departments—I know that there has been some fairly popular announcements made in Family Services, as an example, and probably overdue in some areas, but I would caution the Minister of Finance (Mr. Selinger) that as we continue with this ongoing and continued rolling out and continued development and expansion of programs that there is indeed a risk that I hope somebody is apprising him of or that he is indeed thinking of himself in terms of how he is going to finance that down the road. Probably he is sitting there ignoring my comments but wondering why it is that we are having this debate today at this stage in asking for some supplementary dollars to continue with the expenditure of the Budget that has already technically been voted on and which is proceeding its usual plodding way through Estimates.

I suggest that, frankly, as we go through these programs and examine them one by one and as his fellow ministers defend them and as they bring forward their priorities, he is now going to be sitting on the hot seat starting very soon, having to sit down with his colleagues and his premier to decide whether or not they can defend and fund growing programs, given what his anticipated rate of income is.

I suppose it is a little unfair to mention education, but in seeing the Minister here at this moment, it prompts me to say that despite the fact that a lot of comment has been made about the expenditures, the priorities being put into Education, that there still is demand there, that they have barely met—particularly at the post-secondary level, they have barely scratched the surface in some of the concerns that the institutions are dealing with. They have barely scratched the surface and, in fact, may have opened the Pandora's box in the legislation that has been introduced.

While he did a spirited job of defending where he is at today in Question Period by sort of deflecting the questions, I would ask him

when he goes home tonight and he relaxes in front of the TV or dozes off in front of the TV, whatever his choice might be, if he is bothered at all by the fact that there is going to be some serious arbitration consequences to what he is doing, and as he chats with the Minister of Finance (Mr. Selinger), I wonder if he thinks to say to him, do you know what this could mean to your next budget? Do you have any idea what I may be doing to you?

I think the two of them maybe need to sit down and seriously discuss where this type of—I mean, this was obviously a promise to the Manitoba teachers' association. I do not think we would even get an argument about that. This was an up-front comment, and I will give credit to the current government that they made it very clear, along with the teachers association, what they were going to do with Bill 72, but I am willing to bet a little bit of my salary that this Education Minister has not sat down with the Minister of Finance (Mr. Selinger) and discussed what the implications of this might be for his budget, come December.

How many of the school divisions have settled this year? I am looking back behind me. Have there been any settlements? I do not think there has. They are all waiting on where this legislation may go. If in fact some of the anticipated relaxation that may occur on the part of arbiters in looking at this because there are no longer any consequences to looking at whether or not there is an ability to pay on behalf of the local school division—again, he has opened the Pandora's box, as he did the first week in office. What about the boundaries of the school divisions? Would they have a little more clout if they were amalgamated? Would they be able to defend themselves? Would they be able to squeeze out some administrative savings?

Believe me, in many cases, the education system, the health care system and others, there have been savings rung out of them over the last few years. *[interjection]* Well, the Member across the way shouts "cuts." He may also have to hear some day people ask him: Why have I not got a cut in my taxes?

My premise in standing up to speak this afternoon is that I do not think, and I hope they

will, but I do not think yet the ministers and the members of the Government caucus have had an opportunity to come down from the euphoria of coming into office, and dealing with the reality of where some of their decisions today are going to take them in terms of—*[interjection]* Well, the Minister of Labour (Ms. Barrett) says she has fully come down. Yes, I suspect the Minister of Labour has come down from the euphoria.

How many negotiations have we got going on right at this moment? about six? In fact, that is a very salient point in relationship to what I am trying to bring to this debate, and that is that the Minister of Labour, along with the Minister of Education (Mr. Caldwell), the Minister of Health (Mr. Chomiak), the Minister of natural resources, for that matter, have some serious outstanding—

**Some Honourable Members:** Conservation.

**Mr. Cummings:** Conservation. I apologize for that slip.

On the other hand, I am of the view that going **back** to calling the Department the Ministry of Conservation is going back to the '50s. **When** I was a kid, we talked about conservation. I thought we had moved into the area of the sustainable development, as opposed to—

**An Honourable Member:** The '50s?

**Mr. Cummings:** I was a kid in the '50s. Now the Minister of Labour (Ms. Barrett) seems to have a little trouble believing that, but you see what politics does to a very young kid.

But anyway, leaving aside my personal aging, I think that it does demonstrate the concerns that the Minister of Finance is going to have to start taking into consideration, every time one of his colleagues comes forward with another new program, or every time he comes forward with an enrichment of a program. Every time the Minister of Labour says, oh, we have an impending strike over here, he probably should be sitting up at night, saying where are these revenues going to be coming from? Because I think, if he were to go back to his people in Treasury Board and ask them to tally up the

potential implications of the negotiations in the public sector that are occurring right now and the pent up expenditures in health care—when I say that, I say that health care needs to be changed and revised. Putting extra dollars into it is not the only criterion by which the success of management of health care problems is going to be dealt with or judged by. It will indeed be a combination of commitment of dollars and a willingness and the leadership and the sincere evaluation of what is required for the public health sector in this country, because if we are at 39 percent, 39.5 percent, 38? Oh, what is a billion? Did somebody not say that once? The Minister of Finance says he does not want to be quoted as saying that and he did not.

The fact is that he might well be facing that kind of a question though and that is the reason I believe it is important that this information be put on the record now, as he proceeds into, through summer and very quickly we will be in the fall session of his year, which really begins in October and November to start talking about the finances for 2001. I hate to bring him bad news but, by and large, if it was not for the hog industry and the expansion thereof, which includes PST and all of the construction that is going on, the added growth in jobs, the taxation that will come from the salaries there, that agriculture is one of the economic engines of this province that is not necessarily going to top up his coffers by the end of this taxation year, particularly the grain sector, where things have been extraordinarily bad given the inflationary costs that people are dealing with. When that backs up, let me segue into what happens when agriculture is not as buoyant as it might be, other than the areas I indicated.

\* (15:30)

The next thing that happens is the implement dealers find that all of a sudden the quarter-million-dollar tractors and combines that are sitting on the lot, sit there, and, in fact, unless they find a way of financing them, they will be still sitting there a year from now, and unfortunately that means that there again the tax revenues that the Minister of Finance could normally expect, will not be seen to be realized.

Now we know that, on the broader picture, that Manitoba's economy today is, in fact,

growing at a rate that has been quite extraordinary in terms of its sustained demand for resources, demand for jobs, demand for further opportunity by people seeking employment, to the point where we do not have enough quality, well-trained and appropriate technology available within this province. But there is an anomaly that continues to present itself in the sustained opportunity within this province, in terms of growth in revenues to the Government, because if Ottawa does not come through, and they have a history of not coming through—now perhaps as they get closer to their own election window maybe the Minister of Finance will luck out. I would hate to think that the economy of this province is being managed as best the Minister of Finance can do it, I would hate to think it is being managed on the basis of maybe Ottawa will and maybe we will luck out and Ottawa, maybe this time they will come through on a national highways program, maybe this time they will actually restore some of the funding for health care rather than a one-off situation.

If the Minister of Finance believes that Ottawa is giving him the whole goods in terms of how they might restore financing then I suggest he listen carefully to the words that are being uttered by the politicians in Ottawa. I must admit that after a period of time in government I have less, not more, respect for how, and more appreciation of problems at a national and provincial level in terms of whether or not we can trust and expect that relationship that provinces should have with Ottawa to continue on a non-confrontational and an unbiased manner. I refer specifically to transfers of potential dollars for health care.

The fact is that Ottawa has talked very often about how they will restore health care funds to the provinces but every time they do it, they do it on a one-off opportunity. They do not do it on the basis of restoring the full complementary dollars, if you will, that were available historically to the provinces. Now they are saying, well, we have restored some of the funding, but every time they made the announcement over the last couple of years, they made it on a one-off.

That means that it is there today and gone tomorrow. If the Minister of Finance (Mr.

Selinger) lucks out and it is still there tomorrow for whatever reason, it is then built into the base or Ottawa truly decides that they have an obligation to return some of the funding to health care expenditures in this province—

**An Honourable Member:** Or maybe just facing an election.

**Mr. Cummings:** Well, yes, as my colleague from Lakeside says, obviously, maybe just facing an election will cause them to be much more considerate about that. But I am quite prepared to say that I will stand up with anyone in this province or any other province that is prepared to make a case about why it is that this is a one-off situation. This Minister of Finance (Mr. Selinger), if he is not cautious, will get caught, and he will find himself in a very difficult position when he has to meet the obligations of the balanced budget legislation.

Now, I do not know what plans he might have or what figures he may now be receiving that I do not have access to. I am not implying that I get any leaks, I am implying that he will be receiving information that I do not have access to, but it seems to me that the opportunity for this to crash and burn is at least 50-50. Because if Ottawa says they are going to return money to health care but they do it on a conditional basis, think of the ramifications for the plans that this government may have for the restoration of health care if in fact those conditions are, well, we will restore this many millions if it goes into this program or we will restore this many millions if it goes into this program. They will stand up and say, we have restored 2X millions into health care, and you are left with all of the other programs that you were hoping they were going to support. Meanwhile they are starting a new program, which you are going to end up having to put 50-cent dollars into.

I suggest that this Minister of Finance (Mr. Selinger) needs to build himself a cushion now, not three years from now. He needs to maintain that very same cushion that he was so adamant and his colleagues were so adamant about and referred to disparagingly. I think it started off as Stefanson's old sock or maybe Manness's old sock, and it became the slush fund; it became the rainy day fund. I mean, there were all sorts of

derogatory comments that were made by his predecessors when they were in opposition. But call it what he likes, if this Minister of Finance or this government do not leave themselves some flexibility, if they do not leave themselves some opportunity to be able to manoeuvre in the face of what might be unreliable support from Ottawa, then I suggest that he is going to find himself in a very difficult situation as relates to the balanced budget legislation.

Of course, he has had a little fun at our expense in the last not too distant past, the last few days, as a matter of fact. He introduced Bill 41, The Balanced Budget, Debt Repayment and Taxpayer Protection Amendment and Consequential Amendments Act. He made some observation about how it would now become improper to reduce any of the debts of the province—I believe those were the words he used; I stand to be corrected on this—but his implication was that the sale of Crown assets could not be used to build up the reserve or that it had to be used to pay down debt.

Well, that may sell quite well with the public until one gets into further discussion of that bill. If there are applications of this bill that maybe do leave him some ability to move, some ability to adjust his finances so that he can maintain balanced budget legislation in this province, then that is fine, and I will give him credit for it. But, if he finds himself and his administration should find itself where it has to amend balanced budget legislation in a way that says, well, it is no longer, maybe we could finance highways. There would be a way that you could balance the Budget very quickly. We will just borrow the money for construction of highways, and we will leave that outside of the balanced budget legislation. That would be one way that he could, on the surface, appear to be balancing his books, but in the end I think would be doing a tremendous disservice to the taxpayers and to the reputation of this province with the underwriters whom he has to meet and deal with in terms of floating bonds in support of the funding of this province.

But, Mr. Speaker, I am beginning to wander a little bit in my dissertation. My concern is more that as I look at the interim financing that is being proposed today, it brings back a flood of

these thoughts about whether or not this Minister of Finance (Mr. Selinger) is going to be able to stand up to the demands of his colleagues and bring a balance. I am not saying that the demands of his colleagues might be unreasonable. I am not even going to talk about whether or not they should be prioritized. I am saying that there are legitimate reasons to be concerned at this stage in a government's life about whether or not they are prepared to bring the discipline, to put the balance in place between expenditure and income, so that they can truly say that they have lived up to the spirit and the conditions of the balanced budget legislation.

\* (15:40)

You know, there was a lot of criticism of balanced budget legislation when it was introduced, and I will not go into quoting some of the current Cabinet ministers and what they felt about balanced budget legislation, but I hope, to borrow a term from today's Question Period, that, in fact, there has been a conversion on the road to Damascus because if there has not, then I feel truly sorry for the Minister of Finance in trying to deal with the hounds at the door, if you will, on how these issues may be settled.

The fact is balanced budget legislation, by comparison to many other jurisdictions, is good legislation. It sends a signal on behalf of this province to other provinces, to investors. It sends a signal to those who would lend money, and this province along with most others has to have some support to borrow from the private sector from time to time. It provides a sense of confidence and a sense of direction that gives everybody, including the taxpayers within the community, a sense of stability, that they can know that no matter whether the governments change, whether the economies rise or fall or whether the opportunities for national and international exports rise or fall, that the people in a position to make a decision and decide on the prioritization of revenue and expenditure within this province are bound by certain wide guidelines.

Those guidelines do not compound their problems. They do not confound decision makers. They simply say that in the end the

Minister of Finance and his colleagues must make a decision that falls within those wide parameters, and having done that—

### Point of Order

**Mr. David Faurshou (Portage la Prairie):**

Mr. Speaker, House rules are the reason I am standing at this point in time. We are limited in our communications to that of the services of the page when honourable members are within the Chamber.

It has been observed that the Honourable Member for Selkirk (Mr. Dewar) had in his possession just moments ago an electronic device for communication purposes, and I would appreciate the Speaker calling this member to order and to ask that the particular device be removed from the Chamber.

**Mr. Speaker:** Order. On the point of order raised by the Honourable Member for Portage la Prairie (Mr. Faurshou), I would ask the Honourable Member for Selkirk (Mr. Dewar) to please put the item away, and I would like to see it outside of the Chamber afterwards. We will continue.

\* \* \*

**Mr. Cummings:** Well, thank you. In fact, Mr. Speaker, you do set a good standard for decorum in this Chamber, and I appreciate your direction as Speaker. I thank the Member for Portage for his intervention.

As I was saying, in the end, the Minister of Finance has to deal with his balanced budget legislation. I know that what he introduces today is not going to make or break his ability to meet the conditions of his budget. We are voting on dollars that government needs to govern and to pay its current bills; I understand that. But I think it is appropriate that the Minister of Finance also consider that he has a larger and more difficult objective that he has to meet, and that relates directly to the conditions that I said of the balanced budget legislation.

But his bigger challenge, and one on which I am sure he needs no advice from me, but nevertheless I feel that on behalf of my con-

stituents it is fair that I do provide my thoughts on this. He has probably had a taste of this already, but I hope that he also asks his department and asks his trusted advisors to give him some view of the anticipated costs that come with the growth of a number of his programs, some of which are newly introduced, most of which will be expansion of existing programs.

One that I continue to use here and everywhere else that people will listen to me is the example of the Pharmacare program and how that became a program that everybody has a right to expect, that everybody has a right to equal access. We have one of the most generous ones in this province, but that generosity puts an added burden on the Minister of Finance (Mr. Selinger) to make sure that he can indeed pay it as expenses arise and as we become increasingly dependent on those types of programs.

In conclusion, I think the Minister of Finance understands what I am saying. I wish him well in terms of being able to carry that load and bring the balance to this government. I hope that they are able to pull together within themselves the proper discipline that would be required in order to make this indeed become a reality to be able to stay within the guidelines of balanced budget legislation; and, secondly, that they will be able to recognize that expenditure also means that they have an onus upon them to deal with the reformation, to deal with the improvement. Expenditures alone will not solve some of the problems with which this government and every other government in Canada are faced today. This is not so much a partisan comment to the Minister of Finance as it is a comment about the reality of Confederation as we see it today, and the issues that we are facing, on a broad basis, in this country, on taxation.

So, with that, I will close my comments on this supply bill, and I will turn the floor over to the next speaker.

**Mrs. Joy Smith (Fort Garry):** Mr. Speaker, I rise today to speak to this bill. I want to put some comments on the record about the concerns I have for the lack of vision, the lack of planning in this budget. As a new MLA coming into this House, I was surprised to find out that we had a bogus or a phantom deficit that was

brought on by the present government coming into power. We find at this point, surprise, surprise, that indeed we will have a balanced budget. Indeed, there is no deficit. Indeed, the books are in order as they should be.

Mr. Speaker, today I alert Manitobans to the lack of vision, the lack of planning and the lack of concerns for the future. I want to address the lack of planning for the young people and the young entrepreneurs here in our province. The previous government built a province that had promise, that had vision, and it was largely due to the fact that the fiscal house was in order.

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

Mr. Deputy Speaker, this present government went into a wonderful opportunity to provide Manitobans with lower taxes, to provide business opportunities, to provide an education system with the kinds of dollars that we needed to shore it up. I want to just think back approximately 11 years ago when the former government came into power. We were at a point where we were on the verge of bankruptcy due to the former NDP government. We had to be very careful to make sure that the books were balanced, that the deficit was paid down, that the millions of dollars put into the Budget and to the deficit were not a waste.

\* (15:50)

I have to say at this time that Manitobans were on the verge of bankruptcy. Manitobans were at a point 11 years ago when the members from this side of the House started to begin their time of power in government. They had a very difficult task. At that time, hard decisions had to be made to save the province. Decisions had to be made in the areas of education, in particular, which I will address, where cuts had to be made to ensure that we had balance. This present government, the NDP Government, talks about fairness and balance. I have problems, Mr. Deputy Speaker, understanding where they are coming from in terms of planning for the future.

Mr. Deputy Speaker, as I rise in this House and think about the kinds of strides that the former government made in paying down the

deficit, in providing jobs, in building an education system that had to have new curriculums put together, that had to deal with issues in a growing population, that had to deal with issues and a new clientele coming into the schools, all these challenges had to be met. Coming into the year 2000, this province was a province that, as I said before, had promise, incredible promise, promise for the young people, promise for an improved university, promise for new curriculums, accountability, testing, all the things that make the young people here available on the world market, not only here in Manitoba but in Canada, in the United States and all across the world.

Mr. Deputy Speaker, we had a province of hope and vision. Making the hard decisions when our province was in such dire straits 11 years ago, or approximately 11 years ago, when the Tory government came into power was something that was made better due to the planning, due to the vision and due to the knowledge of fiscal management that our government had on this side of the House.

There are concerns I had as a new MLA coming in. I wondered at the fake deficit. I wondered at the Budget speech. As a new MLA listening to the members opposite present their budget, there was nothing there, absolutely nothing there. It said nothing. There were no plans. There were no visions for the future.

Now as we go into nine months later where the NDP Government has been in power, has had a chance to show Manitobans what its plans or vision for the future is, I stand here with much disappointment, because this government is living day to day. It virtually is a tax and spend government. Because of the way Manitoba was set up before the NDP Government came into power, this government had an opportunity to build Manitoba. I do not see that happening.

Mr. Deputy Speaker, my concern now is the fact that we have had more transfer payments come to this province this year from the federal government than we have had in the history of Manitoba. We not only have a deficit that was being paid down, we not only had new jobs, we not only had an educational system that had new curricula, people working together, parental

involvement in terms of Regulation 54/96, where parents were an integral part. We had adult education centres set up. We had the kind of vision where partnerships were being expanded into every part of the province, into all parts of communities.

Now I see a government that has a lack of vision in the area of education that is going to cause catastrophe within five years. As I look at the bogus funding announcement that was made by members opposite in terms of the funding to schools, I would like to talk about some of the things I have heard from across the province. "NDP gets F for Funding." Monday, February 21, shortly after the Budget came out, headlines: "NDP gets F for Funding." Why? Because the bogus announcement of a 3.8 funding to the school divisions did not take a lot of factors into accountability, into fact.

Number one, I understand that the new minister and the members opposite, some of them are very new, and I can understand the lack of putting a budget together that would actually build on the budgetary needs of school divisions. Morris MacDonald landed up having a -14.7% funding, in actual fact. The NDP Government, members opposite, cut the budget to adult education centres, did not take into account the programming that was put into place to build a better Manitoba, to build a better education system for Manitoba students, to build an education system where students could go out into the workforce, where students could go out any place in the world and hold their heads high and know that they had an education that would take them into the new millennium.

Mr. Deputy Speaker, Lynn Lake had a -2.2% budget; Turtle Mountain realized a 0.6% funding; Winnipeg Tech Voc, 0 percent; Rhineland, 0 percent; Snow Lake, 0.3 percent; Mystery Lake, 0.4 percent; Boundary, 0.4 percent; Duck Mountain, 0.6 percent.

I daresay that this government has no understanding about funding, has no understanding about budgets. We saw that when the bogus deficit announcement came out. Now we know there is no deficit. They should apologize to Manitobans for misleading statements like that.

Mr. Deputy Speaker, when we talk about the education funding, we heard that each school division expected 3.8 percent without an explanation as to what they would really get and found out very soon, within a month, that that funding did not go ahead. In actual fact, the school divisions had a minus funding percentage. These are irresponsible announcements made by members opposite. As we look to the plans and we look to what is happening in terms of the plans, there are some things happening in the Budget that are alarming.

I want to talk about something that not much has been said about, Mr. Deputy Speaker. These members opposite, this NDP government, has virtually closed down schools of choice. As we look at the wants and needs of students and parents across the province, parents wanted an opportunity in a democratic society to choose schools according to what courses their children needed. What is most important is what happens in the homes of families across Manitoba where parents and students sit down together and they talk about what their goals are for their own children in the school system.

When the Tory government was in power, we spent a lot of time going all across the province, finding out what was required. It was a horrendous and very valuable point in time in the history of education here in Manitoba. The archaic curriculums were let go. We found out that teachers and parents were saying the curriculums were so outdated, all of it had to be redone. We found out that parents were saying: please give us accountability in the system. We want to know that our children are reading and writing at grade level and computing at grade level. They demanded that testing and accountability be put into the schools.

\* (16:00)

The need for meaningful parental involvement was something that was top on our list, Mr. Deputy Speaker. This resulted in the former Tory budget putting \$45,000 into the Manitoba Association of Parent Councils, and I have to commend the members opposite for continuing that practice because the parental involvement initiative across this province is of paramount importance. Schools need the support. Teachers

cannot do it alone. It is a 50-50 partnership that should happen between schools and teachers. As I talk to teachers, they need the support; they need the help of parents. They need to have the kind of assurance that parents and communities will support and help so the ownership is not all on the teachers' shoulders.

I have to acknowledge that we have gone through a time when we had a great deal put on the education system and we slowed down the introduction of curriculum instruments into the school divisions because we found that it was just too much for teachers to have to incorporate on a daily basis. We understood that and when our testing practices went in, we had to put in a budget, unlike this government in the area of assessment, evaluation and testing. Unlike members opposite, we put in a substantial budget to address the fact that students needed to be tested so we knew how they were doing in the school, whether they could read, write and compute at an acceptable level. Teachers and parents were needing that.

To do that, we helped the teachers, Mr. Deputy Speaker. We got supports in there. We got teachers in correcting tests. We paid for teachers to correct those tests. In fact, our own current Minister of Education (Mr. Caldwell) was one of those people who used to come to Manitoba Education and Training and correct tests. So you see the importance of the integration and the partnership among parents, teachers, principals, trustees and the importance that students when they finish Senior 4 that they do not have bogus report cards, but the report cards are a true account of what is happening.

Going back to the schools of choice, schools of choice have actually been decimated in this province. This present NDP government has very little understanding of the kind of funding that has to be allowed, the kind of opportunities that have to be presented to the students across Manitoba. They have actually shut down schools of choice. This is a horrendously disastrous blow to the province of Manitoba. The schools of choice have been altered. It used to be that, when a student left a school division, the money went with the school division to receive the student, so programs could be put in place and kept there so the student's education could be maintained.

Now what has happened is schools of choice are closed. I fear, Mr. Deputy Speaker, that a lot of people will not even know about this until September, October, because this minister and the funding, the Budget, have put the schools in jeopardy. We have students across the province, schools across the province, principals across the province, that are welcoming new students from different parts of the school divisions. They are welcoming because schools are producing arts and drama that are second to none, programs that are second to none.

All schools, all senior schools, high schools, cannot be all things to all students. What we are seeing across the province is that principals and administrators, trustees, are getting together and they are saying: Do you know what? We are going to have our high school produce an excellent arts and drama program because here we can provide a number of things and students can come out of different school divisions and enjoy the program, and come out at the end of the day in Senior 1 with programs that will allow them to go into their areas.

In other high schools, Mr. Deputy Speaker, we are seeing other high schools say: Well, we are going to centre on technology. We are going to ensure in our high school that we have a program that is second to none.

So what we saw under the former government was collaboration. We saw that the funding was put in place so that parents and students and principals had the school-of-choice opportunity, where their high schools and their elementary schools could build programs that were suitable. Each and every person, each and every student, needs to reach their greatest potential. The former government wanted to put in programs that would allow for that. I daresay the funding formula that this government has presented to Manitobans is going to be disastrous in that area, as well as in other areas.

I want to speak on the testing issue. There was much furor, much distress, about the Grade 3 test that was put in by the former government. Mr. Deputy Speaker, I do want to point out that the former government put in testing procedures that were second to none. There was accountability. There was a process in place where we



could find out at a Grade 3 level where the students were at entering Grade 4. The funding was put into the testing and assessment to allow for accurate accountability.

Mr. Deputy Speaker, I must say at this time this present government and this present minister have put together a proposal that is nothing short of demonstrating a lack of knowledge, demonstrating an alarming misunderstanding of what happens with students. Research shows that, at the end of Grade 3, educators have to know where the students are, in terms of competency, writing, reading and the basic core subjects. They have to know the profile of the student in a very real way, what grade level they are actually working at, what aspects have to be worked on going into the fourth year. Without this, the students are on a downhill slope. What happens is the students across Manitoba will get behind. Parents across Manitoba kept saying that testing had to be put in place because parents across Manitoba got big surprises. So did teachers. Teachers cannot do all things for all students. An accountable system had to be put in place.

Mr. Deputy Speaker, what has happened now is this government has really reinvented the wheel in a way that is of no benefit, or little benefit, to the teachers, to the parents and to the students across Manitoba. Members opposite complained and whined and had great dismay because of their lack of understanding of the former Grade 3 testing procedure. Now we have a document, a proposal that money has been put into, from the funding into Manitoba Education and Training, that requires teachers to do a totally unrealistic job. In that proposal, it requires teachers to analyze—not only to analyze, first of all, to design the test, to analyze the test, to produce the results to the parents and then to build individualized programs for those students.

\* (16:10)

It is alarming that the members opposite and this present minister do not understand that a lot of teachers do not have the appropriate test design education to do all this. Teachers need supports. They need to take care of their classrooms. They need to teach the academic subjects. In the area of specialized training, the area of testing, teachers need assistance and

support. They cannot be expected to design a test.

This is absurd, what this present minister has asked of teachers in this province. It is absurd. This minister has no idea that it takes one and a half hours per student just to assess language arts. What a waste of time. Where are the supports put into place for the teachers? Where are the supports? Who is going to be taking care of a class? In a class of 25 students, if the teacher is spending one and a half hours just to assess the language arts, who is going to be taking care of the rest of the students?

Mr. Deputy Speaker, I appeal to the Minister of Education (Mr. Caldwell) to do his mathematics, to take a calculator and add up the hours. This cost to the education system is much greater than in dollars. It is alarming, this lack of understanding and this lack of knowledge of testing and accountability in our school system.

I stand here today because I am afraid for the future of the students here in Manitoba. The testing—or the bogus testing—is just a part of it. To ask teachers who have more than they can handle in a regular school day to do all this shows a lack of understanding. This is pressure on the classrooms that the teachers cannot meet. Who is going to be teaching the students while the classroom teacher is testing in language arts and all these other areas it is expected of them to do? When they do find the students that need help, that need to be shored up in language arts, science, math, and writing skills, can you tell me where the help is going to be for the teachers to allow those programs to be put in place? It is very, very sad when a government puts more credibility on election promises than it does on the good will and the education of the students here in Manitoba.

Without a doubt I know that the teachers across this province have had a lot to deal with with the new testing procedures, the influx of new and renewed parental involvement, the new curriculums that have come through. But every knowledgeable teacher knows that it takes at least five years for change to start to happen. Change was starting to happen in such a positive way under the guidance of the former government. This was a very thoughtful program. What

I see now in this present Education budget is the lack of vision, the lack of accountability, the lack of sustainable development within the education system where our students will be able to progress academically in all these core area subjects.

The members opposite and this present minister have taken much pride in saying that Manitoba Education and Training is lean and mean, and the regional managers are there no longer. With all the new curriculums, with the necessity for new programming, with developing student programs in the new millennium, Manitoba Education and Training people are needed there to put program implementation into the schools. There is a very big lack of understanding about the supports that the schools need.

When we talk about budgets, and I see that Manitoba Education and Training people have been terminated, people who were seconded out of the school system. These are not school educators. Teachers and principals have often said that what they need in Manitoba Education and Training are people who are seconded out of the schools. The former government seconded a great deal of experts from the schools because these people were on-site people, on-site educators who understood what it took to educate the students. The secondments were put in place. People were put in place in term contracts so program implementation in all the curriculum core areas could manifest itself in schools across Manitoba.

It is alarming when members opposite and this new minister have said that we are lean and mean at Manitoba Education and Training. We have amalgamated different disciplines. We have decimated Manitoba Education and Training by letting go 60 very competent people who were seconded or who were on term contracts from across Manitoba.

When we talk about budget and planning and we talk about vision, I find members opposite sadly lacking in the Education Budget. I think that it is alarming the kind of choices that have been made. We have to have a better understanding. We have to have a government that understands that you do not make grandiose

promises like the bogus 3.8% funding promise to all school divisions that was laid out.

Currently when members opposite announced a 10% tuition reduction, the lack of understanding about the infrastructure at the University of Manitoba really in the final analysis, Mr. Deputy Speaker, the lack of understanding in terms of what is happening at the University of Manitoba, the election promise of a 10% tuition cut is fine. I am sure a lot of students have lauded and applauded it. It is great. I like to see that kind of thing happening to allow more students to go to university. However, the NDP tuition freeze and underfunding is something that has decimated the programming at the University of Manitoba.

It looks good in a headline, a tuition freeze, a promised tuition freeze, but that is under the assumption, Mr. Deputy Speaker, that there is an understanding about the infrastructure that has to be put in place. What has happened in actual fact is members opposite have given a 10% tuition freeze or a reduction to students, but what they have not done is they have not built up the infrastructure. So with this lack of planning, lack of understanding, lack of knowledge of what the education system is all about, not only do students not get an adequate education in the school system, not only are the schools not supported through this budget in the elementary and Senior 1 to 4, but when they get to the University of Manitoba, they will have no programs or very few programs.

You know, students will not stay in this province, Mr. Deputy Speaker, without the programming there, without the coursework there that they can take to graduate with a degree that is comparable to all the other jurisdictions across this dominion, across this nation.

Mr. Deputy Speaker, this is a disastrous, a disastrous mistake on the part of this present government. Programs will not only be cut, professors will be cut. There is nothing that can grow at the University of Manitoba to allow the students to get the kinds of programs that they need. You need skilled training going into the job market across this province.

\* (16:20)

Mr. Deputy Speaker, as a new MLA here looking at the Budget and looking at the things that have happened and as a person, as an educator who has been in the school system for over two decades, it is a sad day for Manitoba and the education system. It is a sad day because of all the things that I have outlined, the Budget concerns, the schools of choice, the testing, the cut in Manitoba Education and Training staff, all these aspects.

The post-secondary students are examining what they are going to be doing next year. We have students who are looking at different universities at this point, because those universities have the infrastructure; those universities can meet the needs that they have at the skill levels that are required to go into the job market. As we go into this new millennium, we have to make sure that our young people stay here in Manitoba. We have to make sure that our students going out of the education system are second to none.

It is with great sadness today that I speak, Mr. Deputy Speaker, because I feel very strongly that members opposite have taken this budget and have looked at small interest groups, the squeaky wheel, as it were, and have not provided a basis for an education system that will grow and provide students with the academic and social needs that they have to have going into the new millennium.

Mr. Deputy Speaker, the last thing I would like to speak on is the fact that we are looking at a bill right now, Bill 42, that is alarming to Manitobans. I am a teacher. I am an educator. I love to see teachers supported, but I feel that teachers have been misled. Teachers do not know the ramifications of Bill 42. I will predict that the taxes will go up unbelievably across the province.

Mr. Deputy Speaker, instead of a minister looking at a budget that will allow teachers to have salary increases and will allow communities that build sustainable educational programs, what this minister has carelessly done is lived up to a very careless, hazardous election promise that will fall on the backs of teachers across this province. I predict, in two to three years, parents will be going into classrooms

saying we have a problem with what is happening with our taxes. We cannot give our kids music lessons. We cannot give our kids hockey lessons. The collaborative partnerships that have been built in schools all across this province will be no more because of Bill 42.

There has been a very irresponsible NDP election promise put forward without the teachers and the parents actually knowing the ramifications. It is great to sit there and say, you know what, we are going to put Bill 42 forward, and we are going to ensure that the labour relations will be changed across the province. The part of the Budget where schools pay according to what they can pay will be eliminated. It sounds good for some aspects in society, particularly the teachers, and I do endorse a raise in pay for teachers, absolutely, but I also endorse supports for the teachers in the schools so they can have reasonable classroom size and so they can have the supports that they need to educate the children and the supports in the testing area to educate the children. But this bogus idea of election promises that are irresponsible and harmful to all Manitobans, I know teachers, my husband still is one. I taught for 22 years. Teachers across this province want to have the respect. Teachers want to have the supports. They want what is best for the students in their classrooms. They want what is best for the communities and for themselves.

With Bill 42 going forward, I have pleaded with this minister and with the members opposite to take more time with this bill. I want it on record, Mr. Deputy Speaker, that I want what is best, first of all, for the students, for the communities and for the teachers of this province. I have begged with this Minister of Education, with members opposite to take more time. I have begged them to go out into the communities, to give the teachers all the information, to take the mill rate and talk about what could happen if certain things occurred, what could happen if certain contracts went through. Teachers do not know that their take-home pay could be even less.

I speak with grave concern to the students of Manitoba, to the teachers and to the school divisions across Manitoba. I speak to grave concern about the irresponsible acts that have

been done by members opposite. We are on a downhill road, and I caution members opposite not to push Bill 42 through so quickly without going into all parts of Manitoba and explaining the ramifications, explaining the taxes, explaining what is going to happen to them at the end of this time.

Mr. Deputy Speaker, I thank you for this time to get some of my comments on record because of my concern for teachers, my concern for students and my concern for the taxpayers in Manitoba.

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, I rise to put a few comments on the record about the Interim Supply measure and about the conduct of government by the NDP Government.

First of all, let me say that the very fact that we are here debating this motion speaks loudly to the lack of organization, the lack of businesslike approach by the NDP Government. The NDP Government, had they brought the Legislature back at a reasonable time earlier this year, had they conducted the affairs of this House in a way that the Estimates and the Budget were all completed, we would not need to be here debating this bill at all.

So I think it should be clear and the NDP should have some egg on their face about having to come before this House at this time with an Interim Supply request as a result of not having got their act in order. It is important to recognize as well, not only does this mean extra time, but it means extra cost. That extra cost is wasted taxpayers' money that would not have had to be spent had the Government got themselves in order, conducted things in a more businesslike fashion and completed the Budget and the Estimates so that we would not have to be here debating this emergency Interim Supply measure at this juncture.

It is worthy of note that what we are passing is some 38 percent of the fiscal requirements of the Government. In many cases we are doing this before the departments have even presented in their Estimates. It is a strange state of affairs that we are forced before even the departmental Estimates by this government to pass measures

supplying 38 percent of the dollars to departments. Again, it speaks to a lack of organization, the lack of a businesslike approach by the current NDP government. We see this lack of businesslike approach in the dealings with different departmental, different areas of government.

\* (16:30)

We see this, as an example, in health care. The Minister of Finance (Mr. Selinger), when he initially introduced the Budget, talked about an increase of some 6 percent in health care. Well, the other day the Minister of Health (Mr. Chomiak) admitted, it seemed rather proudly, in the Estimates section that in fact the Estimates contain an increase of approximately 15 percent over last year. Now, we all know that a year-to-year increase in any department of 15 percent is huge. Although health is a very important and substantive priority for the citizens of Manitoba, clearly the fact that we have had to have a 15% increase, or they have delivered us a 15% increase speaks to the lack of a real businesslike approach to managing health care, where in fact one deals not only with quality issues but with cost issues. The two run hand-in-hand.

We have now a regional health authority system. One of the concerns I hear from a rural region in Manitoba is basically this, that they have a budget provided by the Government. That budget, if they were to continue to operate the way they are now with the number of hospitals in their region that they have now, does not work. Yet the Government is telling them not only this is what you have to spend, but you cannot close hospitals, you cannot make changes to the system.

So in essence we have a system which is being led by an NDP government which is not providing leadership in any way or direction to the regions, letting them go rudderless, the result being that the boards and the management and the people in the area are all back and forth arguing, debating about what they should be doing and where they should be going, because there is no direction, no sense of leadership, no help in terms of solutions to problems coming from this government.

The reality is that if you are going to make the changes that we need to modernize our

health care system, if we are going to go through the changes throughout Manitoba to make sure we have a top quality and over time a lower-cost, as a percentage of GDP, system of health in this province, then we need some clear leadership from this government.

There are many areas where there are opportunities to provide leadership to save dollars and increase quality at the same time, yet the Government here is not providing that leadership. They are letting the system drift and the result is a system which, in fact, in many circumstances is costing more and is of lower quality, the wrong direction in both ways because there has not been that leadership that is so needed.

I have talked earlier on in this session about the area of hepatitis and the fact that some leadership to make sure that patients were being treated quickly has the potential to save us a lot of dollars down the road. I have talked earlier on about fetal alcohol syndrome and the fact that a major effort now can save per child in whom it is prevented some one and a half million dollars down the road. Yet there has been woefully inadequate action by the Government. Some rhetoric, yes, but really effective change, no, it is not there. That is what this province needs at the moment, is some real leadership, some real effective change, a system which can work better, more efficiently and can be affordable to all Manitobans as citizens and as taxpayers.

We have a government which has looked at the situation with nurses and has decided to throw in a new program to train two-year diploma nurses, creating and sowing division within the ranks of the nurses, spending millions of dollars on a program which when we look at it carefully was not really needed because there could have been much cheaper modifications to existing programs. There could have been an expansion considerable of the LPN programs as well as modifications to the baccalaureate nursing programs at a much lower cost, to provide nurses quicker, more effectively than the program which this government has chosen.

It is a sad state of affairs, when the Government chooses the more expensive and the poorer quality option. That is why we have taxes, or

will have taxes, which do not come down when they should. That is why we have a lot of problems with quality in the system. That is why we have long waiting lists, is because we do not have a government which is showing leadership. We do not have the kind of leadership that will help us through some quite difficult times. Let us recognize that there are not easy solutions always, but these are the times when leadership is needed perhaps more than any other.

Let us move on and talk briefly about education. The Government has moved to ban the YNN program but really has not provided an alternative option. The Government has not provided a vision, a leadership as to how we are going to get not only technology in all schools but how our young Manitobans are, in fact, going to learn to use that as an essential part of their education program, how they are going to learn not only to use it but to become the workers of tomorrow, the knowledge builders, as it were, using the technology to provide efficiencies, to be able to do things in new ways, to provide the leadership and the new industries that we so badly need. The problem here is that we have a vacuum in leadership, that we have changes made which take us back rather than forward, and even if one accepts the change to the YNN, there should have been a clear alternate vision, and that really was what was so sad.

In post-secondary education, let us accept that the circumstances were difficult, but clearly one of the first steps should have been to make sure that the public infrastructure was in good shape. I was in the Architecture Library at the University of Manitoba just the other day. The books were covered with plastic because of the leaking roof. The computer was kaput because of the rain. There were carpets which were soaked. There is a gap this big between the floor and the wall.

Clearly, in nine months, we should expect better than we have got. We should have had in the first budget a clear plan to manage the public infrastructure responsibly in this province. For every day that that public infrastructure deteriorates, those are more costs, more expenses, higher taxes down the road. That is the direction that this government appears to be heading

because they have not quickly, early in their mandate, put in place the management system to make sure our public infrastructure is well looked after. They took some of the Budget numbers from the Tories, which was a mistake, but the reality is we know the problem is there. There have been studies of the extent of that problem at our various post-secondary education institutions going back many years. Government is delinquent in not putting a price program to look after and make sure the infrastructure was in good shape. This clearly should have been a first step, and it has not been done. It remains to be done, and in spite of some rhetoric from the Minister of Education, there still is not this plan that he was talking about presenting to us many, many days and weeks and months ago. There was an opportunity, and it is sad that that opportunity is passing by, to put in place a businesslike approach, to be stewards of our public buildings in this province.

There has been, compared to other nearby provinces, Alberta, Saskatchewan, Ontario, even Quebec, a lack of investment in the research and the forward planning and the forward thinking in this province. The investments in research in the last number of years have been about half what the other provinces have invested on a per capita basis. This is a problem because, without that testing and innovation and forward thinking, it becomes much more difficult to move us forward well, spending wisely, testing options before we throw money at them, making sure that each step that we take is of high quality and the lowest possible cost. But sadly this government has failed in their first budget to date to put those investments in research, which is so critical.

Again, this should have been one of the first things rather than one of the last things that the Government is doing or will do. That research is important for not only making sure that economic things go well in this province, that educational things go well, that social issues are looked after in a quality fashion, in a low-cost fashion. It is important to make sure that we are building the networks and the partnership of people who are thinking and planning ahead and doing things in a quality fashion. Sadly, this government has not shown that it understands that these issues are fundamental. They are fun-

damental to an appropriate businesslike approach to running a province and to government.

*Mr. Speaker in the Chair*

There are issues of operational funding to universities, changes in programs. We know dollars are limited, but there has been a lack of leadership. At no point has the Minister of Education (Mr. Caldwell) provided the kind of leadership in terms of where he expects us to achieve the highest qualities of excellence. Clearly we cannot be excellent in everything in this global world, in Manitoba, in terms of our training, our skills, in terms of our research. There are some choices; there are some priorities. That is leadership, and that leadership, to date, has been lacking.

Let me move on and talk a little bit about the environment. Sustainable development is exactly what it says. It is not just environmental issues; it is development, economic, social. It is a centrepiece of what the Government should be doing. It is a view of where this province should be going. We are waiting for the Minister of Conservation (Mr. Lathlin) and the Premier to present their strategy by I think it is July 1.

There are many, many things which are important in that strategy for social development, for sustainable development. Indeed, there is a recognition that it is not just a matter of goals and principles, but it is a matter of the whole series of component strategies, which are important and which make up what should be the overall sustainable development plan for the province and for the Government.

I am going to talk about one tiny piece of that sustainable development strategy, but an important one, and that is dealing with the greenhouse gas emissions. Greenhouse gas emissions may not be at the top of mind for most people in Manitoba, but 10 years from now, in about 2010, presuming that the Kyoto treaty is implemented. But even if it is not, we should be there because that is the responsible direction that we should be going. The likelihood, I suggest, is that the treaty will be implemented.

Ten years from now, we are required to be at 6 percent less in greenhouse gas emissions than

in 1990, but that is not 6 percent less than today because the evaluation, the assessment of greenhouse gas emissions in Manitoba shows that by 1995, Manitoba was already 7 percent above 1990. The estimates are that we are likely to be at 2010, if nothing were done, at 10 percent, maybe 15, maybe even 20 percent above 1990 levels, depending on how fast or how well the economy grows. In general, certainly the previous history has been that with growth in the economy there are more emissions. Therefore, when we look at the next 10 years of reversing the direction that we have been going, we are looking at decreasing from where we are today the greenhouse gas emissions by probably in the range of 15 to 30 percent from where we would have been with no action. That is huge, and that is huge in part because it will affect some of the major industries in this province. Two of the major greenhouse gas producers are transportation and agriculture.

We have all heard over the last months of this session the debate in this House and the concerns about commodity prices and where agriculture is going. But if indeed the agricultural industry in this province is going to have to reduce greenhouse gas emissions by some 15 to 30 percent from where they would have been with no change, that is a huge difference. What it means is not only regulations but some real leadership and foresight, some real leadership and foresight and understanding where the technology is going that is going to help us to solve this, to produce more and have less greenhouse gas emissions.

Because the reality is that it is technology in the agriculture or in the transportation industry which is going to be much more desirable, which is going to have a much better market ten years from now than technology which does not address the greenhouse gas emissions. So it is very important that the Government is there with some leadership, with a vision, with an understanding, helping our industry to adapt.

It is a sorry testament that indeed the lack of investment in research provincially is losing us dollars that are available from elsewhere to help make this adjustment. In the last federal budget I believe there was a commitment to something

like \$300 million in various areas to help Canada address global climate change. This is through the Department of Environment,

\*(16:50)

Most areas of government in the federal government, not using the approach of the HRDC, use this on a very competitive basis. That is the way it should be, because what it means is that those investments go to the highest quality, the most deserving projects wherever they are in this country, that those dollars are spent the most wisely.

But the problem is this, that if we are not investing provincially in the research, in the expertise, in the people here, then we will not be competitive in being able to bring in dollars from elsewhere, whether they are federal government or whether they are corporate dollars to try and move us forward and to move this province forward. So far the Government has not shown any understanding of this process, of this need for leadership that is so clearly apparent in this and indeed in a number of other areas.

In the Estimates I talked about environment and asked the Minister of Finance about environmental liabilities. Why should this be important? Part of the reason why counting, adding up, knowing what our environmental liabilities are is that when we understand the extra costs that we have down the road from those things that we do not do well now then we understand and can make investments better at the present time. What we do not want is to have increased environmental liabilities, because that means increased taxes, increased costs passed on to those in the future who live in this province. Increased environmental liabilities represent a deficit just as much as an increased cash deficit in the Budget, as the Minister of Finance (Mr. Selinger) calculated it this year.

So it is tremendously important that part of that is sustainable development strategy, that part of the Minister's budgeting process knows and understands what those environmental liabilities are, calculates them on an annual basis, makes sure, just as he is trying to do with pension liabilities, that we are not getting deeper

into the hole year by year because we are not counting those debts, whether they be cash debts or environmental debts, which are part of the future if we are not aware of the problem, if we do not understand how important such areas are and why it is so critical to be able to manage in a sustainable way, to manage and develop this province, whether economically, socially, educationally, in a sustainable fashion, government looking at the direction that it is moving or the lack of direction from what I hear from people in health authorities, in education and in the environment.

Let me come back now to the problem that the Government has in the lack of direction and in the lack of organization and in the lack of business planning. That, of course, is why we are here today, that the Government did not move in a businesslike fashion to bring in early enough the Budget, to make sure that we were through the Budget and the Estimates process. I hope that the Minister of Finance (Mr. Selinger) will give us an accounting of the extra cost of the session today that we have had to have and perhaps the debate tomorrow that did not need to be if the Government was well organized.

Those extra costs mean higher taxes down the road. We clearly need more efficient government, government which is going to serve this province well in a less costly fashion, get the business done in a more democratic fashion. That is my plea to this government. That is what I would put on the table today as we debate and talk about this Interim Supply measure. Thank you.

**Mr. John Loewen (Fort Whyte):** Mr. Speaker, I feel it is imperative to put some words on the record regarding this Interim Appropriation Act that has been put before the House. The Member for River Heights (Mr. Gerrard), the previous speaker, talked about a lack of direction, a lack of business acumen, a lack of organization that we see within this government. I certainly agree with those comments because we have seen all of that. It is unfortunate, but, unfortunately, we have seen all of that and more.

We are also here today I think to speak to a lack of credibility that we see from this government, and that I think is the most disturbing of

all of these traits that this government has shown in its brief time in office. That was shown right from day one with this government. They went through an election. They talked about their five commitments, of course, two of which were to do nothing and three of which remain to be done. So I guess in all we had five do-nothing promises, but we will come back to that.

I think right from day one, they talked about being Today's NDP, and what did they do? They hired a transition team that was comprised of yesterday's NDP, in fact of a Finance minister who was defeated in 1988 because of not only his 1988 budget but his 1987 budget. This is Today's NDP, same old, same old. So immediately they set about to spin, to create the message instead of telling Manitobans what they really wanted to do. And spin they did. Their very first act, the very first act probably of the transition team was to withhold information from the Minister of Finance (Mr. Selinger), to withhold information on the second-quarter forecasts because they did not like the picture that it painted.

It painted a picture of a budget, a previous budget that had been well managed, one that was feeling some pressures in certain areas, but certainly one that could be brought under control and be brought under control easily. Did they share this information with the Minister of Finance? No. Did he ask for it? Did he seek it out? No. He has admitted that. He has told this House, he has told the press that he had other concerns, as he was trying to get his head around this massive task that he had as Minister of Finance. Trying to learn his job and, in having to learn that job, he was not even able to decipher the second-quarter forecasts.

Anybody who has had any experience in managing large organizations understands that if you are going to know where you are going to be at the end of the year, you certainly need your quarterly forecasts and you need to react to them. That is very vital information, and the sooner you get that information, the better prepared you are to act, and the better your decisions will be as a result of having this information. So I do not know. It is incomprehensible to me that we would have a transition team with a former minister of Finance, mind you, I guess,



looking at his record back in the 1980s, you could understand why he would not share this information. He probably never looked at it then either. He just kind of added up the numbers at the end of the year and said oh, my God, this is what we have.

Anyway, so what did this government do? Well, day one, they set about hiring a firm, Deloitte and Touche, and I purposely want to say Deloitte and Touche, because for five months we were embarrassed nationally, as our Minister of Finance repeatedly, day after day, referred to this well-known international chartered accounting firm with a tremendous reputation all around the world, and yet we in Manitoba have to call them Deloitte and tush. I think the Minister was referring more to what he was doing sitting around, as opposed to what the auditing firm was doing. I cannot believe, day after day, on national reports, we would hear the Finance Minister stand up and talk to the press about the wonderful work that Deloitte and tush was doing.

Well, I hope by now that the Minister understands, and he should, I think having paid the bills, surely that firm would remind him that their name is Deloitte and Touche. I would mention that Touche comes from an individual, and as I am sure the Minister would not like us to butcher his name in this House or outside of it, I am sure that Mr. Touche, Mr. George Touche, who was one of the founders of Touche Ross, his family—*[interjection]* Touche Ross was the name of the firm. The Finance Minister asks where Touche came from. Well, Touche came from Touche Ross, a well-known international accounting firm. They, back in the early '90s, merged with a firm called Deloitte, Haskins & Sells, another internationally renowned CA firm, and there, hence, came Deloitte and Touche, both of which at the time were one of the big five. That is the history for the Minister, and if he wants, I can supply him with a book on the history of Touche Ross. I am sure he would find it fascinating.

\* (17:00)

But the point is, what do they get Touche Ross to do? They asked them to do a quick synopsis, they asked them to go around to every department and take the numbers that the

Department gave them for their spending Estimates for the rest of the year and add them up. And in two weeks, in less than two weeks that Touche Ross had to do this study, the Government was out saying oh, my God, look at what we have here, look at the problems we are faced with in terms of massive overspending.

Anybody who has had any experience at managing large organizations knows, if you just simply go from department to department and ask them what they want to spend till the end of the year, you are going to come back with a number that is much larger than it actually needs to be. But did this government, did the transition team take this report back to the departments? Did they go back and ask them to justify the spending that was included in these numbers? No. They had immediately gone about to put the political spin on it.

This is where we get back to credibility, Mr. Speaker. And this is what we are talking about. The first thing that happened after that was we had the Premier (Mr. Doer) of this province going out repeatedly in this House, on public broadcast to the news media, calling that report an audit. The gall. Now there is the credibility issue. A premier of this province calling a report which states implicitly right in that report that it is a review and not an audit, and yet we have the Premier of this province going around telling everybody that he had an audit. *[interjection]* Exactly.

This piece of chicanery was just the start, and that is what we have seen from this government. In fact, many times it was raised to the attention of the Premier (Mr. Doer), and the report was actually read back to him, that this was not in fact an audit. Deloitte and Touche said it themselves, it was a quick snapshot, a quick review. So is this government interested in information? No, it is interested in taking any information it can get and putting its spin on it and trying to get it out in public. That is what we have seen in the Budget, and that is what we are seeing today. That is the lack of credibility that people have come to understand with this province.

Mr. Speaker, the facts are, and the facts became clear as we got the third-quarter

estimates, that what this government was intending to do was to spend and spend and spend. In the one year that they did not have a requirement to balance the Budget, they were insisting on jamming every expenditure that they could possibly find, every overexpenditure, every new expenditure and every one-time write-off that they could find and jamming it into that fiscal year. Unfortunately, Manitobans are going to pay for that political test for a long, long time.

It is an unfortunate decision that this government made to take this approach. Instead of doing the right thing, instead of doing the honourable thing, looking at the Budget, looking at the expenditures and giving some push back to the various departments to say look, you are over your budget, where can we save? What expenditures are going to lapse? Where can we save money? They spent. I would say they spent like drunken sailors, but that is not what they spent like. They spent like sober NDPers. They went back to the 1980s, and they spent and spent and spent everyday in every department as much as they possibly could.

That is what we are faced with, that is what Manitobans are faced with in this most recent budget. It is unfortunate that they just did not come clean with the people of Manitoba at the time. So we are talking about credibility of this government.

It has been tested time and time again because in that very same session, the first session back in November and early December that we had of this government, we had the Minister responsible for the expansion of gaming, for the increase in gambling for the Aboriginal casinos, stand up and tell this House that basically they were talking about a plan. They were working through a plan. Yet, nothing really was going on. Then, what do you know? Two days after the House stopped sitting, there is that same minister, up with a press release, describing in detail the two-person committee that he has established to ensure the progress of the Aboriginal casinos is taken with great haste and with great speed and with a total lack of planning.

Less than two weeks after responding in this House to questions and stating in here em-

phatically that there was nothing immediate happening, what do you know? The House takes its Christmas break, and there is the Minister, two days later, up telling Manitobans how he is going to ensure that five Aboriginal casinos are established on a fast line. So again we have another credibility issue.

At the same time, we have an issue with the Minister of Agriculture (Ms. Wowchuk), who tells farmers, who tells business people in rural Manitoba that she is going to stand up for them. She is going to go to Ottawa and fight. She is going to get disaster relief. She goes to Ottawa, and what does she do? Well, she tags along with Saskatchewan, because she does not have the facts, and simply picks a number of the air so we end up with a request for a billion dollars simply because Saskatchewan has asked for a number. So we have tag along. Then what does she do? They finally get a meeting in Ottawa, and she walks out. Well, there is negotiation. She is in there fighting for the business people and for the farmers and for the residents of southwestern Manitoba; she walks out of the meeting and comes back with nothing.

**An Honourable Member:** Ten million dollars.

**An Honourable Member:** One hundred million dollars.

**Mr. Loewen:** Well, the Minister of Agriculture is bragging that she managed to bring \$100 million back from the federal government. Did she apply that in any direct fashion to southwest Manitoba? No. She took it and spread it evenly across the province, because after all that is the great NDP philosophy, the great leveller, make everybody the same. Do not deal with the issues at hand, just make everybody the same. That is another issue of credibility which I will come back to.

Of course, we go from there to the great art caper. We have the Minister of Culture, Heritage and Tourism (Ms. McGifford) leaking documents from her department to the *Free Press* insinuating that members on this side of the House and staff in this building have somehow absconded with—well, she started at 400 pieces of art, then she got down to 100, now she is

down to one, one piece of art that she cannot locate.

But, of course, the Minister had to leak the document. She had to have meetings. They had to put a spin on it with the local media to ensure the message got out that maybe there was some minister, some former ministers who had moved artwork out of this building. Again, another hoax, another example of the lack of credibility that this government has, another example of where they took basically what were false facts and portrayed them to the media for what they thought would be their own political gain. Once again, what do we see? It came back to haunt them, because when the real facts got out, at the end of the day, when the inventory had been done, there was one piece of art missing, quite likely a piece of art that was broken accidentally that is left to be accounted for.

So, because of this government spending more time and more effort on spinning the facts out to the press, all of the staff and all of the politicians that work in this building on a regular basis have had their reputations sullied across Canada, for a small and in fact a negative political gain on behalf of this minister. So when we talk about credibility, there certainly is not a lack of specific instances to explain to the members opposite, as well as the public, that this government is certainly lacking in credibility.

Now back to the Budget and to the dollars that are being requested in this appropriation. Again, what came out of the Deloitte and Touche review that our Premier (Mr. Doer) insisted on calling an audit? What came out of the departmental review? Well, what came out of that was, again, the message to the departments that there is going to be more federal transfer money flowing, so spend and spend. Did they go back and challenge the departments whether that spending was producing any concrete result? No. The answer was: What more can we spend?

\* (17:10)

Did they take advice from people across Manitoba who were involved in some of that spending, particularly in the health care sector, when they were telling the Minister of Health (Mr. Chomiak), no, no, that is not a viable solution. Do not just force that on us. Did the

Minister listen? No, because the message was let us spend while we can, so we can build up this year's budget in order to make it appear next year as if we have not gone too far in our increases in spending.

We see that in this budget document. You know, we have a government that has gone on a spendthrift mission here. They have increased the spending this year by over \$400 million, a \$400-million increase in spending when compared to last year's budget. That is absolutely incredible. In less than 6 months, we have come up with this.

This government knows full well—certainly, there are members there; I mean, the Finance Minister can claim he is new to the job and maybe did not understand all the ramifications—when you increase by \$400 million, from budget year to budget year, your spending, you build that \$400-million expense in year over year, and it is very, very difficult. It is very difficult for anybody to come back later and reduce that program spending.

That is what Manitobans are looking for. Manitobans are looking for responsible, fiscal management. Manitobans are sick and tired of sending their hard-earned tax dollars to the Government for the Government to spend willy-nilly as if it did not matter to anybody but the Government. We had an opportunity with this burgeoning economy, an economy which we should all be grateful for and which this government in particular should be grateful to the last 11 years of economic growth in this province. They should be particularly thankful because that is what has fuelled the increase in government revenue that has allowed this government to portray to Manitobans a balanced budget while, at the same time, increasing taxes and increasing spending by over \$400 million a year.

When we talk about credibility, I mean, it is the small things. It is the small things that you do day in and day out that add up to what you are going to look like at the end of the day. It is those small decisions. It is that decision you make every day that says this is the kind of person I am, this is the kind of government we are, this is the kind of policy we are following.

When we have a government that starts out from Day One portraying a quick snapshot, a quick financial review by a respected chartered accountant firm, when they come out and start calling that an audit knowing full well that it is not, that sets the stage. When you have a minister who comes out and leaks information to the press on purportedly missing artwork that actually is not missing, that is another example. That sets the stage.

When you have a minister who is responsible for corporate and consumer affairs and responsible for the expansion of gambling in this province, a policy which was not clearly articulated during their election campaign, when you have this minister tell this House one week that this is something far off into the future, that he has not really worked on it, and then, within two days of this House recessing, this minister stands up in public and says, well, I am going to appoint a committee today, a committee of two people that is going to decide on where we are going to have our massive expansion of gambling in this province, that is no way to build confidence in the people of Manitoba.

What that breeds, that breeds cynicism. Certainly we all in this House recognize that the last thing that we need from the public, when they view our actions, is more cynicism. *[interjection]* That is right. I am glad there are some ministers opposite, and certainly I am glad that the Minister of Health (Mr. Chomiak), at least in theory, in smoke and word, agrees to that. I would only hope that he would start to put that into action in his daily work, so when we have an issue in southwestern Manitoba as was raised today, maybe he actually would take the opportunity to go and meet with those people as opposed to dodging the issues.

We have a budget, Mr. Speaker. We have a budget where spending is up over \$412 million in this year's budget compared to last year's budget. This is what this government is asking us to approve today, approve the spending of 38 percent of that. The Finance minister, of course, sticks to his party line by saying, well, that is your spending.

I would remind the Minister that, if he had actually taken the time to look at the second-

quarter estimates—in fact I should not blame him for not looking at them. I should blame Eugene Kostyra and the transition team for not showing it to him. I appreciate the fact that he was certainly a busy individual with his new role, but certainly the former Minister of Finance, back from the 1980s, should have brought that information to the attention of the new Minister of Finance (Mr. Selinger).

I cannot believe that the former Minister of Finance would not have understood how crucial and how important that information could have been. Had the Minister found that information, we would not have had to spend—we have been told the number is \$500,000—\$500,000 to conduct an audit, but are we surprised? Well, no, we are not surprised because once again that is typical NDP strategy. That is their policy. Why would you bother doing anything? Why would you bother managing expenses when you can simply hire somebody to write a report?

That is another issue of credibility that we see with this government. Will they actually do anything that they promised, or will they continue to just move along the track of paying back those individuals who they felt supported them throughout the over 11 years that they were in Opposition to the point now where they have managed to be in government? They have a lot of debts to pay. I would urge this government to ensure that they do not simply repay those debts on the backs of Manitoba taxpayers, whether it is corporate taxpayers or individual taxpayers. *[interjection]*

Mr. Speaker, members from the opposite side, and the member for Crescentwood and the Minister of Family Services (Mr. Sale)—*[interjection]*—are complaining about spending by a previous government.

**Mr. Speaker:** Order. It is getting very difficult to hear the Honourable Member. I would like the co-operation of all honourable members.

**Mr. Loewen:** Well, the members opposite want to talk about overexpenditure in health care. Well, would they shut the taps off? Is that what they would do? No, they would follow through with it. Now they have come up in this year's budget with this wonderful theme that they are

going to advance budget for all the hospitals. They are telling the hospitals: Well, look, here is your budget, here is what you spend, and that is it.

They are not even allowing them the opportunity to manage that spending. They are saying: Here is what you have to spend and here is what you have to do.

So what do they think? At the end of the day in the third quarter when the health expenditures are rising, are they going to tell the health care system to stop providing services? Well, no, you never do that because when someone comes to your hospital or any medical facility and they need assistance, they have to get assistance. But what we are talking about are decisions, and those decisions will mirror the credibility of the Government. So you know you have spending that you have to do in health care, and if health care costs rise because there are more patients to be served, well that is a fact of life and you make choices. You make choices in other departments. You cut back. You manage other departmental budgets in order to allow that to be spent. Did this government do that? No. All this government did was figure out how much they can spend.

When we talk about credibility, what did they do about it? Well, they took all of the expenditures that they found in the last fiscal year and they incorporated them in the third quarter spending forecast so that it would not look like they were increasing their program spending that much. What did they take? Well, they took the budget for Agriculture and Food is up over \$90 million. It is up to \$93 million. That reflects the one-time payment made by the previous government to those farmers in southwest Manitoba who are really suffering.

Now, I cannot imagine how this Minister of Finance (Mr. Selinger), or even his assistant, Mr. Kostyra, could possibly justify that in their operating expense line. It is incredible. So they build all these one-time expenses into last year's Estimates of operating expenses and then they point to their increase of \$400 million and say: Well, gee, it is not up that much. After all, it is only up less than 3 percent.

Anybody who understands the figures, anybody who took the time to delve into those figures would realize immediately that the first thing they should have done in order to be honest with Manitobans is take out those one-time non-recurring expenses and say those were one time. Those were a result of a disaster, a disaster that fortunately and hopefully will not recur.

\* (17:20)

So, instead of building that money into operating costs, they should have removed it totally if they had wanted to be totally honest and truthful with the people of Manitoba. They should have gauged their increase in spending accordingly. It is all there. You are right, it is all there, all \$400 million. The Finance Minister tells me it is all there in the Budget. Well, all \$400 million of extra spending is there in the Budget. That is what anybody who understands the figures will look at and will see. So that is one side of it.

Now we talked about credibility. We talked about the credibility of this government, and here we go on the revenue side, because there are two sides to every equation. There is a revenue side and there is the equation side. So the Government, and fortunately for the people of Manitoba, and well deserved, the federal transfer payments increased significantly over budget. Corporate income tax increased by over \$100 million as a result of the burgeoning economy. So they were the beneficiaries of some largesse from the federal government and the benefit of some largesse from the former Conservative government, which managed the economy so well that revenues were continuing to grow and grow. That is evident by the fact that corporate income taxes budgeted at \$205 million actually ended up at \$303 million. That is because business did well under the previous government. That is because there was an opportunity to succeed in this province, and businesses saw it and businesses invested in Manitoba, and that is what has led us to a burgeoning economy. That is what has led us to not only a decline in the exodus from Manitoba in terms of numbers but in fact an increase in terms of people moving into this province as of people moving out.

What brought that was a commitment by the previous government to insist that the economy be diversified, particularly in rural Manitoba, and what brought that was a consistent message by the previous government showing time and time again that they were going to cut taxes. That was another issue where this government lacks credibility.

This government made a commitment to Manitobans. They made a commitment in their election material that they would continue with the personal income tax decrease that was proposed by the previous government when on January 1 provincial tax rates would fall 48.5 percent to 47 percent. Did they live up to that commitment? Yes, they did. Because did they have a choice? No, they did not because people of Manitoba would have rebelled, and they knew that.

But what happens when the Finance Minister (Mr. Selinger) introduces his next budget? All of a sudden he is in a rush to delink. He is in a rush to delink taxes from the federal system a year earlier than had been planned. Now there are some benefits to delinking. Nobody would argue that. It gives the provincial government more flexibility in the rates it sets. It takes the dependency from the federal government in terms of how they deal with taxes and removes it and puts it in the hands of the provincial government. That, I think we would all agree, is a good thing, and the flexibility that it provides is a good thing as well.

But what the Minister missed and what the Minister had an opportunity to do was to set the rates of this new delink system. He did that. It is just unfortunate for the people of Manitoba—and they are going to see it starting next week when they start to receive their paycheques—that he set the rates higher than they would have been had they remained linked to the federal system and had they left the rate at 48.5 percent. The cost to that to Manitobans is at least, and likely over, \$20 million. So we are talking about credibility.

We have a Finance Minister presenting a budget, and a major platform in that budget is personal income tax relief.

**An Honourable Member:** A good budget.

**Mr. Loewen:** That is right. A good budget if you like spending \$400 million more of other people's money. So it is no doubt that the members opposite are calling it a good budget when it gives them that type of flexibility. But that is not what the people of Manitoba elected them for, and that is not what the people of Manitoba want. If they went to the people of Manitoba and asked those people if a good budget included increasing their personal income taxes, there is no doubt that the responding resounds from the people of Manitoba would be no, no, no.

The people of Manitoba recognize that governments are overspending their bounds and, in fact, should be decreasing taxes. That is what is happening right across the country. Now if it be one thing, if the Minister introduced a budget into this House and said: By the way, Manitobans, I have made three commitments. I have made the commitment that I am going to reduce property taxes by \$75 and give you an increase in the property tax credit, and I am going to live up to that; that I am going to carry through with the former government's promise of reducing your provincial levy from 48.5 percent to 47 percent; that I am going to flow through the full benefits of the federal tax reductions that were announced in their budget of February 25.

Now that is what the Minister said. We talked about credibility. What did he actually do? Well, we are going to see a \$75 increase in the property tax credit and those people that own homes and those primary renters, some people in Manitoba are going to see that. That is fine. They told people they were going to do that. They did follow through with the previous Conservative government's commitment to lower the personal tax rate from 48.5 percent to 47 percent. That is fine, but their third decision, which speaks directly to their credibility, in spite of their press release, was not to flow through the benefits of the federal government, but it was to take \$20 million out of the pockets of Manitobans, \$20 million individual by individual. That is what it cost Manitobans for this government in this budget to delink. Why did they have to do that? They had to do that because they went to their departments and they saw that they were going to need \$400 million more. Their ministers said, we need \$400

million more than we have. So, Mr. Finance Minister, you cannot follow through on the commitments, on the promises you gave to Manitobans.

Look, Manitobans can understand the numbers. If the Finance Minister had simply stood up and told Manitobans the facts, then maybe they would have said, well, we understand, Mr. Minister of Finance. We understand that you need to spend more money.

But he did not tell him that. So they did not have a choice. Instead he compared their personal income taxes to a rate in 1999 that was 48.5 percent and that was higher by over \$300 for most individuals on the federal side, a rate of 26 percent instead of a new rate of 24 percent. He went on year by year by year comparing his budget with something that was in fact non-existent, something that went out of existence on January 1, 1999. When asked the simple question in the Estimates process whether he had had any comparisons to the year 2000, to January 2000, he said, no, oops, we did not think of that.

Now, I cannot believe that a Minister of Finance and his department, which is well known for its good work, would not have done some examination of the facts to see what the taxes would have been on May 10 compared to on May 9, one day after the Minister's budget. I mean, it is incredible.

So when we talk about credibility, over and over and over again these issues are being raised. The previous speaker talked about the lack of direction, the lack of organization, the lack of business planning. We are seeing that day after day after day. We have a Finance Minister, we have a Minister of Culture, Heritage and Tourism, we have a Minister of Consumer and Corporate Affairs who are responsible, who have taken on the responsibility for a massive expansion of gambling in the province of Manitoba, which in itself—[interjection]

I am sorry. The members from across the House wish to remind me that their expansion in gambling is only 17 percent. Well, they are to be congratulated, because that is quite a way to reward individuals who have had their trials in

life. This government knows. They have studied the facts. They know that that money is coming directly out of the pockets of Manitobans. They know and they have stood up in this House and spoken to the fact that that money not only comes from Manitobans but, worse, it comes from those people in Manitoba who can least afford it, those people with no hope, those people with no opportunity who visit gambling establishments with the ultimate hope that they are going to hit it big. These people, these ministers and these members who have railed on and on, that is their vision for the future.

\* (17:30)

I hear the Honourable Minister of Family Services (Mr. Sale) wanting to tell me that there is a 17% expansion and how much economic benefit that is going to be. So I would ask that member if he has ever stopped to read the *Anglican Journal*, in fact if he read the article. I will quote directly from that article, because he seems to want to know the information: The churches are concerned about the moral effect of gambling on society. This is a direct quote. When you base your economic development plan on gambling—I would ask all the members to listen—when you base your economic development plan on gambling, you are asking a community to make part of its living by persuading people to gamble more and to lose more, and that is a quote from Bonnie Greene of the United Church.

Certainly it is something that the member from Crescentwood and the Member from Burrows (Mr. Martindale), you would think, would understand. I would ask those members if they want to chirp to me about 17% expansion in gambling. Is that a fair way to build a society? Well, I think that you would have to answer no to that. I think you would have to answer no to that. I think the Member from Burrows would certainly answer no to that.

I would ask the Minister: Is that love of thy neighbour? Is that a just society? Is that justice? Well I think his answer would be no. So when members opposite want to talk to me about increasing gambling by only 17 percent, I would ask them to look into their souls, to look into their hearts, in fact, to look back to Hansard

when they spoke aggressively on the need for a Lotteries Accountability Act. I would ask them: Look at where you are now and then talk to me about credibility, talk to me about real issues. But worse—

**Mr. Speaker:** Order. It is getting very difficult to hear.

**Mr. Loewen:** Mr. Speaker, I have talked enough about this casino issue. There is going to be lots of time in this House to discuss this issue. Unfortunately, this government has flip-flopped dramatically from one side to the other, and at the same time it is unfortunate for the new minister, the Minister responsible for Consumer and Corporate Affairs (Mr. Lemieux), that they have pretty much left him out in the air to carry this one.

But what is worse is that, in this rush to expand gambling, this immoral rush to expand gambling, they have not even got a plan for it. The Minister in this House, three of the ministers in this House have admitted that they do not know how much impact their massive increase in gambling is going to have on provincial gambling revenues. So, instead of taking it down, they have agreed as a party, as a caucus, to take it up, but they do not know how much it is going to cost Manitobans.

So it is no wonder that the Minister of Finance (Mr. Selinger) had to drag an extra \$20 million out of Manitobans in this year's budget. Was it for health care? I do not think so. Was it for education? I do not think so. It was to make up for the loss in revenue that this government is going to have as a result of their increase in gambling. Mr. Speaker, we will come back to that at another opportunity.

But further examples—this government talks about how they are going to ensure that business remains here, how they are going to be fair. Well, they should simply ask their premier about a meeting he had on Monday when a local head office, owned and operated in Manitoba, told the Premier point blank that, in fact, they were doing their expansion outside of this province and outside of this country, because this government would not come to the table with an IRDP loan.

Was it a lot of money? Was it a grant? Was it a handout? No. It was something competitive. A simple request and this premier looked them square in the eye and said: Sorry, we cannot do it. We are not open for business.

**Mr. Speaker:** Order. The Honourable Member's time has expired.

**Mr. Frank Pitura (Morris):** Thank you, Mr. Speaker. I have to congratulate my colleague for a very inspiring and provoking presentation. It is going to be a very hard act to follow.

**Mr. Speaker:** Order. I could not hear a word that the Honourable Member from Morris has been saying. I would ask for co-operation from all members.

**Mr. Pitura:** Thank you, Mr. Speaker. I would just like to say thank you for the opportunity to put a few comments on the record. I did not have the opportunity during the Budget Debate to place some comments on the record. It is opportune now with this introduction of The Interim Appropriation Act that I can place a few comments on the record about the physical state of the province.

Mr. Speaker, the NDP Government has been in power now for nine months of what is a 60-month term. They have 51 months left in their term, maximum, so they are well along the way in their mandate of government in Manitoba. But, you know, there are a number of concerns that I have with respect to the state that the Province of Manitoba is in and the Budget that was introduced earlier this spring.

What concerns me is that the province of Manitoba is now the highest taxed province in the country in terms of provincial taxes, and that really worries me a lot. The long-term outlook that this government has and that is demonstrated on page 27 in their budget book is that they have a spend, spend, spend type of mentality towards the future, up to the 2003-2004 fiscal year. They are taking all of the extra dollars that are generated by the so-called economy that is predicted to keep on being a strong economy, taking all of those dollars and spending it in terms of program expenditure.



That concerns me, Mr. Speaker, because what it says in this book on page 27 is that at the end of the day, if there was ever a reverse in the economy for some reason in the province, this NDP government would be in dire straits to try to keep a balanced budget. They have not put into their forecast any kind of an account whereby they can sustain some ups and downs in the economy that might come along. So that worries me, that that has not been put into place, and it is going to be of concern to all Manitobans.

Because of the fact that we are the highest taxed province in the country now, I really think that it is going to be difficult to try and attract and keep doctors, nurses, teachers, young professionals—in fact, all areas of the economy. It is going to be difficult to keep young people here in Manitoba because of the fact that all young people are fairly mobile today, and they can access opportunities elsewhere across this country where they can keep more of their paycheque than they can here in Manitoba. That is one of the facts, I think, that young people are going to access opportunities in other provinces even if the salaries, the wages are the same, because they are going to be able to have more take-home pay.

Another thing that concerns me, Mr. Speaker, of course, is recently the Minister of Education (Mr. Caldwell) tabled a Bill 42 which would eliminate the ability-to-pay clause with respect to school divisions and school division boards, and I think that that is a step in the wrong direction. Everybody was used to Bill 72, and I think that, overall, it was working very well. Eliminating that is simply just a deal that was made at the time of the election with a special interest group, and they are fulfilling that promise.

\* (17:40)

The other thing I noticed too, Mr. Speaker, in terms of the legislation that has been tabled so far and brought forward is that a lot of this legislation is creating roadblocks towards business in this province and/or into other industries. Let me give you an example, and this is a case where the Minister of Agriculture (Ms. Wowchuk) tabled a bill in this Legislature with

respect to dealer purity, and what she did was she took the legislation and went one or two steps further and actually put in roadblocks that would prevent small-line equipment companies from expanding their product dealership line throughout the dealer network because they would be subjected to the same type of legislation that the large mainline companies were.

The dealers were simply interested in having the legislation in place for the large mainline companies, not the small lines. So it is just a regressive type of legislation that is really going to be a thorn in the side for a lot of the small-line manufacturers in Manitoba.

Another piece of legislation that this NDP government brought forward is Bill 5. Bill 5, when you first take a look at it, you say, well, yeah, it gets rid of penned hunting, and I do not think there is anybody in this House that does not agree that we do not need penned hunting in Manitoba. It is not what the Bill says; it is what the Bill does not say with respect to exotic and foreign livestock that really has us concerned on this side of the House.

If you want to take a group, as an example, that are very concerned about this legislation, it is the Bison Association of Manitoba because this legislation in fact takes the power out of the Department of Agriculture and places it with the Department of Conservation. So you have a bison industry that now is regulated by the Department of Conservation rather than Agriculture. They are presently well looked after under existing legislation in the Department of Agriculture, and Bill 5, by a simple regulation, can place bison underneath The Wildlife Act. So that is a great concern to us, and we have made these suggestions to the Government to take this into context and to make the appropriate changes to the legislation.

In fact, even with Bill 5, many of the groups out there that are looking at this legislation are saying scrap it, rewrite it. If you want to get rid of penned hunting, just simply write the legislation as it pertains to penned hunting and leave it at that. Do not try to add other things by virtue of just putting in a clause that says that the Department of Conservation has a right, through

regulation, to name any kind of livestock or foreign livestock and prevent the importation, the breeding, the sale of all this livestock. It just does not make any sense to have that under the Department of Conservation.

So those are pieces of legislation that we are very concerned about. Also, The Water Rights Act that was just brought in, that act, the way it is set up right now, Mr. Speaker, I think it poses some interesting and provocative type of statements in that act. In effect what it does is it takes the licensing authority for diversion of water and places it and concentrates it into the hands of the Province to regulate and control. I think there is an argument that can be made here as to whether this kind of power and authority should be vested with the Province, or whether it should be vested at the local levels, or whether indeed it should be vested with the local watershed management district or conservation district. I think that the Government is ducking the issue on this. They are not really taking a look at water management. Rather, what they are trying to do is look after a very minor problem within the whole area of water.

Another piece of legislation that was brought in was the Provincial Railways Amendment Act, which gives us some concern because there are a couple of shortline rail lines in Manitoba right now that have taken over some track, bought some track. They are telling us now that, with this amended legislation, they would never have come into the province had this legislation been there in the first place because it really restricted their ability as to what they could do with the track if they ran an unsuccessful business. What this government is now trying to tell them is that, if you come into Manitoba, buy a shortline railway and it is not successful, you cannot sell the track, and if cannot sell the track, you cannot take it as salvage. You have to go through a certain process, which makes it very difficult. So there are some concerns there.

Also, I have great concerns, Mr. Speaker, about the attitude and some of the things that are happening with respect to this government, particularly with their attitude towards the AIT. It almost seems that, in certain cases, they are getting back to a protectionist type of policy of

protecting the province from the rest of Canada. We will do our own thing right here, and we will not worry about trade between provinces because we are going to set up roadblocks so that other companies cannot do business in Manitoba. That is not the intent at all. There was a lot of hard work. It took many years to get to the point where the provinces had dropped as many trade barriers as they have in dealing with each other, and it is very important that this proceed. I can see that in the wind, that these are the kinds of thought processes that are coming from across the way. In fact, I distinctly remember the Premier indicating that they were going to change the way procurement practices were done within the Province of Manitoba. I am just waiting to see what happens in that area. In fact, it may have happened already in terms of manipulating the way the procurement practices are done. It will not be a truly open tendering basis as it was in the past.

I am also very concerned, Mr. Speaker, about the fact when one of my other colleagues was speaking, at the amount of dollars that were budgeted for the office we currently have in Ottawa, that those dollars are being withdrawn and would ultimately end up in the closure of our office in Ottawa, which is very important in terms of being able to lobby with the federal government.

We see in the Budget that there is a tremendous amount of acceleration to the health care spending—a huge increase in the health budget this year over last year—and really, Mr. Speaker, basically what is happening is that the NDP Government is simply throwing money at the problem, hoping that it will go away. What should be happening is taking another look at the way health care and new innovative ways of delivering quality health care in this province—not just simply throwing money at it, because hallway medicine, I do not care how you cut it, is going to happen because there is no way you can predict how many people are going to come through those doors in the hospital at any given time. Waiting lists are not going to be eliminated either because you do not know how many people are going to get ill with a particular illness that needs a certain treatment. You cannot plan for the worst-case scenario. There is not enough money in the world to do that. There is

also, and always will be probably, a shortage of staff that are trained properly with all the sophistication and new technology to be able to deliver health care on that basis, and so we will be faced with those things. So you just cannot throw more money at it and hope that it will be fixed.

The other thing too we on this side of the House, as well as that side of the House, have talked about how the federal government should be restoring their federal transfers to health care, and that more or less is saying that that will fix the problem. But if you take the total amount of money that the federal government has to transfer back into the health care system, if you take a look at the annual expenditure and the daily expenditure, you are looking at this money that is reinstated, being spent and being able to help the system out for about 15 months and then it would be gone. So the reinstatement of the federal transfers would be very minuscule in regards to the whole picture.

\* (17:50)

Let me take a look at Bill 41 which was just introduced with amendments to the balanced budget legislation, and one of the interesting things I believe I read in a news release was the fact that—certainly I think it is commendable to start to address the pension fund liability and the way the Government has done it is probably not that bad a system of doing it. But what happens though, Mr. Speaker, is that the total public debt that the Province now has has increased by another \$2.2 billion, and the extension for the debt repayment has now gone from 28 years to 40 years for this entire debt to be paid off because the priority has been on the unfunded pension liability. So it really extends the number of years now that it will take for our public debt to be paid off.

When I take a look at another area that I am very concerned with, with what this government has done in the last nine months, of course, are the casinos. It was indicated to us that with regard to the casinos that there would be no dollars coming out of the provincial Treasury, but yet, Mr. Speaker, we have this whole process that has been put into place with respect to the RFP.

Now we have the implementation team put in place to negotiate the contracts for the casino licences. I ask the question: Where is that funding coming from? That is probably and is coming from the provincial Treasury. I think that the other aspect here is the fact that once the casinos are operating that there is no impact analysis done with regard to what the impact would be on the provincial Treasury once all the casinos are operating.

If you take some of the casinos that are strategically located closer, say, to the City of Winnipeg, the draw from the City of Winnipeg and from other ventures would probably be quite significant. But that type of impact analysis has to be done in order for the correct assessment of being able to put into the Budget, or at least reflect this in the Budget, whether it be next year when they are operating or the year after when they are operating. That will have an impact on the provincial Treasury.

Another area that I am concerned with is the fact that the casinos, in terms of the way that they are accountable for their financial matters, leaves a lot to be desired because they are, I think, expected to file their final financial reports with the Province on an annual basis, but the Province may or not, through the Provincial Auditor, have a look at the books. I would dare say that probably in most cases the Provincial Auditor will not look at the books until the situation arises where it has gone far too far with respect to the accountability issue. So I think there have to be some checks and balances put into place to ensure that there is accountability, to ensure that the dollars that are raised from those gambling venues flow back to First Nations and to all First Nations on an equitable basis and they are used for those types of maybe health and education and economic development programs that are so important for First Nations in Manitoba.

So with the process the way it is unfolding, with all the flaws in it, with all the weaknesses in it, I believe it is going to create a lot of problems for this new NDP government over the next couple of years. It may be something that will really be a part of their Achilles' heel over the next while. I am concerned about it because we

like to see everything work and work well, but there are too many flaws in the process.

Another area, Mr. Speaker, that I have a great deal of concern with is the fact that when we first sat in this House in the spring and in the fall, we were looking at the situation in southwestern Manitoba and other parts of Manitoba that had been impacted by the severe spring flooding of 1999. Actually, to be accurate, it was a lot of rain that occurred in those areas, which resulted in a lot of land not being seeded in 1999. The previous government, the Tory government, certainly stepped up to the front line immediately and injected dollars into that part of the province and other parts of the province that suffered to try to get them through the year of 1999 with respect to being able to manage their land and to be ready for the spring seeding of 2000.

This government has, although they have talked about it, they have been able to talk a lot and they have talked and talked and talked, but they have not walked the talk. They said they would do a lot of things. They told us at the beginning that when they became government that their relationship with the federal government was so much better than that relationship between the Tories and the federal government that they could negotiate deals that we could never even think of. Well, Mr. Speaker, a simple little matter of extracting another \$24 million to \$40 million for southwestern Manitoba, what do they do? Nothing. They just could not get the job done.

They, in fact, said to the Tories, to the Opposition, come, come with us. Hold our hand while we go through this process. Really, Mr. Speaker, they had indicated to us that they could do a much better job than we could at negotiating with the federal government. They found out the reality of life is that those Liberals down in Ottawa are a very difficult bunch to deal with. It does not matter who you are. We also extended our good advice to the Government with respect to being able to address the situation in southwestern Manitoba. Did the Government take it? No, they did not. They decided that what they wanted to do, they knew what to do best. They wanted to do it. They

wanted to get 90-10. We said it was impossible to get 90-10. Put your money on the table for 50-50. Then ask the federal government to cough up their share of the money. That is, in a lot of cases, how you have to play hardball with the federal government, is to say here is our money. We are going to start paying it out, and we are going to show those producers on that cheque stub, the federal government, and put some zeros beside it, unless they come up to the table with the money. That is how you get the feds to come across with those dollars.

Certainly, it is a calculated risk, but you have to do it, and we were prepared to do that. We have done that, and we did that in the 1997 flood with the floodproofing programs. In many cases, we put our money on the table first and started to build the floodproofing structures. Then the federal government came on board and said, well, here is our share of the money that we will pay. *[interjection]* I was just getting thirsty. Mr. Speaker *[interjection]* I think she is telling me to be quiet.

Mr. Speaker, I am also concerned that the business community is concerned about what this government is doing with the little pieces of legislation that they brought in and the little blocks that they have put into place, and what they are creating is a lot of hassle for individual business. In fact, I was made aware that there was a manufacturing plant in Winnipeg looking to expand, and because they could not get any kind of a meeting with the Premier or with the ministers in this government and could not talk to them about their planned intentions for expansion, do you know where they are expanding? Atlanta, Georgia. That is 155 000 square feet of manufacturing space that has walked out of the province. They did not want tax concessions. They did not want grants. They did not want any kind of government funding. All they wanted to be able to do is to link with this provincial government and have them support them in their venture.

So you are getting this happening. But, Mr. Speaker, this goes unnoticed, basically, unless it was said here in the House. If this happens, in many cases, what is going to happen is sort of a latent impact. All of a sudden, the growth is

going to stagnate. Job opportunities will dry up, and then you will have a downturn. Then you will have a downturn, and then the Budget that is in place right now is going to become a deficit budget because the drive in the economy is not going to be there. I have a funny feeling I am singing in a choir, talking in a choir, here, but, at any rate, just in summary, I am concerned. We have the highest provincial tax in Canada. I am concerned that our young people will be moving out of the province to find opportunity elsewhere. I am concerned that a lot of our businesses are going to expand outside this great province of ours, to the detriment of this province, and it is going to—*[interjection]* Thank you, from the Member for Brandon West (Mr. Smith).

Anyway, Mr. Speaker, these are the concerns I have about the Government bringing in this budget and the legislation that they have introduced so far, is that it is going to end up with this province going into a slide or stagnate, and when it does that and the rest of the country is going the opposite way, it is going to have a very negative impact on our provincial economy here in Manitoba. I am concerned—

**Mr. Speaker:** Order. When this matter is again before the House, the Honourable Member will have 15 minutes remaining.

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

**LEGISLATIVE ASSEMBLY OF MANITOBA**

**Wednesday, June 28, 2000**

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