



Second Session - Thirty-Seventh Legislature

of the

**Legislative Assembly of Manitoba**

**DEBATES  
and  
PROCEEDINGS**

**Official Report  
(Hansard)**

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The Honourable George Hickes  
Speaker*



**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	Ste. Rose	P.C.
DACQUAY, Louise	Seine River	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
FRIESEN, Jean, Hon.	Wolseley	N.D.P.
GERRARD, Jon, Hon.	River Heights	Lib.
GILLESHAMMER, Harold	Minnedosa	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSON, Gerard	Flin Flon	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
LOEWEN, John	Fort Whyte	P.C.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
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MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McGIFFORD, Diane, Hon.	Lord Roberts	N.D.P.
MIHYCHUK, MaryAnn, Hon.	Minto	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
MURRAY, Stuart	Kirkfield Park	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
PENNER, Jack	Emerson	P.C.
PENNER, Jim	Steinbach	P.C.
PITURA, Frank	Morris	P.C.
PRAZNIK, Darren	Lac du Bonnet	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack	Southdale	P.C.
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ROCAN, Denis	Carman	P.C.
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SALE, Tim, Hon.	Fort Rouge	N.D.P.
SANTOS, Conrad	Wellington	N.D.P.
SCHELLENBERG, Harry	Rossmere	N.D.P.
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SMITH, Joy	Fort Garry	P.C.
SMITH, Scott, Hon.	Brandon West	N.D.P.
STEFANSON, Heather	Tuxedo	P.C.
STRUTHERS, Stan	Dauphin-Roblin	N.D.P.
TWEED, Mervin	Turtle Mountain	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

## LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, April 12, 2001

The House met at 1:30 p.m.

### PRAYERS

### ROUTINE PROCEEDINGS

### MINISTERIAL STATEMENTS

#### Princess Patricia's Canadian Light Infantry

**Hon. Gary Doer (Premier):** I have a ministerial statement, Mr. Speaker and members of the Chamber.

Last May an all-party committee was formed to ensure that the decisions made by the federal government on the future of land forces in Manitoba were in the province's best interest. Manitoba has had a long and respectful relationship with the soldiers stationed here, and we wanted this mutually beneficial relationship to continue. The committee had two primary objectives: maintaining the troops stationed in Manitoba in the face of an ongoing consolidation of troops in Edmonton and securing the long-term future of CFB Shilo.

I believe that the all-party committee successfully achieved those objectives, and I offer my thanks and appreciation to the committee members for their efforts on behalf of Manitoba. I invite all members of the Legislative Assembly to join with me in offering our thanks to committee members: the Member for Minnedosa (Mr. Gilleshammer), who suggested the all-party committee, the Minister of Education (Mr. Caldwell), the honourable Minister of Industry, Trade and Mines (Ms. Mihychuk), the honourable Minister of Consumer and Corporate Affairs (Mr. Smith), the Member for Fort Whyte (Mr. Loewen) and the Member for River Heights (Mr. Gerrard).

Manitobans owe a great debt of gratitude to the soldiers of 2PPCLI, not only for their efforts internationally, most recently being deployed in Bosnia, but also for their efforts on behalf of us locally. Who can forget their efforts during the 1997 flood of the century? Now that the federal

government has announced its decision to move Manitoba troops to Shilo, there is important work to be done. The needs of the families in the areas of schooling, housing, suitable employment opportunities and other services must and will be addressed. A collaborative approach involving all three levels of government, local business and community organizations will ensure that the very real needs of the troops and their families are not overlooked in this transition. We must not underestimate the impact this decision will have on several hundred Manitoba families. Let us not forget to offer our thanks to the soldiers and their families for the very real sacrifices on behalf of each and every one of us. Thank you.

**Mr. Stuart Murray (Leader of the Official Opposition):** Mr. Speaker, thank you very much and the Premier for your remarks. I think that the decision that was made by the federal government in conjunction with an all-party working committee shows that things can be accomplished when there is harmony and there are one or two main goals. I think that what the Premier referenced is the fact that they had two primary objectives as a committee, and that is how things get solved when people know what exactly they are meeting for and why they are meeting.

I think it is important to note that clearly this is an issue that has an effect on the communities, the constituencies of Winnipeg. It would be nice to have two bases in Manitoba, but in the best interests of Manitoba, as difficult, I think we have to acknowledge, that it may be for some of those families that currently are residing in Winnipeg, as a Manitoban I think we are proud to ensure that 2PPCLI is a part of Manitoba, because I think the Premier pointed out quite rightly that this is an organization of men and women who have done wonderful things not only here in Manitoba but clearly have represented Manitoba across the world in terms of things like Bosnia. So we are delighted to call them Manitobans.

\* (13:35)

I would ask that any further work to be done in the spirit of the co-operation that the Premier offered with the all-party committee and in light of the fact that we on this side of the House do not have a representative in the area that is going to be affected in Shilo, if anything does happen in terms of accommodating those families or any work that gets done there—and I would acknowledge the hard work of the Member for Fort Whyte (Mr. Loewen) and the Member for Minnedosa (Mr. Gilleshammer) and other members of the committee—if the Premier would agree to allow one of our members to be part of any working committee that would be involved with Shilo.

Again, I think a very tough decision but one I think in Manitoba that serves us well, and we are all proud to have them as part of our province. Thank you.

**Hon. Jon Gerrard (River Heights):** I rise to say thank you to the members of the PPCLI who have served Manitoba—

**Mr. Speaker:** Order. Does the honourable Member for River Heights have leave? *[Agreed]*

**Mr. Gerrard:** Mr. Speaker, I rise to say thank you to the members of the PPCLI who have served our province and our country so admirably for so many years. I think it is a tribute to them that even though there were many who would rather have stayed where they are or stayed in Winnipeg that they are ready to continue to serve the country at Shilo.

I, as well as other members of the committee, am very pleased that we will continue to have both the horse regiment in Shilo and the PPCLI as part of who we are in Manitoba. I will say to the Premier (Mr. Doer) that if there is to be an ongoing committee, I would be pleased to serve with the others in trying to make sure that everything is done possibly that can be done to ensure that the members of the PPCLI feel comfortable in Manitoba at Shilo and in the Brandon area. Thank you.

### Flood Conditions

**Hon. Oscar Lathlin (Minister of Conservation):** I have a statement to make. This will be our third flood conditions update that we are issuing today for the 12th of April. Levels of the Red River have risen less than half a foot in the Manitoba portion since yesterday. It now appears that the rate of rise will remain relatively slow until the crest in late April. The good news is that last night's storm system produced much less rainfall than had been anticipated. Amounts ranged from 15 millimetres in the Fargo area to less than 10 millimetres in the Grand Forks area. The rain will not produce much additional runoff. Therefore, earlier crest forecasts for northern U.S. points will likely be revised down somewhat.

Forecast crests for the Manitoba portion remain unchanged for now, and may even be revised down slightly. Some additional precipitation is predicted for late Friday or Saturday, mainly over the Manitoba portion. However, this is not expected to be heavy enough to affect the river forecast.

Flooding in the Breezy Point area is subsiding as levels have declined nearly two feet since yesterday. Continued falls are expected as the ice pushes into the marshes south of Lake Winnipeg.

The Assiniboine River is rising rapidly in the Portage la Prairie area this morning. More than half of the flow is being diverted to Lake Manitoba. Levels from Baie St. Paul to Headingley are quite high and will rise somewhat further, resulting in some minor flooding during the next few days.

Levels of the Roseau River have declined further at most points due to ice clearing out. A few pockets of high levels remain. Crests late next week in the Gardenton area should be less than those of 1996 and 1997, with only minor flooding.

\* (13:40)

Levels remain quite high on the lower Whitemud River from Gladstone to Westbourne, but not much further rise is expected. Unless the ice-jams become worse, the village of Westbourne will not be flooded. I understand that people were sandbagging in that area this morning and our staff are monitoring it right now.

Levels also remain quite high on the La Salle River, with some minor flooding of lower areas along the river. The river is presently at its peak.

Flooding in the St. Laurent area is related to local runoff and flat terrain. The water is having difficulty moving to Lake Manitoba due to clogged ditches and little slope.

The Souris River is still rising very slowly and should reach its crest early next week. Flooding of low-lying areas is underway from the U.S. boundary to Hartney, but crests will be significantly lower than in 1999. Thank you.

**Mr. Glen Cummings (Ste. Rose):** I thank the Minister of Conservation for his update.

It is important to note that, as he said, we will not be anticipating levels of the peaks that have occurred in '97 in the Red River Valley and '99 in Souris; nevertheless, I think his caution is wise. I would add my word of caution that we are certainly not out of the woods, depending on whether there is additional rainfall south of the border and depending on ice-jams.

There are in fact several communities, as the minister mentioned, not in the Red River Valley, but out in western Manitoba that are currently doing sandbagging: Macdonald as well as Westbourne are sandbagging because of localized flooding. Those folks are working very hard to save their property.

I would suggest that the most important service that government can provide, aside from the actual help in sandbagging, is to make sure that we have the most accurate forecast to predict problems that may arrive a day or two in advance of folks having to deal with that.

### Flood Conditions—Road Closures

**Hon. Steve Ashton (Minister of Transportation and Government Services):** Mr. Speaker, before beginning my statement, I would like to thank members and actually all the employees in this building for their patience during our renovation work, particularly given the tremendous enthusiasm of our contractor actually, as was demonstrated a short time ago.

On a more serious matter, Mr. Speaker, I would like to provide the House with an update on road closures as a result of flooding in southern Manitoba. Further to that, I would like to speak as Minister responsible for Emergency Management on the co-ordinator response being taken to flooding in southern Manitoba.

Decisions to close provincial roads, Mr. Speaker, as a result of flooding are made upon the advice of the Department of Conservation. As of noon today, the Department of Transportation has taken action to close the following roads: PTH 26 near Marquette; PR 261 at Glenella; PR 264 near Russell; PR 265 near Plumas; near Steinbach, both 302 and 311; 320 north of Selkirk to Breezy Point; PR 334 near Sanford; PR 424 near Elie; PR 506 near Hadashville; PR 518 at Woodlands has been closed due to the overland flooding north of Winnipeg and the Prairie Grove underpass just south of Winnipeg on PTH 59.

In addition, Mr. Speaker, two main market roads in the R.M. of Stuartburn have been closed due to impassable conditions. I would add, Mr. Speaker, that 1996 water levels would require closing a significant portion of Highway 75 from Winnipeg south to the United States border. While these levels have not yet been realized, they have been forecast by the Department of Conservation, and Manitoba Transportation is prepared to take measures if required. Given the Easter weekend on both calendars, I would advise anybody looking at using either 75 or I-29 or any of the highways potentially affected to keep in daily contact with the Department of Transportation.

Consultations with local governments were held this morning in Morris to discuss road closures and alternate routing arrangements for

this period. When road closures are necessary, Mr. Speaker, every arrangement will be made to accommodate commercial and emergency vehicles. I would add that the Department of Transportation is working very closely with our American counterparts to ensure a co-ordinated response to flood conditions on either side of the border.

Mr. Speaker, I would also like to table a copy of road closures at the end of my remarks for all members of the House. Updated information can be obtained from the Department of Transportation, and, once again, I stress that anybody anticipating travelling anywhere in southern Manitoba should check with the department on a regular basis to check on current road conditions.

\* (13:45)

Also, Mr. Speaker, I would like to make a few brief comments as Minister responsible for the Emergency Management Organization. We are working with a number of provincial departments to provide a co-ordinated response to present flood conditions. This includes providing resources, information and advice to local governments in the affected areas who are responsible for flood preparations at a local level.

I recently visited both the southwest with my colleague, Minister Intergovernmental Affairs, and the southeast, to look at the situation before it developed into the recent flood stage. I also met with a number of rural municipalities in the affected areas and I must admit and put on the record, Mr. Speaker, that I think that the degree of preparation and awareness that exists at the municipal level is something that should be noted and appreciated I think by all Manitobans.

I applaud the work that has been done by municipal governments to prepare for potential flooding this spring, and I am confident that local and provincial agencies will work co-operatively to provide a co-ordinated response to the situation.

**Mr. Glen Cummings (Ste. Rose):** Mr. Speaker, I rise to thank the minister for his update and appreciate that there is a lot of damage being done, particularly on the PR roads that he has mentioned because they are now closed obviously. But there are numerous other roads across the province that are sustaining severe damage. I would put on the record for the minister and for the Government there may well be municipalities that will have sustained so much road damage in some parts of the province that they will be seeking aid and disaster assistance to deal with the aftermath. Even though it is technically known as local flooding, it is washing out roads at a very high rate. There is nothing quite as exciting after dark as bounding over a hill and finding nothing but a hole at the bottom of the hill on the other side. There are a lot of people who are finding that situation. In fact, I know of one municipality in the Westbourne area that probably has in excess of 20 roads that are cut or washed out today, and that, I think, may well qualify them for some aid from the Province in the future.

Mr. Speaker, it is also very critical that the Government and all of us take note of the fact that when there are washouts and roads are closed, it means that there are people who are put at risk, and in today's society, we sometimes forget that transportation, we take it so naturally, is an important part of avoiding having some of our citizens at risk.

I think of ambulance in certain areas where routes might not be available for a quick response and fire of course in rural areas. Believe it or not, you can have a fire in the middle of a flood as Grand Forks has found out. There are elderly receiving home care, there are school roads, and there are a lot of local issues that arise from this. Certainly the minister has made it clear the concerns they have about the PR roads. I want to support him in that and reiterate that all of our local R.M.s and municipal authorities are working in some cases around the clock right now to provide the best services they can to their constituents as I know the Highways Department and Conservation employees are as well, and I thank the minister for his statement.

### Meningitis Vaccination

**Hon. Dave Chomiak (Minister of Health):** Mr. Speaker, I have a statement for the House. Today I would like to inform the House of the steps taken by Manitoba Health with regard to vaccinating young people against meningitis. Meningococcal infections are generally uncommon in Manitoba. There are usually less than 10 cases each year. From January 5 to March 22, 2001, nine cases were reported. Over half of the cases have been in Winnipeg's teenage population. Eight of this year's cases have been the Group C variety, which is vaccine preventable. Seven of these cases have been Winnipeg residents, five cases between the ages of 14 and 19 years.

\* (13:50)

Because of the severity of the disease, public health officials closely monitor cases of meningococcal infections. Provincial and national guidelines are used by public health officials to determine the need for a targeted vaccine program. Most outbreaks in Canada have occurred in certain geographic areas or populations. Manitoba is one of five provinces currently experiencing an outbreak of meningococcal infections.

At this time the only group of Manitobans with increased rates and demonstrated criteria for vaccinations are teenagers residing in Winnipeg. Following extensive analysis, observation and consultation with national and international medical and scientific experts, Manitoba Health and the Winnipeg Regional Health Authority decided to launch a vaccine program for Winnipeg youth 13 to 19 years of age.

A call centre has been established to augment the current health link service. The call centre is handling public inquiries related to the meningococcal vaccine campaign. Calls with health links line and call centre have ranged from 555 to 1383 calls per day.

The decision to launch a targeted vaccination program is not a political decision. It is always based on public health evidence and recommendations. Dr. Joel Kettner, Chief

Medical Officer of Health, has provided me with excellent advice in this regard. In a letter written to me on April 11, 2001, Doctor Kettner reaffirms the reasons for the current vaccination program. I would like to share some of this letter with the House:

"Dear Minister Chomiak,

"In response to questions raised about the meningococcal immunization campaign I would like to re-affirm my view that at this time it is appropriate to target only teenagers who reside in Winnipeg.

"The main reasons for this are:

"The polysaccharide vaccine licensed in Canada is intended primarily for targeted use in outbreak situations; it is usually recommended for population sub-groups defined by specific characteristics - typically age and geographic location.

"The increased rate of the group C cases of meningococcal disease has been observed in Winnipeg only; seven of the eight cases in Manitoba this year have occurred in Winnipeg residents; five of these were teenagers. Whereas the rate amongst Winnipeg teenagers is at least 10 times the usual rate, no other Manitoban age group (urban or rural) has demonstrated an outbreak pattern at this time. The estimated risk for a case of meningococcal disease for a rural Manitoban remains at one per 100,000 per year.

"Manitoba public health officials, including rural medical officers of health, have been in consultation with each other and with other provincial and national experts and officials, all of whom are in full agreement with the present approach in Manitoba, which is consistent with existing guidelines and protocols for its use . . .

"Because of the limited effectiveness of the vaccine in younger age groups and the relative short duration of protection (two to five years), this vaccine is not recommended for routine or universal use for populations at usual baseline risk or in anticipation of future increased risk. Its appropriate use is for specific populations that have demonstrated a pattern of significantly increased rates . . .

"If the pattern of cases changes, showing a significant increased rate of disease among populations not presently targeted, the need to expand the program will be promptly considered. We continue to monitor the situation on a daily basis; I will keep you advised if there is any reason to consider a change in this approach."

This is not the first time Manitoba has launched a targeted vaccination program. In 1993, when I served as Health critic in opposition, the government of the day launched a vaccination campaign in First Nations communities in co-operation with the federal and Aboriginal leadership. This campaign came after a demonstrated increased risk among people living in these communities.

At the time I am sure some members will recall parents of children who lived near these communities were worried for their children's well-being. At that time the public health officials gave the same reason you have just heard for keeping the program targeted to areas with a demonstrated heightened risk. Then, as now, they were able to get information on meningitis from a toll-free line set up by the Province, and then, as now, vaccine was available for purchase by the people who did not fall into the target area.

\* (13:55)

In 1993 the issue of children's health and meningitis was recognized as something that should not be used for political gain. The Health Minister at that time, Jim McCrae, rightly told the *Opasquia Times*, "I think we have to make decisions like this based on research and based on facts."

In the spirit of that kind of nonpartisan co-operation my office arranged for both Opposition parties to be briefed by senior public health officials on the meningococcal outbreak and the vaccination programs on two occasions. I would like to take the opportunity to thank the Member for River Heights (Mr. Gerrard) for his co-operation and assistance in this regard.

I would like to thank all of the public health staff, the Department of Health and WRHA for

their professionalism and good work in efficiently delivering this vaccination program. Nurses, teachers, parents and all public health workers are to be commended for the way they have come together to protect the health of our young people. They have certainly provided a worthy example for all of us.

Mr. Speaker, I have included a copy of the letter dated April 11 by the Chief Medical Officer of Health directed to myself attached to the statement. Thank you.

**Mrs. Myrna Driedger (Charleswood):** I would like to thank the minister for that statement. Certainly the whole issue of meningitis is one that concerns most people in the province I am sure, particularly parents and young people themselves. As a mother of two teenagers it certainly was something that was of particular interest to me, particularly when one of my sons was complaining of a headache and a stiff neck. Fortunately, it did not turn out to be meningitis, but we certainly had our little share of a scare waiting for the results to come back from the doctor.

We would like to extend our appreciation to the minister for offering up the physicians so that we could meet with them and do appreciate the challenges that Doctor Kettner and Doctor Hammond met in trying to address the situation of how far to take an immunization program and how tough and scientific it is to make calls in situations like this. It is not an easy call, and we certainly appreciate that. We appreciate the scientific evidence on which they base their decisions. We also appreciate the fact that we were informed that the final decision on all immunization programs, the extent of that, does rest with the Minister of Health's (Mr. Chomiak) office. He does have the opportunity to accept the recommendations of the advisers around him, but, in fact, the physicians have indicated that it is up to the minister to make that final decision on how far the immunization program does extend.

We would like to congratulate the nurses that rallied to the call, Mr. Speaker, and turned out in great numbers to conduct this program throughout Manitoba. Watching it on TV, we certainly saw the challenges that were before the



medical professionals and the nursing professionals in having to administer the vaccinations and to all the young people who sat there, and we watched their faces as they were getting the needles. We do want to say to the nurses that we value what they did in volunteering to come forward as they did. The call went out, and the nurses were there for the program. I think they do deserve a huge, huge amount of respect from all of us in Manitoba for being there at a time when it is needed just as Manitoba often displays in times of emergencies. Once again, the spirit of Manitobans was certainly there.

Also, I guess I do have to just state a few concerns I had around this particular issue. It was in notification of families. I found that the minister's office was slow to respond to some of this issue. I was on the Web site for the Government very early on and waiting to see when information would be forthcoming. We were well into seeing a number of cases in Manitoba before there was even information up on the Web site. The bulletins that were going out or are now going out on a daily basis started well into the meningitis issue. In fact, most of the cases were already declared by the time the bulletins started being distributed by this Government.

The issue of Health Links phone number being advertised was one that we recommended during our first meeting with the physicians and the minister's staff, and again that particular phone number was not advertised to the general public until well into the numbers of patients that were already determined to have had meningitis. So I do think that the minister's office could have been a little quicker to respond to this issue, particularly when we are dealing with fears of parents and children.

\* (14:00)

The other area, Mr. Speaker, that we certainly would have appreciated, and again it was in the second meeting we had with the minister's staff, was the suggestion that because we were starting to hear more and more concerns from parents in the rural area, it was our suggestion that information should be made much more available to rural Manitobans so they

could understand what was happening, why it was happening and why the decisions were being made. Again, I have not heard that this information was readily made available until quite well into the whole issue of more and more rural parents becoming more concerned. Certainly we felt that, at this point in time, rural Manitobans should have been at least offered equal access if they had determined they wanted to have their children vaccinated, that they should have had that opportunity. Instead, we did hear from a number of rural parents who are very concerned that they were having to pay \$50 for a vaccine and then they had to go and look for it and that might have taken a couple of days.

Mr. Speaker, we know that meningitis and vaccinations are a serious concern for Manitobans, and we do appreciate the efforts that have been put forward by those people on the front lines working on this issue. Thank you.

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, I ask for leave to comment on the minister's statement.

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

**Mr. Gerrard:** Mr. Speaker, I would like, first of all, to thank the minister for setting up the briefings which were quite helpful both in making sure that the members of the Opposition, the two opposition parties, were well informed and had an opportunity to provide input and advice.

I have spoken in complimentary fashion not only here but elsewhere, I should let you know, in contrast to my experience with another major concern at the moment, which is foot and mouth disease where there has not yet been an offer from the minister to have a similar process and briefing. I would hope that can be set up in the fairly near future.

I think that it is very important that the minister is prudent, as he has been in making the vaccine available only where it is really needed. There are adverse effects of this vaccine. I have heard that at some of the schools where vaccinations have been given there have been four or five ambulances called in. Fortunately,

none of these events, so far as I know, are of major severity, but it does point out that this is not an innocuous vaccine a hundred percent and that one should treat things with caution.

I would, however, make one comment, a suggestion, and that is that there may be the occasional instance, for example, if it were that there continues to be numbers of cases of meningitis in Winnipeg at the time of the mini-university in the summer where there may be some rural children coming in to participate in close contact over a considerable length of time with children in Winnipeg, that they might be considered for meningitis vaccination. Thank you.

### 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 this afternoon John Hickes from Rankin Inlet, Nunavut, who is the president and CEO for Nunavut Development Corporation and chairperson for the Nunavut Investment Fund. I am also proud to tell you that he is my brother.

Also, seated next to him is my mother Jenny Tootoo.

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

## ORAL QUESTION PERIOD

### Budget Income Tax Rates

**Mr. Stuart Murray (Leader of the Official Opposition):** Mr. Speaker, for the second year in a row this Government has made hardworking Manitoba families amongst the highest taxed in the country. In fact, they pay the highest personal income taxes of anyone, of any family west of Québec. The Premier can refer to his own document for that information. A two-income family of four in Manitoba earning \$60,000 pays 19 percent more than the same family in British Columbia, 38 percent more than the family in Alberta and 44 percent more than the same family in Ontario. Yes, they even pay more than the same family in Saskatchewan.

The Premier made the choice not to provide meaningful tax relief, and he made the choice to make our province uncompetitive. Can the Premier tell Manitobans why he has not offered them meaningful tax relief and why he is going in a completely different direction from the rest of the country?

**Hon. Gary Doer (Premier):** Mr. Speaker, the tax reductions of 10.5 percent are higher than any time in the last 10 years achieved for personal income tax. Some of the tables that were available last year were prior to our tax cuts kicking in, and they will be kicking in this year, next year, the year after. The member opposite does not refer to, of course, the property tax credit.

They treat a property tax credit as a spending increase, not as a tax reduction. That is the new Tory math. That is why they cut the property tax credits in the 1990s. We were proud to keep our promise to lower the property taxes by \$75 last year on the property tax credits and an additional \$75 this year, Mr. Speaker.

I would suggest that the proof is in the pudding. Not only has the CIBC stated that this is, quote, a double-digit income tax reduction; the CIBC goes on further to say that this is the first corporate tax cut since the Second World War. It goes on to say that this will be real property tax relief, and I challenge the member opposite to look at his City of Winnipeg property tax bill from 1990 to the year 2000, and then he will see in the years 2000 and 2001 the \$75- and \$75-reduction in his tax bill.

### Business Incentives

**Mr. Stuart Murray (Leader of the Official Opposition):** Well, I think, Mr. Speaker, that the Premier fails to recognize that he is taking Manitoba in a different direction than the rest of the provinces. The other provinces have long recognized the meaning of providing meaningful tax relief. I think the Premier has to realize that if he is going to gain the respect of the business community, it means more than just putting on a nice blue suit. He could have prepared this province for the future, but instead he chose to spend today without giving any thought or any plan on how he expects to spend in the future.

Can the Premier tell Manitobans: What is his plan to keep businesses like Brett-Young Seeds an actual business in Manitoba? What does he plan? He has already stated that he has done nothing for Manitoba businesses. Can he please tell this House how he plans to keep businesses like Brett-Young Seeds from moving to lower-taxed jurisdictions like Alberta and Ontario?

**Hon. Gary Doer (Premier):** The CEO that the member references did say that these issues were raised over the last number of years, including issues raised to the previous government. I think the record should show that. Nesbitt Burns yesterday: While most other provinces outside of Québec have held the line on personal taxes in this year's budget round, Manitoba trimmed taxes on top of reductions announced last year. It goes on to say that Manitoba's top marginal rate is a fraction now below the province of Ontario.

Yesterday the member opposite was talking about various ratios of spending. We have gone back since the former government received a majority and they have spent \$1.4 billion since 1990 to 1999 for income tax reductions of \$111 million. A ratio, Mr. Speaker, get this, in the Public Accounts of 12.5 to 1. The member opposite should understand that that is after they fired 1000 nurses and the roof of the Engineering faculty was leaking.

We are going to fix up this province, Mr. Speaker, with a decent ratio.

**Mr. Murray:** Mr. Speaker—

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

**Mr. Speaker:** Order. I would just like to caution all members, *Beauchesne's* Citation 168: When rising to preserve order to give a ruling, the Speaker must always be heard in silence.

I would ask for your co-operation, because it is very difficult to hear the questions and the answers. I have to be sure that I hear if there is a breach of the rules or unparliamentary language, so I would ask for your co-operation.

\* (14:10)

**Mr. Murray:** Thank you very much, Mr. Speaker. The Premier promised to build a new partnership with business and labour for better jobs for Manitoba but refusing to provide tax relief. It is like another one of those undeliverable promises perhaps, because by refusing to provide tax relief, failing to keep Manitoba competitive and driving a wedge between labour and business has built something all right. He has built a one-way road out of Manitoba.

The Premier had a choice to make. The Premier had a choice to make amends with the business community to take forward-moving steps to make Manitoba competitive and prosperous and put more money back into the pockets of hardworking Manitobans, but he chose not to.

Can the Premier tell Manitobans: What is his plan to attract new business investment to Manitoba to stimulate the economy, so that we have the revenues generated to pay for the priority services like health and education?

**Mr. Doer:** Well, Mr. Speaker, health and education make up a majority along with the floodway in the increased spending in this Budget. This is a member opposite that cannot tell us where he is going to make his cuts in health and education. Is it going to be on the \$100-million capital for universities? Are they going to fire another thousand nurses in our hospitals like they did in 1996? Are they going to increase the tuition fees as they doubled in the 1990s? Is that his agenda, a 3 to 1 ratio in investing in our future—health, education, agriculture? Agriculture, the support payments have doubled under this Government in two budgets. Flood protection, a 3 to 1 ratio investment versus tax reductions versus a 12.5 to 1 ratio. We are proud of our 4 to 1 better ratio than members opposite.

**Mr. Speaker:** Order. The honourable Leader of the Official Opposition, on a new question.

**Mr. Murray:** On a new question, Mr. Speaker. Hardworking, middle-income Manitobans are among the highest taxed families in Canada.

They pay the highest personal income tax of any province west of Québec. At the same time, the Premier has increased spending in this Budget by nearly \$360 million over last year's Budget, a growing figure that without providing for meaningful tax relief to stimulate the economy and encourage economic growth is absolutely unsustainable. The Premier just does not get it. Providing increased spending on priority areas is a must, but failing to do so, also providing meaningful tax relief, is to put the province in a very untenable position.

In light of the fact that this Budget has failed to deliver meaningful tax relief that would have generated economic growth, will the Premier today tell us how he intends to keep the province competitive and stimulate the pay for his spending?

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

**Mr. Speaker:** Order. The honourable Official Opposition House Leader, were you up on a point or order?

#### Point of Order

**Mr. Marcel Laurendeau (Opposition House Leader):** On a point of order, Mr. Speaker, I think it is getting a little heavy in here with this smoke. I do not know about my colleagues, but it is getting heavy on this side.

**Mr. Speaker:** Is it the will of the House to continue? *[Agreed]*

\* \* \*

**An Honourable Member:** The Golden Boy is going to fall on your head.

**Mr. Doer:** Well, we have to rebuild a lot of Manitoba, Mr. Speaker, and it is just another example of rebuilding this province.

Mr. Speaker, I do not think there was a question that was put. We believe that the part of our competitive challenge is in post-secondary education. I have talked and acknowledged, by third-party experts, the income tax cuts. The Public Accounts will verify the more sensible ratio of tax cuts to spending investments that we

have produced in this very balanced Budget, but I think we should not forget that when we came into office we had the lowest number of students enrolled in post-secondary education of any jurisdiction in Canada. We are trying to turn that around.

We have lowered the tuition fees and kept them frozen. We have invested. They put—*[interjection]* The only thing we heard from members opposite cutback after cutback after cutback. We believe in our young people. We believe in hope for our young people and that is why we have the highest increases in enrolment any year since the Tories were elected. More hope for young people is part of our competitive advantage, Mr. Speaker.

#### Spending Commitments

**Mr. Stuart Murray (Leader of the Official Opposition):** Well, Mr. Speaker, as I said earlier, and I will repeat, the Premier just does not seem to get it. It is not about one or the other. Look next door at their NDP friends in Saskatchewan. They have added some \$230 million more to health. They have increased funding to education and have provided some tax relief. Now that is very much required. They did it knowing that their revenues this year would decline by \$750 million. So the Premier is wrong when he says Manitoba cannot afford to provide meaningful tax relief, and he is wrong when he says his Budget is balanced in every sense of the word. The Budget is unbalanced.

In light of the fact he has failed to provide meaningful tax relief, failed to keep Manitoba competitive, and failed to provide a plan for economic growth, will the Premier tell Manitobans how he plans to sustain his spending commitments?

**Hon. Gary Doer (Premier):** Well, Mr. Speaker, unlike the Tories of the '90s, we do not have a 12.5% spending ratio to tax, meaningful tax reductions, for working families.

Mr. Speaker, the member opposite is mentioning Saskatchewan. It is worthy to note that our gasoline tax is lower in Manitoba than Saskatchewan. I would have thought one person would have known that. I was shocked to see a

Tory press release that asked us to reduce the gasoline tax from 13.5 cents downwards when our gasoline tax is 11.5 cents. Could the member opposite correct the record, please?

### Health and Education Spending

**Mr. Stuart Murray (Leader of the Official Opposition):** Mr. Speaker, the rest of Canada, all of the provinces have proved that you can do both. You can provide meaningful tax relief and increase spending at the same time. While other provinces are taking those steps, this Premier is taking Manitoba down a different road. He has put Manitoba in a highly uncompetitive position, and on top of that, he has substantially increased spending without putting forward any vision to ensure the Province has the resources in place to pay for priority services like health and education.

Can the Premier explain to Manitobans if he has any vision, any plans on sustaining the level of funding for health and education down the road, and if he does, how he intends to pay for it?

**Hon. Gary Doer (Premier):** Mr. Speaker, those projections are in the medium-term outlook.

**Mr. Speaker:** The honourable Leader of the Official Opposition, on a new question.

### Expenditure/Tax Rate Ratio

**Mr. Stuart Murray (Leader of the Official Opposition):** On a new question, Mr. Speaker. The Premier (Mr. Doer) has spent and spent with no thought towards how he intends to pay for this level of funding in the future. He has no plan to bring in new families, jobs, investment and business to Manitoba. And without that plan, the Province is not going to be able to pay for needed services like health and education down the road because the revenues will not be generated.

Mr. Speaker, and this is important—

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

**Mr. Speaker:** Order.

\*(14:20)

**Mr. Murray:** Mr. Speaker, I know they like to laugh, I know they like to make fun, but this is a serious issue for Manitobans. For every \$6 in new spending, the Premier (Mr. Doer) has provided only \$1 in tax relief. Yesterday the Premier tried to tell the House, he tried to tell the media and all Manitobans that his Budget had an expenditure tax relief ratio of 3 to 1. He is wrong, but I will allow him the opportunity to put factual information on the record.

Mr. Speaker, does the Premier stand by his words of yesterday, that his 2001-2002 Budget has an expenditure ratio of 3 to 1?

**Hon. Greg Selinger (Minister of Finance):** I thank the member opposite for that question, and if the member opposite will turn to the Budget he will see that our tax relief is about \$124 million, our expenditure is about \$340 million and the ratio is about 3 to 1.

**Mr. Murray:** Mr. Speaker, I would like to present to the House two articles, two documents, one by the CFIB and one by the Canadian Taxpayers—

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

**Mr. Speaker:** Order.

**Mr. Murray:** Mr. Speaker, in the Canadian Taxpayers' release, and I quote: "According to the provincial government's—"

**An Honourable Member:** Well, they do not understand anything about taxes.

**Mr. Murray:** I know they do not understand this, Mr. Speaker, but I will try and table it if I might. ". . . 'summary of 2001 tax measures' and their 'operating expenditure estimates,' outlined in the 2001 Manitoba Budget, the Canadian Taxpayers Federation estimates that the new expenditure to new tax cuts ratio is 6:1."

I might add that at the bottom if you add in the \$52 million water power rate increase, that ratio Mr. Speaker, stand by, that ratio would cut

into 52 to 1. So I think they should be careful about where they go with their ratios.

The CFIB, Mr. Speaker, if I could just—

**Mr. Speaker:** Order.

**Mr. Murray:** I will just make note of the CFIB memo that says: We base this observation on pages D1 and B13 of the Manitoba Budget Papers. On page D1, personal tax measures and business tax measures total \$60.5 million in 2001-02. On page B13, the difference between total program Estimates in 2001-02 and 2000-01 Budget totalled \$375 million. This works out to a ratio of 6.2 to 1.

The Premier (Mr. Doer) is manipulating the numbers. He cannot have it both ways. If he is going to include tax relief measures from last year's Budget in his numbers, then he must also include last year's spending. In the Premier's 2001-02 Budget, for every \$6 in new spending he is providing only \$1 of tax relief. Will the Premier confirm that in his 3 to 1 ratio he is including the tax measures that were announced in last year's Budget?

**Mr. Selinger:** Mr. Speaker, the first error that is being made here is that the member opposite is counting the property tax credit as an expenditure rather than a tax reduction, a fairly significant \$27 million this year, \$25 million last year. Last year they did not count the tax cuts. This year they say that they are last year's tax cuts. You cannot have it both ways. The tax cuts in this year, the spending is net of the property tax credit, and it is a 3 to 1 ratio.

**Mr. Murray:** It is really quite simple. Considering he thinks going from a 10-week waiting list to a 13-week waiting list is a decrease, I suppose it is pretty clear he has trouble with his numbers, and he even has more trouble managing the Province's finances. The Premier's Budget speaks for itself. The total spending is up \$375 million and a tax change in his Budget and this Budget alone is \$58.6 million. That is a 6 to 1 spending ratio.

Will the Premier (Mr. Doer) today admit his numbers are wrong and will he stop misleading Manitobans?

**Mr. Selinger:** Let us assume for a minute that the member opposite has his facts correct and it was 6 to 1. Let us assume that. *[interjection]* Let us make that assumption which would be incorrect. Once that assumption would be made, then we would compare to the record of the former government where their spending increases were 12 to 1. So, even on the worst-case scenario put forward by the members opposite, their spending to tax reduction ratio was twice as bad as their incorrect assumptions being put forward today.

#### **Budget Expenditure/Tax Rate Ratio**

**Mr. John Loewen (Fort Whyte):** The Premier (Mr. Doer) is having a lot of difficulty with numbers but finally he got one right today. It took the previous government 10 years to spend \$1.4 billion, which averages \$140 million a year. It has taken this Government two years to spend \$900 million, which is \$450 million a year. He should relate to those factors.

My question to the Minister of Finance is why yesterday he stood up in this House and disputed facts, numbers that were given to him by the Institute of Chartered Accountants of Manitoba. He claimed yesterday their numbers were wrong. Today, is he accusing the Canadian Federation of Independent Businesses, is he accusing the Canadian Taxpayers Federation, is he accusing the Winnipeg Chamber of Commerce of having their numbers wrong?

**Hon. Greg Selinger (Minister of Finance):** Actually, Mr. Speaker, I would not presume to use the floor of the House to make accusations against groups that are not here and cannot respond to them. It is these guys that are wrong.

**Mr. Loewen:** My supplementary question to the Minister of Finance—and he should certainly understand that, when our numbers are the same as their numbers, us and them are the same guys.

My question to the Minister of Finance, Mr. Speaker—

**Mr. Speaker:** Order.

### Point of Order

**Hon. Gord Mackintosh (Government House Leader):** On a point of order, would you remind the honourable member that the supplementary question requires no preamble.

**Mr. Marcel Laurendeau (Opposition House Leader):** On the same point of order, Mr. Speaker, *Beauchesne's* is very clear that if we are provoked, this guy, he is going to fight back.

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

I have asked the honourable Member for Fort Whyte, to please put your question.

\* \* \*

**Mr. Loewen:** My question to the Minister of Finance is: After going through the Budget document that he presented the other day, can he explain to Manitobans where there is a \$76.5-million savings in taxes in the year 2001? Where is that in his Budget? What numbers come to that when that number is compared to the year 2000? How are Manitobans going to save \$76 million as he claims in the fast facts sheet? Where is that coming from?

**Mr. Selinger:** I would call the attention of the member opposite, the Member for Fort Whyte, to page 17 of the Budget Address: for the year 2001, \$68 million announced in the year 2000 taking effect January 1, 2001; \$29 million in addition to that; \$27 million on the property tax credit, for a total of \$124 million.

\* (14:30)

**Mr. Loewen:** This minister seems to be very fond of double counting, so I would ask him again: In his fast facts sheet, why is it that he thinks he can take \$27 million in property tax

relief, deduct it from the expense side, and double count it by trying to deduct it from the tax side? You cannot have it both ways. Where does it belong?

**Mr. Selinger:** The only government that ever double counted money was the previous government, as noted by the Provincial Auditor, which is why we changed the balanced budget legislation, so that revenues into the Fiscal Stabilization Fund were not counted once and then twice when they were put back in the Budget.

### Income Tax Rates

**Mr. John Loewen (Fort Whyte):** Mr. Speaker, it is quite a week. Yesterday, we had the Minister of Industry, Trade and Mines (Ms. Mihychuk) tell us we are in a recession. Today, we have the sky falling in the House. Surprise, surprise.

I would like to ask the Minister of Finance, in his Budget, in the press release that accompanied his Budget, he claimed to be providing Manitobans with meaningful tax relief, and that claim was made in spite of the fact that citizens in this province are paying the highest taxes in the country, the highest personal tax rates in the country outside of the province of Québec. His meaningful tax relief to a family of four that earns \$60,000 amounts to \$10 a year.

Is that your definition of meaningful tax relief to a family of four earning \$60,000 a year—\$10?

**Hon. Greg Selinger (Minister of Finance):** Mr. Speaker, the Member for Fort Whyte astounds me with his claim that the taxes in Manitoba are the highest outside of Québec. Even the most exaggerated, even the most distorted look at the information by anybody would say that that is wrong.

If he takes a look at page E16 in the Budget Papers book, he will see that a married couple with two dependent children earning \$60,000 between them has the third-lowest provincial levies and the lowest combined taxes and living

costs in the country. That is a dramatic improvement.

**Mr. Loewen:** Mr. Speaker, I would like to ask the Minister of Finance: What does he expect a family of four to do with \$10 a year that he is offering up in tax relief? How is their quality of life going to improve? What can they do with that \$10?

**Mr. Selinger:** Mr. Speaker, I would refer the member opposite to page D3 in the Budget Papers. I will take a family of four, single earner, \$60,000, cumulative savings after four years \$3,104, a 17.4% decrease for that family, a family of four, two earners, \$60,000, cumulative savings \$2,000, a 16.3% decrease, certainly more than the member opposite has claimed, certainly more accurate.

**Mr. Loewen:** Mr. Speaker, if that is the case, I would ask the Minister of Finance to answer the question. Why, when the numbers are fed into the tax calculator that he provided the people of Manitoba last year—he provided that to the people of Manitoba to estimate their tax. Why is it that, when you make the adjustments that he has proposed in this Budget and you feed those numbers into the exact same tax calculator, the difference, the reduction in taxes for a family that earns \$60,000 in the province of Manitoba is \$10? Why—

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

**Mr. Speaker:** Order. I would just like to remind all honourable members that, according to *Beauchesne's* Citation 504, it is improper to produce exhibits of any kind in the Chamber. I ask that all members please co-operate.

**Mr. Selinger:** I am hoping the Speaker's comments do not exclude the Budget Papers that were presented, because I would like to go on and cite two other examples for families. A single-income-earner family of four at \$40,000, a two-earner-income family of four at \$40,000, their cumulative tax savings over four years up to the year 2003 are a 20% reduction for \$1,734 for the single earner, a 24% reduction for the double-income-earner family for \$1,267. This is before property tax credits, does not include

those in the reductions that those families will receive. I think those are substantial and meaningful to most Manitobans.

### **Foot and Mouth Disease Provincial Action Plan**

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, we are coming up to Easter, and a sheep producer in Manitoba who has in the past taken her lamb into a mall where there are a lot of people at Easter is looking at whether she should take her lamb into the mall this Easter.

I ask the minister: When will she make her action plan for foot and mouth disease public so that livestock producers will know precisely what her guidelines are with respect to animal movements in Manitoba at the moment during the time when there is a high alert because of what has been happening in Europe?

**Hon. Rosann Wowchuk (Minister of Agriculture and Food):** Mr. Speaker, there certainly is a high alert in Europe with the outbreak of disease there, and people are following it very closely, but I would just remind the member that there is not an outbreak of foot and mouth disease in Manitoba. There has not been foot and mouth disease in Manitoba since 1952, and the proper precautionary steps are being taken. There is information, there are meetings on a regular basis, there is information being provided to the Ag reps, to all of the Cattle Association. The information is being provided to the schools, and I am very confident that the information that is being provided is adequate.

**Mr. Gerrard:** My supplementary: Can the Minister of Agriculture tell the Legislature what she is doing to ensure it would be possible to rapidly trace back any contacts with affected animals were foot and mouth disease to arrive in Manitoba? Are the provincial government's laws to mandate that anyone transporting animals in Manitoba has a manifest being enforced, and is there a central registry kept that would enable rapid tracking of animal movements if foot and mouth disease were to occur here?

**Ms. Wowchuk:** Mr. Speaker, again I would remind the member that we do not have the disease here in Canada. Precautions are being



taken at airports, and people who are travelling are advised on the kinds of precautions that they should be taking. I had indicated to the member the other day that there were meetings between the federal and provincial governments on an ongoing basis and that all staff are aware of it. This is a veterinary issue. I am confident that the vets are addressing this issue properly.

\* (14:40)

**Mr. Gerrard:** I would ask the minister: Should foot and mouth disease arrive elsewhere in Canada, what are the Minister of Agriculture's clear plans to limit livestock movements into Manitoba to ensure that Manitoba stays a disease-free province? Please put your action plans out there clearly so that everybody in the public will know exactly what they are.

**Ms. Wowchuk:** Mr. Speaker, the member is asking a hypothetical question: if we have the disease. I told him earlier that all the precautionary steps are being taken to alert people of the steps they should take not to spread the disease. This is a reportable disease through the federal government, and it is the federal government, the CFIA that is responsible. Our department, Vet Services and all livestock associations are working very closely to ensure that should there be an outbreak, proper steps are taken and that there is not the spread of the disease.

### **Flood Prone Areas Property Buyouts**

**Mrs. Louise Dacquay (Seine River):** Yesterday the Minister of Conservation stated, and I quote: "The flooding situation that is happening right now, as bad as it is, is not as serious as the one we had in 1997." This is cold comfort to the residents south of the floodway in the constituency of Seine River. In 1999, the former government agreed to build a dike to protect the residents of Greenview and St. Mary's roads south of the floodway. The Doer government offered a buyout to these 28 landowners and indicated several times that negotiations would be finalized by the spring of 2000 and before any potential threat of flooding.

Mr. Speaker, could the Minister of Conservation please update this House as to the current status of the buyout of 28 homes?

**Hon. Oscar Lathlin (Minister of Conservation):** I thank the member for the question. I would also like to advise her that, yes, we are very concerned about the flooding situation in Manitoba. I recognize, and I would like to say that I understand how people are feeling, how traumatized they were in 1997, so that is why people who have called us, we have tried very hard to respond to their concerns.

When we came into office a year and a half ago now, one of the first things that I tried to do was to ascertain, determine once and for all where all these little projects were as to their individual status. Is a contract about to be let out or is it being constructed right now? So I would like to advise further the member that we are well on our way to completing the work that is required. We are over 50% completed on the work.

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

### **Speaker's Rulings**

**Mr. Speaker:** I have two rulings for the House.

During Oral Questions on Thursday, December 14, 2000, I took under advisement a point of order raised by the honourable Government House Leader (Mr. Mackintosh) concerning a question asked by the honourable Member for Lac du Bonnet (Mr. Praznik) about the process for handling allegations that are brought forward concerning public officials. The Government House Leader contended that the honourable Member for Lac du Bonnet was making serious charges and suggested that if the member were making allegations of a criminal nature, that the matter should be referred to the proper authorities. The Member for Lac du Bonnet noted that he was not naming any specific persons and was asking questions regarding the policy for handling such issues. I took the matter under advisement in order to closely examine the words that were spoken.

Upon re-reading the question of the honourable Member for Lac du Bonnet, the honourable member did not state in his question that a public official had received payment for furthering a property sale; instead, he asked what the policy is when members of the public meet with staff to raise such allegations. I would therefore rule that there is no point of order. I would, however, like to take this opportunity to ask the co-operation of all members of the House to exercise caution in the choice of language used in raising such questions, to ensure that the reputations of any individuals cited are not tarnished.

I have one more ruling.

During Oral Questions on Thursday, December 14, 2000, I took under advisement a point of order raised by the honourable Member for Lac du Bonnet (Mr. Praznik) concerning an answer given by the honourable Minister of Industry, Trade and Mines (Ms. Mihychuk) in response to a question asked by the honourable Member for Russell (Mr. Derkach). The honourable Member for Lac du Bonnet asserted that in her answer, the honourable minister had imputed unworthy motives to the Member for Russell (Mr. Derkach). The honourable Government House Leader (Mr. Mackintosh) and honourable Official Opposition House Leader (Mr. Laurendeau) also spoke to the point of order. I took the matter under advisement in order to peruse Hansard.

On pages 296 and 297 of Hansard, the honourable minister is cited as saying "it is the innuendo . . . the Opposition has a certain agenda, and they wish to make this a political issue." I have reviewed the rulings of previous Speakers in order to determine if these or similar words have been the subject of interventions in the past. Speaker Rocan ruled on October 3, 1988, that the words "the NDP are playing politics" were in order and that no imputation of motives had occurred. Speaker Dacquay ruled on April 9, 1996, that the words "he is not interested in the truth, he is not interested in the facts, he is only interested in innuendo" were not an imputation of motives; however, she did offer a caution on the language used. She also ruled on April 24, 1996, that the words "while the members opposite, for their own political

purposes, have aggravated and agitated" did not contain an imputation of motives.

Based on these rulings, I would therefore rule that the point of order is out of order, and that no imputation of unworthy motives had occurred. I would, however, like to remind all honourable members to keep their remarks temperate, and to exercise caution and discretion in choosing words when referring to other members of the Assembly. Thank you.

## MEMBERS' STATEMENTS

### Agriculture Initiatives

**Mr. Tom Nevakshonoff (Interlake):** Mr. Speaker, I rise today to bring attention to some of the Government's initiatives in agriculture. As part of our commitment to agriculture, Manitoba's total provincial Budget for agriculture in 2001 is 6.4% higher than last year. Budget 2001 provides for programs that help farmers grow and diversify, such as MACC's enhanced Diversification Loan Guarantee Program. To assure responsible development of the livestock sector, Budget 2001 proposes to allocate nearly \$400,000 to support more on-farm inspections and technical reviews building on Livestock Stewardship Initiative.

We have also announced a total of \$52.2 million in additional support to Manitoba's producers. Although we recognize that the federal government's aid package will not address the low prices and increased costs, our Government has agreed to fund its share of the package and our members will continue to request that the federal government take more responsibility for assisting our farmers. Unlike members opposite who have spent their time spreading partisan rhetoric, our Government has taken action and has worked with farmers to establish long-term solutions.

Other initiatives include a \$100-million one-time payment negotiated for farmers last year; an expanded Crop Insurance Program which covers unseeded acres due to excess moisture; a crop insurance premium rate which has been reduced by approximately 19 percent; and paying 1999 AIDA claims at 100 percent of the provincial share.

Our Government recognizes the significance of agriculture to our social and economic well being. We will continue to work with all parties involved to establish long-term solutions. Our Government will also continue to support our producers in every way possible and request that the federal government take its share of responsibility and address the current farm crisis. Thank you.

\* (15:00)

### **R.M. of Springfield—Hydro Lines**

**Mr. Ron Schuler (Springfield):** Mr. Speaker, over the past year the residents of the R.M. of East St. Paul have been fighting a David versus Goliath fight against Manitoba Hydro. This community group comprising citizens who are retired, stay-at-home moms, workers and people from all walks of life have stood up to a situation that has very serious health ramifications for our children. East St. Paul currently has the highest concentration of high-voltage power lines running through a residential area in the province of Manitoba. My community has the only 500 kV and 230 kV line running directly behind residences in the province.

Now this NDP government is planning to construct, not just another 230 kV line closer to the families in East St. Paul but also another 500 kV line. This will make East St. Paul the highest known concentration of high-voltage power lines running through a residential area in the world. Despite opposition from the residents, the R.M., the Right Honourable Edward Schreyer and myself, this NDP government refuses to listen.

I am pleased to be working closely with such dedicated and committed residents. In particular, I would like to congratulate Frank Miller, Sondee Comrie, Mike Wasylin, Gerry Rattai, Gord Glesmann and Doreen Lozinski for their hard work on behalf of all residents of the R.M. of East St. Paul. We as a community will continue to fight this terrible health threatening plan of the NDP Goliath. Thank you, Mr. Speaker.

### **Réseau**

**Ms. Linda Asper (Riel):** Le 11 mars 2001, j'ai eu l'honneur de participer à la présentation des

prix Réseau à six femmes remarquables pour leurs contributions à la communauté et à l'avancement de la cause des femmes au Manitoba.

Commémorant la Journée internationale de la femme, la cérémonie a été animée par la présidente de Réseau, Annie Bédard. Les six Franco-Manitobaines reconnues pour leurs contributions dans divers secteurs de la communauté étaient: Augustine Abraham, pour son implication auprès de la communauté métisse et auprès de la Ligue des femmes catholiques; Marianne Rivoalen, pour le secteur politique-juridique; Raymonde Gagné, pour la catégorie Éducation, responsable des nouveaux programmes du Collège universitaire de Saint-Boniface; Louanne Beaucage, pour son travail dans le secteur des services sociaux; Rita Lécuyer, pour le secteur de la condition féminine; et Edna Brin, dans le cadre de l'Année internationale des volontaires, pour le temps qu'elle a donné à de nombreux organismes.

Merci à ces femmes pour leurs contributions exemplaires à notre communauté. Félicitations à Réseau et à Suzanne Lepage, directrice, pour le travail fait au Manitoba pour l'avancement de la cause des femmes. Merci.

### **Translation**

On March 11, 2001, I had the honour of participating in the presentation of the Réseau awards to six women who are remarkable for their contributions to the community and to the advancement of women in Manitoba.

Commemorating International Women's Day, the ceremony was led by the president of Réseau, Annie Bédard. The six Franco-Manitoban women recognized for their contributions in various sectors of the community were: Augustine Abraham, for her involvement with the Métis community and with the Catholic Women's League; Marianne Rivoalen, for the political-legal sector; Raymonde Gagné, for the Education category, who is responsible for new programs at the Collège universitaire de Saint-Boniface; Louanne Beaucage, for her work in the social services sector; Rita Lécuyer, for the Status of Women sector; and Edna Brin, in the context of

the International Year of Volunteers, for the time she has given to many organizations.

My thanks to these women for their exemplary contributions to our community. Congratulations to Réseau and its director, Suzanne Lepage, for the work done in Manitoba for the advancement of women. Thank you.

### **Education System—Grade 3 Assessment**

**Mrs. Joy Smith (Fort Garry):** Mr. Speaker, the March-April 2001 issue of the Manitoba Teachers' Society newsletter contains an unflattering article about the new Grade 3 assessment: "What appeared to be a relatively benign election promise has turned into a more cumbersome, more time-consuming workload increase. Grade 3 students lost valuable instruction time with teachers as they viewed and were tested on Grade 2 curriculum content. In an attempt to capture the mood of teachers who were subjected to this new and improved assessment practice, the collective bargaining standing committee surveyed Grade 3 teachers. What we found was disconcerting if not surprising. Teachers overwhelmingly gave the provincial assessment a failing grade."

Mr. Speaker, this survey of Grade 3 teachers confirmed that valuable instruction time has been taken away from students in order to complete the diagnostic assessments. The survey showed that three to four weeks of instruction time was taken from the average Grade 3 student. Those teachers surveyed said the assessments did not give them any information they did not already have.

The Doer government's Grade 3 assessment is a failure in the eyes of the teachers administering it and hopefully the Minister of Education (Mr. Caldwell) will finally acknowledge this. Thank you.

### **Ambulance Service**

**Mr. Stan Struthers (Dauphin-Roblin):** Mr. Speaker, it is with great pleasure that I rise today to bring attention to some of the Government's many initiatives in health care, one of the latest being our investment for new state-of-the-art ambulances. As part of our commitment to

improve health care in Manitoba, our Government is investing \$7 million to purchase 80 first-rate ambulances which will be providing maintenance and financing for the ambulances currently used by the regional health authorities. Our Government is dedicated to enhancing the quality of the health care system, and this funding is a major step in achieving this goal. This new funding will provide Manitoba communities with a safe, reliable and cost-effective fleet of vehicles to provide emergency services throughout the province. With this funding, vehicles identified as unsafe, the oldest vehicles and those with the highest mileage will be retired.

By taking this action, we can ensure all available vehicles continue to meet our standards. By making one major purchase, the Province will save approximately \$15,000 per vehicle. Over the life of the program, \$2.4 million will be saved on the purchase price alone.

Our Government has been and continues to be committed to the main issues concerning the people of this province, which includes the delivery of quality health care services to all Manitobans. Thank you very much.

### **House Business**

**Hon. Gord Mackintosh (Government House Leader):** Mr. Speaker, on matters of House Business, what I thought earlier was simply an effort at smoke and mirrors from the other side, I understand actually there is some concern that should be addressed as to whether the smoke may be harmful at all. So, if needed, is it the will of the House to allow a Workplace Health and Safety inspector to come onto the floor of the Chamber, if that is needed?

**Mr. Speaker:** Is it the will of the House to allow the Workplace Safety inspector to come on the floor of the Chamber to do an inspection of the air quality? Is it the will of the House? *[Agreed]*

**Mr. Mackintosh:** Secondly, I understand that there is an arrangement to allow, if you, Mr. Speaker, would recognize it, the Member for River Heights (Mr. Gerrard) to follow the person

who is now on the floor of the House on the Budget debate, not as a precedent but as a particular arrangement for today only, recognizing that whoever catches the eye of the Speaker is entitled to address the Budget.

Finally, Mr. Speaker, would you canvass the House to determine if there is leave to adjourn at 5 p.m. today?

**Mr. Speaker:** So the agreement for today when I call Orders of the Day, when I resume debate, that the Member for River Heights will follow the Member for Emerson (Mr. Penner). The practice I have used has been Opposition, Government, Opposition, Government, and this arrangement has nothing to do with—

**An Honourable Member:** Agreed.

**Mr. Speaker:** That is agreed to? [*Agreed*]

Is there will of the House to call it six o'clock at five o'clock? [*Agreed*]

## ORDERS OF THE DAY

### BUDGET DEBATE (Third Day of Debate)

**Mr. Speaker:** Adjourned debate on the proposed motion of the honourable Minister of Finance (Mr. Selinger) and the proposed motion of the honourable Leader of the Official Opposition (Mr. Murray) in amendment thereto, standing in the name of the honourable Member for Emerson who has 19 minutes remaining.

**Mr. Jack Penner (Emerson):** Leading off where I left off yesterday in my presentation, I wanted to spend a bit of time looking at some of the agricultural initiatives or lack of initiatives that this Province has taken over the last couple of years. They talk very highly about the large amount of money that they have spent in supporting the agricultural community, yet when I look at some of the other provinces during that same period of time and the supports that they have offered, you get some very interesting numbers.

\* (15:10)

When I look at Québec, for instance, and the amount of money that Québec spent last year through their ASRA program to support its farm community, I find that Québec last year supported its grain and oilseed sector and indeed its total agricultural sector by \$121 an acre, most of that money coming from the Province of Québec. From the federal government, through programs that Manitoba participated in, would have received a similar amount proportionately to what Manitoba did under that program.

I find it very interesting that Ontario provided support to its producers somewhere in the neighbourhood of \$60 to \$70 an acre, similarly a major portion of that coming from the Province of Ontario.

I think, when you look at what is being proposed this year and remember, Mr. Speaker, this is the last two years that we are talking about. This is the deal that the minister lauded when she came back from Ottawa in 1999, with the AIDA package that she had negotiated and held the paper up high and said I have negotiated a deal for Manitoba; it is called the Agricultural Income Disaster Assistance. Well, I would call it, as most farmers do in Manitoba, an agricultural disaster that was negotiated because AIDA certainly has proved to be a benefit only to one sector in society, and that is to those people that worked at it. It is rumored now or it is assumed that the total cost of the AIDA package, the administrative cost, could reach as high as \$128 million. That is where most of the money has gone. Can you imagine what benefit would have been accrued to Manitoba farmers if that \$128 million would have been written in a cheque to farmers? It would have more than doubled their AIDA payments in 1999.

Most farmers, by the way, had a very difficult time because of the formula that was used in AIDA to assess the program and to assess damages. The other part of the calculation was that, if you were a farmer and you had your credit outstanding to a supplier, that was deemed one way in their calculations. Had you, however, done what business people normally do, and that is made arrangements at the bank for a line of credit, that was not deemed to be an expensible item and therefore not part of the calculations.

Now, I think, Mr. Speaker, what was wrong with the development of the AIDA program and the delivery of it, and it had very little to do with the negotiations between provincial and federal government of the amount of money that would be accrued to the various provinces, had everything to do with the lack of involvement by the provincial governments in making sure that the administration would be done the right way. That is what I fault the ministers on. That is what I fault government on. I think it behooves all of us to pay very close attention to, when applying new programs or developing new programs, that you make sure, that ministers make sure that they give proper direction to their bureaucrats to ensure that not all the money will be used within their bureaucracy and none of it or very little of it will filter through to the farm community.

When I look at CFIP program that was negotiated by this minister last year, one really becomes astounded because what she in fact did was agree to a new formula that would be used to assess the damages caused by the trade war between the Americas and Europe, and how Canada, especially Manitoba farmers, would be affected by that. She agreed that Manitoba's portion of the \$500 million would be the same as it had been the previous year. While under the new CFIP formula, Ontario's would rise by roughly about 28 percent.

**An Honourable Member:** You have got your numbers wrong.

**Mr. Jack Penner:** The minister says I have my numbers wrong. Would the minister correct me on the numbers then?

**An Honourable Member:** I will bring you the information of numbers that you are reading.

**Mr. Jack Penner:** Ontario would be roughly about 28 percent; Québec's would be roughly about 28 percent to 30 percent; the Maritimes' would double and British Columbia's would increase by about 95 percent. We in Manitoba would retain the status quo.

Now, what does that do, Mr. Speaker? What does that do when you do the calculations on the \$500 million and the \$300-some-odd million

that the provinces are going to contribute, \$333 million, and the total amount would be roughly about \$833 million?

What would happen when you do the calculations on a province basis then, of that payout based on that formula? Newfoundland would receive \$46 an acre; Prince Edward Island would receive \$21 an acre; Nova Scotia, \$26; New Brunswick, \$19; Québec, \$21; Ontario, \$19, almost \$20; and Manitoba would receive \$7.45. This is what our minister negotiated during the last agreement in Ottawa.

How could she give away the rights of our people in Manitoba when indeed, when the Crow benefit was done away with, Manitoba and Saskatchewan would receive the largest amount of hurt? No farmers would be hurt more, would have higher freight rate costs, than grain and oilseeds producers in Manitoba.

Indeed, it comes right down to Manitoba, and that is why I have said constantly there was a negative and a positive to eliminating the Crow rate. It would encourage livestock production in this province to the point where at times we might want to review as to how much livestock we could in fact hold because we would have the cheapest feed grains. For ever and a day now we will have the cheapest feed grains based on the cost of freight rates to get it into export position. So we will have the lowest feed costs forever.

However, I also said we needed to then go back to the federal government and say to the federal government they must now change the formula on where the supply management commodities are going to be raised.

Québec and Ontario have successfully negotiated with Ottawa that they will retain their quota based on their population. What economic sense does it make for Manitoba to have the lowest cost of production and Ontario and Québec will have the highest quota allocations on supply management? It makes no sense at all.

So I say it is high time that this Government go back to Ottawa and demonstrate clearly to Ottawa the cost advantages that we have, and therefore say to Ottawa we must now shift the supply management quota and negotiations and

ability to allocate to the lowest cost of production areas, and we will be the biggest benefactors. That is where the minister is correct. For that reason I support it, the elimination of the Crow rate, because it will change how western Canada looks if we carry out all the elements of the program changes that need to be done. But this minister has forgotten and this Premier Doer has forgotten that it is his responsibility to ensure that Manitoba's best interest and their producers' best interests are met. Yet he has washed his hands and walked away.

**An Honourable Member:** She walked out of the meeting, Jack. Remember that?

**Mr. Jack Penner:** The former Minister of Agriculture in the House, Mr. Harry Enns, just said: And the minister walked out of the meeting in Ottawa. How childish can that be? You elect ministers and you elect members of Parliament for their abilities and I think we did that with the honourable Member for Swan River (Ms. Wowchuk). The people really truly thought she had the ability, and I still think she does, but you cannot lose your temper. You have to maintain your temper and not stomp out of a room in a temper tantrum, saying we are out of here if you do not agree with me. You stick around and you negotiate and you make the case for yourself time and time again and demonstrate to the federal government by putting the numbers forward, putting the cost of production formulas forward and indicating that we can in fact change the systems to allow for western Canada to truly come into its own, and that is where we need to be.

\* (15:20)

We in Manitoba had much, much to gain, but I am afraid it will take a different government with a better understanding of true federal negotiations. I will never forget when, before the last election, the Premier ran around this province and told everybody that he and the Prime Minister of Canada would have better relations.

**An Honourable Member:** And we do.

**Mr. Jack Penner:** The Minister of Agriculture (Ms. Wowchuk) says from her seat: And we do.

Well, \$7.45 demonstrates to me how serious she is about that statement because she gave away the farm. I want to talk a little bit about giving away the farm. We have had this last two years a demonstration of what their statement was of protecting the family farm. We know now how serious they were because never in the history of this province have we ever seen the kind of devastation to our rural communities that we have seen in the last two years. We have seen 14.5 percent of our farm labour pool disappear in the last two years. You know what that means? That means there is 14.5 percent more empty homes out in rural Manitoba. That is the reason why there are 40 homes for sale in Melita. That is the reason why there is only one family with below-school-aged children in one of our municipalities in rural Manitoba, because all the young people have gone, and that has happened in the last two years.

*Mr. Harry Schellenberg, Acting Speaker, in the Chair*

It is absolutely phenomenal. It is very apparent, when I look at the auction sales and when I look at the farmland for sale and rent, how devastating that is to rural communities. Fourteen businesses, at last count, have closed in the town of Souris alone. In my little community of Halbstadt, the credit union is closed, the general store is closed, the post office closed, all in the last two years.

You know why? Because the schoolchildren are disappearing. They are leaving with their mothers and their fathers. The people that are left are the 58- to 68-year-olds there, the farmers that are left, and this minister says that is right. She says, of course, that is right. She said, before the election campaign, during the campaign, she said trust us, trust us, we will protect the family farm. She said they are coming back or they will come back.

Well, Mr. Acting Speaker, the young people that I talked to are not coming back. They are not coming back. These are highly trained university-educated young farmers that find it relatively easy to move into the workforce and become part of the workforce of other provinces. That is where they are going, and they are not coming back.

There is nothing that this minister can do to encourage those that we have lost to come back. What needs to happen is that the people of this province need to become aroused enough and concerned enough about the economic situation in rural communities because of the impact to the urban communities of Winnipeg, of Brandon, of Portage la Prairie, of Steinbach and indeed the Altonas and the Mordens and the Winklers because, in our community of Altona, we had a machinery dealer closing its doors the other day. They had a huge auction sale, almost a thousand people at this auction sale, but the prices were very low.

There are people now cancelling their auction sale at Ridgeville that was supposed to go on because there is no money to buy. Fertilizer dealerships and chemical dealerships are closing their doors because farmers do not have money to pay last year's bills.

**An Honourable Member:** Retail sales are up.

**Mr. Jack Penner:** The interesting thing is that the Minister of Family Services says retails are up, Jack. Retail sales might be up in the city of Winnipeg. They might be up in the city of Winnipeg, because the true impact of the economic disaster happening in rural communities has not yet hit the city, or maybe it has. Maybe Johnny Buhler, Versatile, Ford Versatile that used to employ better than 1200 people is today employing less than 78. Maybe it has hit here.

Maybe the reason Schneider was sold to Maple Leaf is because Schneider did not have confidence in the socialists that were elected in this province that they would govern in such a manner that it would be conducive to the expansion of the livestock industry, the hog industry, in this province to secure a future.

Maybe the Brett-Young Seeds will not move to Alberta if they are encouraged by tax concessions to stay here, but maybe they will. Many of the smaller industries that are now looking for homes in the southern United States—and I visited with one industry last week, and they said: We are fast approaching the movement to the southern United States. I visited with another company just yesterday in

my own home town, and he says: My sales have virtually dried up. I am going to have to do something. These are all farm-dependent industries.

The minister says low grain prices. Well, the low grain prices, Mr. Acting Speaker, are caused by one thing. The American farmer gets twice as much for his grain as our farmers. Yet he is allowed to sell his grain into Canada at less than half of what he gets for it.

You know why? Because the Government sends him almost 50 percent directly from Uncle Sam's pocket. The rest of it comes from the marketplace, and that marketplace sets the price in Manitoba. That is why we are having this debate. That is what this minister has to address with her counterparts in Ottawa.

Today we are having a meeting downstairs in the private dining room. We have suggested that the minister attend that meeting to develop a position, and she refuses to attend with the Keystone Producers, with the AMM, with the Machinery Dealers Association, with the Chemical Dealers Association. She will refuse to be there, and I think that is deplorable.

#### Point of Order

**Hon. Rosann Wowchuk (Minister of Agriculture and Food):** I would ask the member to correct the record. He has indicated that I have refused to attend the meeting. That is not true, Mr. Acting Speaker. The member came to me yesterday at 2:30 and asked if I could come to a meeting today at four o'clock. I advised him that I would check my schedule to see if my time was open. I came back into the Chamber and told him that I had another meeting at four o'clock. So I would ask that he correct the record, because I did not refuse to meet with farmers. I meet with farmers right across the province.

I want to tell the member, I want to make it known that the steps that we are taking in this debate to take the resolution to a standing committee and give all people of Manitoba the opportunity to discuss the agriculture issues is a very important step that we are taking.



**Mr. Jack Penner:** I think I want to correct the record just a wee bit from what the minister said. Yesterday right after Question Period I went to ask the minister whether she would concede to meet.

We had written a letter to the Premier (Mr. Doer) of this province. It was signed by my leader, suggesting that we should meet and that we should try and come to a provincial position, and that should include the farm organizations, should include the business community, as well as the AMM. That is what that letter said, and there was a lot of notice on this.

\* (15:30)

I asked yesterday whether—*[interjection]* Mr. Acting Speaker, you gave her sufficient time. I suggested yesterday to the minister that we would meet tomorrow, because we wanted to develop the position before Tuesday, the day that we had agreed to argue or debate the issue here. I thought we should have the position ready, and all the industries, agricultural and related industries agreed to come, to cancel everything because it was important, yet this minister does not agree that she will meet because she does not believe that this issue is of relevance or importance. I think she should apologize to the people of Manitoba.

**The Acting Speaker (Mr. Schellenberg):** It is a dispute of the facts and not a point of order.

\* \* \*

**The Acting Speaker (Mr. Schellenberg):** The honourable Member for Emerson's time had expired.

**Hon. Jon Gerrard (River Heights):** Mr. Acting Speaker, this was the Budget for the NDP. The Minister of Finance (Mr. Selinger) said clearly it was a unique opportunity. The NDP were in opposition for 11 years preparing for this. They have been in government a year and a half preparing for this.

Last year, their first year, it is understandable that they were not really ready. There was a bit of a learning curve, and they did not have an opportunity to make much in the way of substantive changes. This year, after a

year and a half in office, the NDP had the opportunity to make some major changes rather than just tinker. Manitobans have known for a while that we need major changes in our social programs, highlighted major needs in areas of people with disabilities, in child care, in health care, a time of major transition in agriculture. There is a need for a new vision in agriculture, new approaches to agricultural spending, not just a little bit of tinker.

This year, after a year in office, the NDP had the opportunity to show Manitobans where they were saving as well. Sadly, they have not used their opportunity well. The opportunity has been missed. With the possibility of an economic downturn coming in the year ahead, it may be more difficult in next year's Budget.

In any case, it is quite likely that next year's Budget will be largely a propaganda piece leading up to the next election and as such may have a number of empty promises which cannot be fully implemented in this mandate. The net result is that this Budget was the one to make the real changes, and instead of making real and substantive and major changes the NDP have really just tinkered with the status quo.

Let us examine a little bit the nature of the NDP tinkering. This can be most easily done by reading the Budget speech itself carefully. I offer the following analysis. A careful read of the Budget speech shows that there were 74 times that the Finance Minister (Mr. Selinger) mentioned new or increased expenditures. That is quite a few. As has been noted, the NDP have an urge to splurge. It is noteworthy that the effort in increased spending is largely unfocused, occurring in a whole variety of different areas.

Because there are so many areas increased and in many areas the increases are token, they are not really enough to do the job intended. The increases enable the NDP members to stand up in the Legislature and claim that they have done the job in child care, for people with disabilities and drainage and on and on, but when you have closer inspection of this, it is quite clear that they are not really doing the job needed in these areas, even though there is a token increase in government spending, as I have said.

The NDP, interestingly enough, also talked quite a bit about tax reduction in their Budget. Indeed, for an NDP government, it is a little surprising. Tax reductions were mentioned some 35 times. Many of those tax reductions were small and specific; you know, items like extending the Manitoba Film and Video Production Tax Credit for three more years, items which are not really a change from the status quo or what was present in previous Budgets. However, if we do grant the NDP some liberty, tax reductions were mentioned less than half the number of times than expenditure increases, not really balanced. This is really a spend, spend Budget with much less emphasis on tax reduction.

A quantitative analysis shows that the Government received a lot of new revenue this year from various sources. With this large amount of new revenue, the Government has only been able to provide a small amount, a small proportion in tax cuts for the much larger amount in expenditures. Now, whether it is one to three or one to six we can argue, but, clearly, the emphasis here has been on spending and much less on tax reduction.

It is a problem because it has reduced some taxes but it really has not made Manitoba fully competitive with other provinces, and so we will have some problems which I will talk a little bit more about later on. The Budget as well as tax cuts provides for increased taxes in three areas: a sales tax on chemicals used for yard care and pest control including fertilizers, herbicides and insecticides has increased; there is an increase in tobacco tax and an increase in the water power rental rate.

The latter is a little curious in that it is applied rather unevenly to Manitoba Hydro but not to Winnipeg Hydro. That exemption is strange. Since Winnipeg Hydro provides power to only a part of the city of Winnipeg, it means that residents of one part of Winnipeg will be exempt from this tax while residents of the rest of the city and the rest of the province will have the tax applied to them, and they will have to pay for that indirectly through their electricity bills, this extra tax. The net effect is a very discriminatory tax. It would have been far better to have applied the tax equitably and non-discriminately, and then if they want, provide an

extra grant to the city of Winnipeg, but to apply this inequitable and discriminatory tax, this clearly is inappropriate.

Though the Budget, as I have indicated, does refer to savings through tax reductions to individuals and businesses, what is curiously missing in the Budget is any real reference to savings and reductions in government expenditures. The best I could find was a reference to the fact that our debt-servicing costs are lower this year, a tribute to gradual repayment of the provincial debt over a number of years. Partially offsetting this, of course, is the fact that the public debt, which includes Crown corporations and interest payment on Manitoba Hydro, has increased over the last two years following the purchase of Centra Gas and the additional debt this has added to Manitoba Hydro. While the Manitoba Hydro debt does not affect the budgetary bottom line, it does affect electricity and natural gas costs indirectly in being an added expenditure Manitoba citizens must pay. The net effect of the increased Manitoba Hydro debt and the increased water tax on Manitoba Hydro is that Manitoba's electricity costs over the coming years will be higher than they might have been.

In the Budget section on health care, there are references to cost-effectiveness and controlling cost increases. In both cases, the emphasis appears to be on containing increased costs rather than an approach that would actually look at generating a savings and how we can actually reduce government expenditures in particular areas.

\* (15:40)

So, when looked at in the context of the Budget as a whole, there are 74 mentions of new or increased expenditures, there are 35 mentions of tax reductions and there is a lack of interest in governing or budgetary approaches which will reduce current expenditures or provide for future savings of government expenditures. This situation, quite frankly, is very unbalanced. It is appalling that we have a government which is not very interested in savings.

In the comments from the Leader of the Conservative Party over the last two days, he has

emphasized that NDP is on a spending spree which will lead us to more and more government spending in the future. That is my fear as well. At a time of economic uncertainty, the NDP Budget, with an overall increase of 5.6 percent in expenditure for last year, is not sustainable if there is an economic downturn. Many of the new and increased expenditures being made by the NDP government appear to lead only to more and greater government expenditures. The expenditures where made are not being made in ways that will help to reduce government expenditures over the long run. In truth, in many areas, we can only guess because there is a lack of forward planning by the NDP, the lack of any focus in this Budget on reducing government expenditures and producing savings in government expenditures over the long run. The approach is amazing. The NDP, as the Member for Lakeside (Mr. Enns) has commented, have set themselves up for increased expenditure instead of looking carefully at the future.

As Leader of the Liberal Party in Manitoba, I condemn the NDP for introducing a Budget that offers so little in substantive change, so much tinkering, a Budget which fails to look at how we reduce the long-run cost of Government.

I have no confidence in this Budget, and I will support the Conservative amendment. This Budget is not good enough for Manitobans. The NDP is failing to take advantage of good economic times to correct major problems. The Budget reflects a lack of vision and poor expenditure management. The NDP is making poor decisions for Manitoba. The NDP has been in power for more than a year and a half. They have had an opportunity to implement major changes that would over time reduce taxes and the cost of social programs and improve the quality of services to Manitobans. The Government has not done so. The NDP has once again merely tinkered with the status quo.

Manitoba is left with a spend-spend Budget which fails to implement the major change needed, which fails to provide the savings which can be passed on to taxpayers as reduced taxes and make our province really competitive with other provinces. This kind of spending is not sustainable where the economy slows down. We need initiatives that will help Manitoba both

lower taxes and increase the quality of our social programs.

I have in recent weeks talked about a number of areas where there are significant savings in government spending to be obtained, and I want to begin with the area of health care. The Budget speech of the Minister of Finance (Mr. Selinger) talks about health care and defines three objectives, which he says is to provide health care that is sustainable, affordable and cost effective. What is curious is that the Finance Minister does not indicate any focus on quality health care. Indeed, in the Budget speech, there is not one use of the word "quality" as a goal in his section on health care, very strange, sadly. The Finance Minister did not read my comments on the Throne Speech or the report of the Manitoba pediatric cardiac surgery inquest.

"Quality" is a very important word in relation to health care because, in achieving high quality, we can improve morale as well as the performance of health care professionals, and we can do things in ways that will lower costs. Let me provide an example. I would refer the Minister of Finance (Mr. Selinger) to a book entitled *To Err Is Human: Building a Safer Health System*.

This is a report of the Committee on Quality of Health Care in America. The authors speak of the importance of building a safer system by designing processes of care to ensure that patients are safe from accidental injury. The report refers to two very carefully conducted studies which suggest that between 44 000 and 98 000 Americans, depending on which study you look at, die each year as a result of medical errors. Those are huge numbers. If the figures were comparable in Manitoba, this would mean between 170 and 390 Manitobans dying each year because of medical errors. Those figures are clearly alarming, and medical error concerns have major budgetary impact as well as quality impact.

The report which I have cited goes on to estimate that the total national costs for the United States of preventable adverse effects, that is, medical errors resulting in injury, are estimated to be between \$17 billion and \$29

billion. If the numbers are similar in Manitoba, the cost of errors would be between \$70 and \$120 million each year. Addressing this one issue could have theoretically drastically reduced the need for increased health spending this year as well as dramatically improving the quality of health care and of health for Manitobans.

In Judge Murray Sinclair's report he discussed at considerable length the need for much better quality assurance in health care in Manitoba. It is a great disappointment to me that the Finance Minister did not read this report carefully and did not provide a focus on improving quality in health care, quality assurance, and be able to reduce costs at the same time.

Sadly, the Minister of Finance (Mr. Selinger) made no mention of fetal alcohol syndrome, of mental illness, of diabetes, three areas where focused efforts could lead to better quality health care and reduce government spending because of the improved health. I will give the Minister of Finance some credit for mentioning smoking briefly, though he did not even state clearly what was presumably his objective in increasing tobacco taxes, as well as grabbing some more money, that one of the objectives was presumably improving health and reducing health care costs over time.

Overall I consider this Budget a failure in the area of health care because the Government failed to put an emphasis on increasing quality and lowering costs. The Government's vision appears to be primarily one of throwing more money at the situation and hoping it will get better.

The Minister of Finance (Mr. Selinger), unfortunately, I would say, in the last two years has shown that he is sort of the takeover king of the Government. He has taken over the frozen-food facility. He has taken over VON. He has taken over the Pan Am Clinic. You know, I think that—

**An Honourable Member:** Offer him Versatile.

**Mr. Gerrard:** Well, he is in the wrong department, but maybe there is help there.

Although many wonder about the need to spend \$4 million in buying the Pan Am facility, you know, the jury is perhaps out in terms of what the bottom line will be to the Manitoba government. We will wait.

It is interesting that financing around the frozen-food facility, right, and the cost-effectiveness has become clearer. When the Minister of Health (Mr. Chomiak) initially made this announcement and paid almost \$25 million for this facility, we waited for a number of months to find out what that facility was really worth. Then months later the Government produced its own report which said that the actual worth of the facility was about \$2 million. Some spending, some wisdom, by the Government. Clearly, they can do better.

I have talked recently about people with disabilities. At the present time, individuals with disabilities on social assistance, when they work and earn income, have their income clawed back at a rate of 70 percent. This is effectively a provincial tax rate on income earned by people with disabilities, of 70 percent. The people who are the most disadvantaged in our province are in effect paying the highest marginal tax rate of anyone.

\* (15:50)

This is not only despicable, it is a huge barrier for people with disabilities who would like to work. Reducing this effective high marginal tax rate for people with disabilities down from 70 percent would have provided the framework to enable many people with disabilities to work at a time when not only this barrier exists but people with disabilities are faced with all sorts of other barriers to employment.

More people working in the disability community, as many would like to do, would provide more revenue to people in the disability community and would provide more revenue to government and less need for social support. Here is another example where the Government can save dollars by changing the system and making it work better. The Government and the Minister of Finance (Mr. Selinger) have not listened.

I have recently discussed the need and the importance of a universal child care system in Manitoba. At our recent Liberal annual general meeting in Gimli, there was strong support for the introduction of a universal system for child care, a system properly designed to overcome the difficulties of access and the long waiting lists present at the moment.

Study after study has shown that, done wisely, improved support for children can save between \$2 and \$7 spent on social programs for every dollar invested. Rather than seizing the moment, rather than carrying forward the vision which the NDP and the Minister for Family Services (Mr. Sale) presented in early February, the NDP government has tinkered with the status quo. They will leave long waiting lists, an inadequate present situation. The NDP will largely support the status quo instead of offering the major change that is needed to produce higher quality and decrease social costs.

It should be pointed out that the savings in child care in many cases can come quite quickly with mothers healthier, working and under less stress and children well looked after and more ready for school, able to cope and adapt better as they grow up.

Once again, the NDP government has put off till tomorrow what should have been attended to today.

I want to move to education. The Premier (Mr. Doer) has talked often about an economic strategy which focuses on education, and in some sense I think the Premier should be complimented that there is an effort in education and that there is considerable help for post-secondary education students, but there are some aspects here of the Government's policy which are sending a very curious and very mixed message.

In the efforts that the Government is doing, what is beyond the post-secondary education? It is not enough just to provide the education; we must provide the links to industry, to employment so that in fact our students who are in post-secondary education are going to get the high-quality, high-paying jobs here in Manitoba that they deserve. Post-secondary education

graduates expect to be the middle-income or higher-income earners, and yet this Budget sends a very clear message in this respect when we compare the tax program in Manitoba to the tax program in other provinces. The message is this: We have an income tax rate for low-income Manitobans which is quite comparable to other provinces. This is good and the NDP should be praised and complimented, but what the NDP have done is left us with tax rates for middle-income and high-income earners, the very people who are going to post-secondary education and looking for jobs in Manitoba. They have left them with rates which are considerably higher than in most other provinces. The net result is a message that the NDP government is sending: If you are a medium or high earner we are not competitive and we are not really trying to be competitive in Manitoba; you may as well go elsewhere to get better tax rates.

So what they are saying is get an education here in Manitoba, but then you may as well go elsewhere because we are not sure if we are going to have jobs. They are going to continue the policy of the last government, as the Minister of Industry, Trade and Mines (Ms. Mihychuk) indicated yesterday, of promoting call centers and a variety of other lower income jobs, and the people who graduate from university are going to say, well, you know, I would love to stay here but there are not really the employment opportunities that there should be.

The same is happening with small compared to medium and large businesses. The reality is that most post-secondary education graduates getting jobs in industry are going to be working in medium and large businesses. Relatively few will start their own small business or go straight into small business. There are some exceptions, and those who do should be praised because that is very positive, and yet the Budget message with respect to businesses is quite clear. We have a small business tax rate which is quite competitive with other provinces, and the NDP should be complimented, but when it comes—actually that was introduced by the Tories, so the Tories should be complimented.

But there is a problem. With medium and larger businesses, the rates in Manitoba are and

they will continue to be substantially greater than most other provinces. So what the NDP effectively are saying is: If you have a small business we like you in Manitoba, we want you to stay, we want you to be here, but if you have a medium- or large-size business, maybe you should think about going elsewhere.

Well, that does not match with the message for post-secondary education graduates. We have to send a consistent message if we are going to have the province working. The NDP are clearly sending very mixed messages.

When it comes to urban development, the Minister of Finance (Mr. Selinger) referred to an exciting renaissance in the city of Winnipeg. Well, I agree that there is some sporadic activity in some parts of the city. There is hardly a boom. I am pleased that he is trying to push for a dynamic and rapidly growing and booming Winnipeg, but the reality is not there at this juncture. It is hardly appropriate for the minister to be so cheerleading under the current environment. Let us hope we get an economic expansion, but many, in fact, are concerned that if anything the opposite could happen this year with an economic downturn.

There is not a clear vision for rural and agricultural development. There is some tinkering. Strangely, there is not even a clear commitment to implement the Rose report which the Premier (Mr. Doer) so carefully banded about to get some publicity a year ago. There are some good things in roads in the North, but there really is not an adequate economic development strategy for the North in anyway as there should be.

I want to move now to one of the big potential threats to the economy of Manitoba, foot and mouth disease. Foot and mouth disease, were it to occur here in Manitoba, has the potential to cause tens of millions, hundreds of millions of economic losses in this province. It needs to be taken very seriously.

\* (16:00)

The Minister of Agriculture (Ms. Wowchuk) should not be suggesting that the risk is just hypothetical. I would suggest that with what is happening in Europe, she should be taking this

very, very seriously. With a lot of water in North Dakota, you know, is she going to say, well, the risk of a flood in southern Manitoba is hypothetical? It has not happened yet. We will not do anything until the water actually gets here. We will not prepare. We will not be ready. No, clearly not.

The Minister of Conservation (Mr. Lathlin) has been working hard building new dikes, and there are ongoing preparations and plans and forecasting and looking at risks. Quite clearly in the flood area there is an action plan, there is day-to-day updates, there is something that we can rely on from the Minister of Conservation. We have had those updates in the Legislature, and the minister himself should be complimented.

*Mr. Gregory Dewar, Acting Speaker, in the Chair*

Sadly, sadly, we have not had in this Legislature one update from the Minister of Agriculture on foot and mouth disease. We have not had one request from the Minister of Agriculture (Ms. Wowchuk) to get together with the opposition leaders to discuss the situation, to be briefed on the situation and to have some input. The minister says she has a provincial action plan. Well, it is not on her Web site. It is not on the front page. It is not on the Agriculture page. As I pointed out on Tuesday, and it has not been corrected as of this morning, if you type in foot and mouth disease on the search engine on the Government's Web site, what you get is "ineligible query." A very, very serious threat to the economy, to the well-being of Manitobans, and there is not a clear action plan. This Government is unprepared.

There is a process that exists in law right now in Manitoba for monitoring animal movements. It was put in place, I believe, under the former Conservative government. What was done was to mandate that any time there are animals, livestock or wild animals like elk moved within the province of Manitoba, there needs to be a manifest filled out showing the origin and the destination. This would provide for a very useful tracking mechanism for tracking back where animals have been were foot and mouth to come into Manitoba or indeed

anywhere else in Manitoba. The reality is that this is not always of aid at the moment.

To my knowledge I asked the question today there is not a central registry. So the information, as far as I can see, would not be very usable by the Minister of Agriculture should there be foot and mouth disease in Manitoba or somewhere else in North America.

**An Honourable Member:** Is that not what Stockwell Day has, foot and mouth disease?

**Mr. Gerrard:** No, fortunately, it does not affect humans, as the Minister of Health knows. There is an individual identification program which is due for cattle to be in place by July 1. This could be accelerated so that we would be in a better position. The reality is that foot and mouth disease is a huge threat and that there is a very important provincial role as well as a role for the Canadian Food Inspection Agency.

It is important that there is an advisory coming from the Minister of Agriculture (Ms. Wowchuk) with respect to animal movements in the province and clear indications. I asked in Question Period today what a sheep producer should do who normally takes a lamb into a mall where there are lots of people. There was not a clear answer. Where is a clear plan? What is the minister doing? She does not appear to be able to give people in Manitoba clear indications of what she would like to prevent foot and mouth disease in this province. There should be a clear plan should foot and mouth disease arrive somewhere else in Canada for Manitoba to make sure that this province stays clear and foot and mouth disease free. The risks of not putting that plan in place are that Manitoba's exports and movements of livestock out of the province will be completely shut down and curtailed.

*Mr. Harry Schellenberg, Acting Speaker, in the Chair*

In 1952, when there was foot and mouth disease in this country and the value of cattle plummeted, producers overnight lost huge amounts of dollars, and yet this Government has not got in place a plan to make sure that our producers are adequately protected. There should be a plan by the Minister of Agriculture in

essence, if necessary, to create a sort of fortress Manitoba so that we make sure that we are protected. The seriousness of this situation cannot be understated, and the reality is that, if you live in rural Manitoba at the moment, you know a lot about what is the problem in the grains and oilseed sector and what is a problem in a lot of communities in rural Manitoba. The reality is, if we have a problem in livestock at this point, it is going to be horrific to the rural regions of this province.

The Government should be on top of this situation. The Government should have an action plan. The Government should be where it should be as a government instead of trying to hide the action plan, not put it on the Web site, keep it hidden, so people in Manitoba are not aware of what they should be doing so that there is not adequate protection for people in Manitoba. I mention this on the Budget because it is of the utmost urgency. I mention this in the Budget debate because there are huge ramifications economically for the province of Manitoba, and there are big ramifications for the Finance Minister's (Mr. Selinger) next Budget if he does not pay attention.

I want to just very briefly talk about accountability. I think there are four areas of accountability in this Budget that I would like to draw attention to in this Legislature. The Finance Minister talks about our low unemployment rate, and yet he knows himself that the unemployment rate that he is using is not really a valid number because it is not inclusive. It does not include First Nations communities. The real number is higher. I ask the Minister of Finance to get his act together to give us what the real number is.

This Budget compared with last year's Budget, when we look at the third quarter Estimates of Expenditures, shows that the NDP government estimates that it will spend roughly \$185 million more in this fiscal year than it estimated in the Budget last year. The Government has missed its own mark by \$185 million. They have been very lucky because there was a lot of revenue rolling in because of the economic growth, but the reality is they missed their own target by a long way, and that

target they need now to be much more careful about as we go into more difficult economic times. Accountability, it is important, and it is important you get a lot closer to your target than \$185 million.

\* (16:10)

There are some confusing messages in this Budget. Last year, the NDP were trumpeting the Schneider's plant. This year it is the Simplot plant, the one that has been delayed for a year, and maybe it could even be delayed further. We need the new industries. We do not want, as the NDP appear to be doing, to create a situation where they do not come to fruition.

*Mr. Speaker in the Chair*

We have in this Budget some \$40 million for flood protection around Winnipeg. I think the NDP government needs to clarify precisely on what they are spending that \$40 million, what the partnership is. We have had a lot of speculation and most of that is much larger—

**Mr. Speaker:** Order.

**Mr. Gerrard:** Thank you, Mr. Speaker.

**Mr. Speaker:** The honourable member's time is expired.

**Mr. Conrad Santos (Wellington):** Mr. Speaker, the honourable Member for River Heights (Mr. Gerrard) generally argued the tax cuts are better than spending on social programs. He said that is not necessarily a wise policy because tax cuts help those who already are well-to-do and affluent in society to the detriment of those who have little.

It is not a wise policy, but how do we get wisdom? How do people who govern get wisdom in order that they arrive at wise choices when they make policy decisions?

À Gibeon, le Seigneur apparut la nuit en songe à Salomon. Dieu lui dit: Demandez ce que je dois te donner. Salomon répondit: Tu as témoigné d'une grande bienveillance à ton serviteur David, mon père, et celui-ci a marché devant toi dans la fidélité, la justice et la droiture

de coeur. Tu lui a gardé cette grande bienveillance et tu a permis qu'un de ses fils soit aujourd'hui assis sur son trône.

Maintenant, Seigneur, mon Dieu, tu as établi ton serviteur roi à la place de mon père David. Et moi je suis un tout jeune homme. Je ne sais pas agir en chef. Ton serviteur est au milieu du peuple que tu as choisi, un peuple nombreux, si nombreux qu'on ne peut le compter ni le recenser. Donne à ton serviteur un coeur plein de jugement pour discerner entre le bien et le mal. Car qui pourrait gouverner ton peuple qui est si grand?

Cette demande de Salomon plut au Seigneur. Dieu lui dit: Parce que tu as demandé cela, que tu n'as pas demandé pour toi de longs jours, ni la richesse, ni la vie de tes ennemis mais que tu as demandé pour toi le discernement du jugement, voici que je fais ce que tu a dit. Je te donne un coeur sage et intelligent, comme personne ne l'a eu avant toi, et comme personne ne l'aura après toi. Et même ce que tu n'as pas demandé, je te le donne aussi: la richesse et la gloire comme n'a personne parmi les rois. Et si tu marches dans mes schémas en gardant mes lois et mes commandements comme l'a fait ton père David, je t'accorderai de longs jours et t'apporterai longue vie.

#### **Translation**

*In Gibeon the Lord appeared to Solomon in a dream by night. And God said: Ask what I shall give thee. Solomon said: Thou hast shown great mercy to thy servant David, my Father, according as he walked before Thee in righteousness, in justice and uprightness of heart with thee, and thou hast kept for him this great kindness, that thou hast given him a son to sit on his throne this day.*

*And now, O Lord my God, thou hast made thy servant king in place of David, my father, and I am but a little child. I know not how to go out or to come in. And here am I in the midst of thy people whom thou hast chosen, a people so great they cannot be numbered nor counted in multitude. Give therefore thy humble servant a wise and understanding heart to judge thy people, that I may discern between what is good*



*and what is bad; for who is able to judge this thy great people?*

*And that reply pleased the Lord, that Solomon asked these things, and God said to him: Because thou hast asked these things and hast not asked for thyself long life, nor riches for thyself, nor the life of thy enemy, but hast asked for thyself understanding to discern what is right, behold, I have done according to thy word. Lo, I have given thee a wise and understanding heart so that there will be none like thee before thee nor shall anyone arise after thee like unto thee. And I have also given thee what thou has not asked, both riches and honour, so that there shall not be among all the kings like unto thee in all thy days. And if thou wilt walk in my way and keep my commandments as thy father David did, I will also lengthen thy days and prolong thy life.*

### **English**

So the Lord said: Who then is that faithful and wise servant whom his Lord shall make ruler over his household to give them their portion of meat in due season? Similarly, we ask who then is that faithful and wise party in government whom the people shall make ruler temporarily over themselves to give their portion of the public good in due season?

Mr. Speaker, I wish to speak about the budget process as a practical application of wisdom in being a steward and trustee of the public interest, of the general interest of all the people.

If government is a public trust and people who are elected to public office are accountable trustees and stewards of the people, then in due time there will be a time for settling of accounts. For good performance, the Government will be rewarded by a renewal of their mandate. For bad performance, there will be a termination of the temporary stewardship of the affairs of the people.

One process of the application of this trusteeship or stewardship is the budget process. By examining the Budget, the people may form preliminary assessment of the quality of performance of any party in government. So we ask what do we mean by a budget? A budget is

an estimate of revenues and expenditures of a government for a specified period of time, usually a fiscal year. A fiscal year does not necessarily coincide with the calendar year. For example, Manitoba government's fiscal year starts April 1 in any given year and ends March 31 of the following year. A budget serves as a guide in planning, in directing and in controlling the financial affairs of any government entity.

As a planning instrument, the Budget is an annual account which records all the past financial transactions. It takes many months to assemble the Budget because expenditures and income do not take place simultaneously.

\* (16:20)

As a political directing instrument, a budget lays down the program priorities and the program of activities of government in a fashion that dictates who gets what, how much, when and how.

As a control instrument, the Budget calls for a system of financial control that checks the actual income and the actual expenditure of government against the budgetary plan so that the desired objectives can be measured and monitored. To facilitate control, sometimes the annual fiscal year is divided into shorter periods like quarterly periods. Each quarter's control budget statement may be issued to heads of departments so that if needed remedial action can be taken.

However, for any party in government to do anything substantial and significant, as stewards and trustees of the people, at least three things are needed. First, the Government must have a strong political will to clearly define what it wants to do according to its own understanding of its commitment to promote moral, social or economic justice. Second, such a government must be able to raise needed money in the amount required at the time and place where required. Third, such a government must be able to allocate, to distribute, to disburse the money wisely, efficiently, effectively, fairly.

We can understand the budget process if we have a little background about economic concepts and relationships. As a study of human

concepts and relationships. As a study of human activities in individual and collective efforts of members and groups in society in relation to the production, distribution and consumption of goods and services and whatever else economists may do, the social science of economics develops its own terminology.

The Opposition Leader (Mr. Murray) said that budgeting is choice. The Member for Dauphin-Roblin (Mr. Struthers) said it is a choice between being a stewing and a steward or doing and a doer. I think our choice is to have a doer government.

Due to the scarcity of resources, individuals and organizations have to make a choice among alternative goods to be produced, a choice among alternative methods of production, a choice among alternative recipients for the distribution of such goods and services. Once it has determined the most rational, desirable alternative, the total cost of that decision must also include the important economic idea or concept of opportunity cost.

Opportunity cost is the displacement cost of a thing which is the amount of all other things that have to be given up for the sake of the choice which has already been made. For example, if you were vacationing in New York and I am an accountant in Manitoba and I want to extend my vacation another week, my total cost of that extra week of vacation included not only the cost of hotel, of meals, entertainment, it also includes my forgone income for the week in Winnipeg, where I am an accountant. That is called opportunity cost.

If you give tax cuts by definition there will be opportunity cost in terms of program spending, needed programs of government. Any country or province in general is endowed with resources. Economists call them factors of production, natural resources of land, water, mineral, forest, wild animals, fish, human resources of physical, mental and other abilities and skills, capital resources of roads, dams, buildings, machinery. These factors of production can be combined in various ways to produce commodities either in the form of goods or services, which can be classified either as

consumer or producer goods. If classified according to the extent of their production processes that have been gone through, it may either be intermediate goods or final goods.

Intermediate goods are those goods that require further processing to be completely useful. For example, flour is an intermediate good, but if you break it into bread and it becomes bread, it becomes a final consumable good. Your satisfaction, when you are eating the bread, the economists call them utility, units of satisfaction derived from the economic process of consumption. Consumer goods or producer services are those that do not provide satisfaction directly until they are converted into another form, for example, milk. If you convert milk into shakes, then it becomes very palatable and you spend more money for it. The same thing with apple cider. If you store it in your basement, it becomes aged wine, and it becomes more expensive. There is utility added to the cider.

The scarcity of productive resources leads to the scarcity of goods and services, produce, because economists in general focus on human wants rather than on human needs. Items of human needs are those that sustain and maintain life such as adequate food, whereas items of human wants enhance human satisfaction, but they are not really essential to life, like wall-to-wall carpeting, attached garage, orchard and garden with a gazebo and all the conveniences that are not essential to life, although it makes convenient living.

Economic decisions linked with scarcity and choice involve concepts and relationships that are abstracts and sometimes mathematical or algebraic. For example, if society decides to use all of its productive resources in a given combination of public goods and private goods instead of just combining all the resources of one type of goods, the full range of possible combinations of private goods and of public goods can be represented by a set of curved lines concave to the origin implying that, within the production possibilities boundary, any desired increase of output in any one type of good necessarily means a reduction of the other type of good. This is the same idea of opportunity cost.

Once you put all your money, like what President Bush has been arguing in tax cuts, there would be less money for social security. *[interjection]* The economic system of any Society is simply the organization of how the activities and individuals in a group are connected with the processes of production, distribution and consumption of goods and services out of the scarce human, natural and capital resources that satisfy human wants and human desires, classified according to the degree of centralization of decision making by those mandated with authority as to what alternative types of goods to be produced, as to what productive units should produce them and where these produced goods and services should be distributed and to whom and to what.

Our economic system generally falls into two categories. What they call socialist, planned control or command economy, that is one type—too many terminologies to confuse people. The second type is what they call capitalist, free enterprise, price system, free market economy. Now, a centrally planned economy is one operated on the basis of a series of economic plans determined by the planning authorities, like in the USSR. They estimate and lay down the rule how much total goods and services should be produced, who should be producing them, and once produced, how much of these should be consumer goods, how much of these would be producers goods, whereas the free market system leaves everything to the operation of what economists recognize as the impersonal law of supply and demand.

\* (16:30)

What do we mean by supply and demand? Supply of any commodity whatsoever, whether of goods or services, is simply the quantity that would be offered for sale by any seller in a free market at each of the alternative prices available at a particular time, holding all other conditions constant. That is always the condition of *ceteris paribus*. Other conditions being equal, the amount will be determined by the price, the amount offered for sale. The same thing with demand for a commodity is the quantity that would be purchased by any buyer at each of the alternative prices given the same condition of *ceteris paribus*. The same condition will not influence the buyer in any other way.

There being no perfectly planned, pure command economy or socialist economy, there being no perfectly free market economy, in reality every economic system in every country in the world is simply a combination varying mixes of features of the planned economy and features of the free enterprise economy.

For example, in Canada we have what we call mixed economies. Is there any element of our free enterprise economy dominant? Called mixed economy, dominantly free enterprise, is there an element of it that is still planned features of planned economy? Yes, there are. For example, the subsystem of the public school system in this province, the school authorities at the different level of governance determine how many schools are to be built, what shall be taught in the school, how should the teachers be paid, subject of course to the flexibility that can happen when there is consultation, negotiation and bargaining, but there is a plan determined by those who are in charge.

In a mixed economy, there is a circular flow of payments of money between buyers and sellers in each of these various markets for each of these different commodities. This is called the output market for final goods and services. There is also a flow, a constant flow in exchanges of money between buyers and sellers and users of the factors of production. This is called the market for input factors of production.

To complicate the picture, the government is also involved as a buyer and as a seller in exchanges in both the input factor of resources and the output factor of goods and services, and moreover the government is also involved as a patron and a regulator and collector of taxes, fees and charges and also as dispenser of income support and subsidies that there will also be flows of resources in exchange for money and flow of taxes, fees and charges and also a flow of income support and subsidies to both households, firms and business firms coming from the government.

To complicate it a little bit more, because of the global market, Canada will be trading with other countries, and when goods and services and money are flowing back and forth it requires payment for imports and return payment for

exports. That is why it is very difficult to conceive of it unless you simplify the economic transactions that are taking place in our society. In a mixed economy like ours, the question is, if it is true that supply and demand determine the price, the demand, the supply and the nature of the transaction between all buyers and sellers, and this is impersonal as determined by so-called economic law of supply and demand, the question is: why is the government involved? Why are then some people advocating that the government should get out of these transactions? They base their argument on Adam Smith. This is a Scottish scholar, a professor of social philosophy, not economics, social philosophy. He wrote a book called *The Wealth of Nations*, and there he said: It is not from the benevolence of the butcher, the brewer or the baker that we expect our dinner but from their regard to their own self-interest.

There is an invisible hand that guides the producer to promote the interests of society because, by pursuing his own self-interests, the producer frequently promotes the interests of society more effectively than what he really intends to promote. That is according to Adam Smith, and that had been the basis of the argument, oh, leave the economy alone, no involvement, intervention by government, invisible hand there working for the good of society. That is the argument.

Why is the government involved almost in every country in the world? There is no country that I know that the government is not involved. The reason is this: The government is involved in the economy because the government is the one that is strong enough to create a legal framework that is essential to the orderly and fair operation of the market price system of economic determinations. If there are no laws relating to contracts, if there are no laws relating to property rights, if there are no laws relating to exchange of negotiable instruments and securities and all the paper money, if there are no laws and no courts, no judges to enforce all these voluntarily agreed upon rights and obligations of buyers and sellers, what do you think society would be like? It will be unbearable.

We enjoy the result of our voluntary economic transaction because of the government

out there trying to enforce and recognize rights and obligations. Moreover, the government is the only one institution in our society that can direct social goals towards desirable outcomes by the use of its regulatory power as the guardian of the general welfare protector of the public interests of all the people. In general, the government has an essential role in the allocation, in the distribution and in the stabilization of the economy.

The allocation function, the allocation role of government includes the purchasing and the provision of public goods which otherwise would not be produced or even if produced would not be produced in sufficient quantities to satisfy the needs of the general public. Public collective goods is another concept that we have to understand. Those are the types and goods and services that everybody can enjoy, whether you pay for it or not. You cannot be excluded from enjoying public social goods, for example, national defence. Everybody who lives in the country enjoys security, peace, because there is an armed forces there that can protect the peace and security of everyone.

In addition, there is also the quasi. They call it quasi public goods. These are services that, if provided by a private entrepreneur, and it can be done, would cost too much, and it is not worth the effort because the collection of price and charges for those goods and services will not be profitable for the entrepreneur to undertake such a venture. For example, the building and maintenance of public highways, bridges, construction, like the Wilkes Avenue-Kenaston Boulevard overpass. Of course, if you are foolish enough, you may want to do it as a private entrepreneur. Build the overpass and then charge everyone who crosses the overpass, but it has to be pushed, and the Government has to do it because it is too expensive. It is not profitable to do it, therefore a private entrepreneur would not do it.

\* (16:40)

Perhaps the most compelling reason why the Government is called upon to provide public social goods and quasi-public goods and services is because there are economic effects positive and negative which are not taken into account in

the market transactions in the case of those types of goods. Here is another abstract concept that we have to grasp. Economies used the term external economies to describe the positive economic effect that is not taken into account in the transaction but which provides a benefit, and the producer of the benefit is not paid for it in the transaction.

For example, if everybody is inoculated in Manitoba against the flu as a disease, and I am not one of those, I benefit generally, because if everybody is safe there will be no contagion. That is a benefit that gets to me. Therefore, vaccination and other public health measures should receive subsidy from government because they give benefit to the citizens.

On the other hand, there are also effects that are negative. If a factory is producing certain goods and services, and they dump all their sewage into the Red River and the sewage is flowing through the river system, it ends up in Lake Winnipeg, and then I fish in Lake Winnipeg and I eat the fish, what do I get? Mercury from the fish. Pollution. Where did it come from? From the manufacturer of certain goods in Winnipeg. They did not consider this as part of the cost of production. Therefore, the Government has the right and duty and obligation when they clean up the polluted river to impose some of those costs on the manufacturer that causes the pollution. That is a negative, a diseconomy that is taking place in our economic system.

Therefore, the Government is called upon to assess all these externalities, to tax all those who are causing diseconomies and to give subsidies to those who are giving some benefits called externalities, external economies. In the assessment of any party in government, and I am trying to be objective here because I am part of the Government, I cannot say that I am unbiased, but I try to take the position of a scholar who is trying to analyze the situation. I have to be fair on both sides by sticking to the facts.

So let us stick to the facts. In facts you avoid and minimize the bias. What is the first promise of the NDP, the governing party now in Manitoba? I quote from the brochure that was distributed during the election. It is a winning

promise, so it is worth remembering. We will end hallway medicine.

**An Honourable Member:** That is what you guys said, and you have not done it, Conrad.

**Mr. Santos:** Yes, I agree. We will end hallway medicine, rescue health care beginning by hiring more nurses and reopening hospital beds to reduce waiting lists. That is what we promised. Now, let us look at the facts. Has this been done? Last year, 2000, we have decreased the number of patients in hallways of hospitals by 80 percent. That is in last year, 2000. That is fact. How was that done? We did it by expanding home care, by better co-ordination of hospital resources, by preventive measures like massive flu vaccinations. So if you measure it on a given period, the year 2000, that is 80% fulfilment, because 80% reduction in hallway medicine, right?

We promised to hire more nurses, but we found out there are not too many nurses in Manitoba to hire. Those are the facts. So what do we do? We reinstated the diploma nursing program to train more nurses. We also, because time is of the essence and we need nurses right away, had to recruit some nurses from abroad already trained, already skilled, already experienced. That is the practical way. That is the wise way of solving a problem like lack of nurses in our hospital system. Obviously we can hire nurses only if there are nurses in Manitoba to hire, but if there are none we have to do something about it, but because we are a doer government, we do something about it. We reinstated the diploma program and we recruited trained and experienced nurses.

We promised to reopen hospital beds, but then again we found there are not too many hospital beds to reopen. So what did we do recently? We acquire and convert the Pan Am Clinic, and we plan to double its capacity to reduce the waiting lists. This is towards fulfilment of an election promise.

The second election promise states we will renew hope for young people starting with excellent public schools and by cutting community colleges and university tuition fees by 10 percent. Have we renewed hope for young

people? Yes, we have, for many of our young people. Over the past have we decreased tuition fees by 10 percent? Yes. We promised 10% reduction in tuition fees; 10% reduction in tuition fees was done in the year 2000. That is 100% fulfilment.

We did more than what we promised. We installed two years of student bursary support, investing another \$12 million. We also increased the non-refundable tax credit rate from 8 percent to almost 11 percent. We also committed \$101 million capital funding to colleges and universities. This is more than what we promised.

Our third election promise states we will keep Manitoba Hydro and build new partnerships with business and labour for new and better jobs. Have we kept Manitoba Hydro as a Crown corporation to this day? Yes, we have. Is that fulfilment of a promise? Yes, it is. We kept our promise. Keeping promises is not doing nothing. Besides, the Leader of the Opposition (Mr. Murray) said this: We have no position yet. We have not decided. We have not made up our minds. You know, that is a decision. Refusal to make a decision is itself a decision, right?

Have we built a new partnership with business? Not yet, but we have cut corporate taxes. But, you know, it takes two to tango. Unless business changes attitude towards government there will be no such partnership. They have to co-operate because business and labour are the two factors of production in the production of goods and services. Without any one of them there is no production.

Our fourth election promise states we will make our communities safer by tackling the cause of crime with improved youth programs, by ensuring immediate consequences for gun violence and home invasions. Have we made the community safer now? Yes, partly. It is a matter of opinion and observation, but you have to have facts. By our community-based program, we promote the opportunities for you to get involved in after-school activities like in the Lighthouse Program. That will help.

Now I want to end and summarize by saying, human nature being what it is, people

want to hear promises, but those who make promises should be careful about their words.

\* (16:50)

It is written: Car c'est d'après ta parole que tu seras justifié et d'après ta parole que tu seras condamné.

*Translation*

*By thy words thou shalt be justified, and by thy words thou shalt be condemned. Thank you.*

**Hon. Drew Caldwell (Minister of Education, Training and Youth):** It is a privilege to rise in the Manitoba Legislature on behalf of the citizens of Brandon East and speak to the 2001-2002 provincial Budget.

Mr. Speaker, this provincial Budget is an historic one for the city of Brandon. Our community was formally recognized in the Budget Address, given unprecedented recognition, recognition as befits a dynamic community represented by two ministers in the Manitoba Cabinet. Issues addressed in the Manitoba Budget, I may also refer to it as the Brandon Budget, include \$58 million for renewal of the Brandon Regional Health Centre, \$5 million for capital investments at Brandon University, \$3 million for a new cost-shared water disinfection system, \$2 million for the renewal and transfer of the Brandon Mental Health Centre property and millions of dollars more for community renewal through Neighbourhoods Alive!, support for the Keystone Centre, and new safety initiatives supporting community policing and youth units.

Indeed, with today's announcement consolidating Manitoba land forces at CFB Shilo, the introduction of the 2001-2002 Manitoba Budget, puts the city of Brandon at the centre of the Doer government's agenda.

Mr. Speaker, I would like to comment for a few brief moments on some of the broad strokes of the Budget. I note that the Minister of Finance (Mr. Selinger) is in the House this afternoon, and I wish to thank him very formally here for the hard work and thoughtful work that the minister

put into this most excellent Budget for the province of Manitoba. Thank you very much.

Mr. Speaker, this provincial Budget, Budget 2001, balances the priorities of schools and health care, new investment in families and communities, renewed commitment to promote and build upon our hydro resources, better management of natural resources and environmental protection, tax cuts that the people of the province of Manitoba can afford, balanced budgets and strong debt retirement measures in improving transparency and accountability in government. This is the most historic budget in 15 years in the province of Manitoba.

In regard to education, Mr. Speaker, I will just concentrate my remarks in the area of my portfolio. The 2001 Budget addresses, in a meaningful way, our commitment to provide new hope for young people in the province of Manitoba. Tuition fees for post-secondary education in the province of Manitoba have been held to last year's levels, which represented a 10% cut in tuition fees with offsetting funding for colleges and universities. The new Budget provides \$10.9 million for the college expansion initiative to create increased spaces, course options and student accessibility in the colleges of the province of Manitoba.

Mr. Speaker, new support is provided for high-demand training areas such as aviation and aerospace in our province. Funding for provincial bursaries totals more than \$12 million in the last 18 months, the first student bursary program in the province of Manitoba for over a decade. Access funding has been bolstered to help Aboriginal students pursue education in the province of Manitoba. Operating grants have increased for colleges and universities, building upon the largest capital and investment for colleges and universities in decades, \$101 million for Manitoba's post-secondary system.

Initiatives have also been provided to lend support to the Manitoba training strategy and build upon the recent Century Economic Summit hosted by Premier Doer. In the public school sector, more funding has been provided for our school system, bringing a total increase of \$47.5

million in two years compared to a total of \$15 million for the 1995-'99 period.

Mr. Speaker, the second major initiative undertaken by this Government in terms of budgetary measures was in the area of health care. Funding for health care increases with this Budget to \$2.6 billion, with new initiatives to deal with hallway medicine. Over the past 18 months, the number of patients in Manitoba hallways has been decreased by 80 percent. Twenty-two million dollars has been provided to replace and upgrade aging diagnostic equipment, with a further \$18 million committed for next year.

Ongoing support for expanded nurse training and recruitment programs building on enrollments that have already increased by 60 percent since this government took office 18 months ago had been put into place. New incentives have been provided to keep doctors in Manitoba after they graduate and to target rural Manitoba for doctor recruitment and retention.

The world-class Pan Am Clinic is to double in size as Manitoba's newest public health facility with this Budget. Over 80 new vehicles for emergency medical services have been added throughout the province and will be added throughout the province over the next 18 months to further support rural Manitobans, and continued development of a co-ordinated transference system is underway.

New initiatives have been provided to enhance better care and co-ordination of emergency rooms throughout the province. Disease and illness prevention has become a stronger focus adding to recent initiatives such as Health Check, public information campaign, the meningitis vaccination program and the largest flu vaccination program in Manitoba's history. There is also in this Budget provision for a tobacco tax increase to augment revenues and further stimulate efforts to decrease smoking in the province of Manitoba.

Mr. Speaker, the third major area that members speak to in this House, particularly members opposite, as they hammer their one note over and over and over again, that note

being the note of tax cuts. This Budget addresses, in a very meaningful way, the most meaningful way in decades in the province of Manitoba, and indeed in the area of corporate taxation, the most meaningful initiatives since World War II, areas of tax competitiveness in Canada.

This Budget puts Manitoba at the centre and better in Canada in terms of quality of life, in terms of commitment to health care and education, in terms of tax competitiveness. I know that members on this side are very, very proud to be associated and be dedicated to providing Manitobans with a balanced approach to government, an approach to government that recognizes and respects Manitobans' desire to have quality health care in our province, to have quality public and post-secondary education in our province and to have tax measures that assist middle-income Manitobans, indeed assist all Manitobans in their taxation planning, in their taxation levels.

Mr. Speaker, we will be leaving the House very shortly for the Easter weekend, many of us going back to our constituencies to spend time with our families and probably some of our constituents. So as I have about 30 seconds before the House wraps up today at five o'clock.

I believe the House will be wrapping up. I just want to conclude my comments.

**An Honourable Member:** Six o'clock.

**Mr. Caldwell:** Okay, the Whip has just told me that we are working till six o'clock, so my remarks, Mr. Speaker, are pretty much at an end. I want to place Brandon at the centre of my remarks today and touch upon the areas of health care, education and balanced budgets, economic development. This is a very, very good Budget and a good day for Brandon, for western Manitoba. It is a great day, in fact, a historic day for Brandon and western Manitoba.

As we get ready for an Easter weekend, I would like to wish everyone in the House here today a very good Easter and a safe Easter as they go back and forth to their constituencies. Thank you.

**Mr. Speaker:** As previously agreed, at five o'clock we will call it six o'clock. When this matter is again before the House, the debate will be left open.

So the hour being 6 p.m., this House is adjourned and stands adjourned until Tuesday next at 1:30 p.m.



# LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, April 12, 2001

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