



Third Session - Thirty-Seventh Legislature

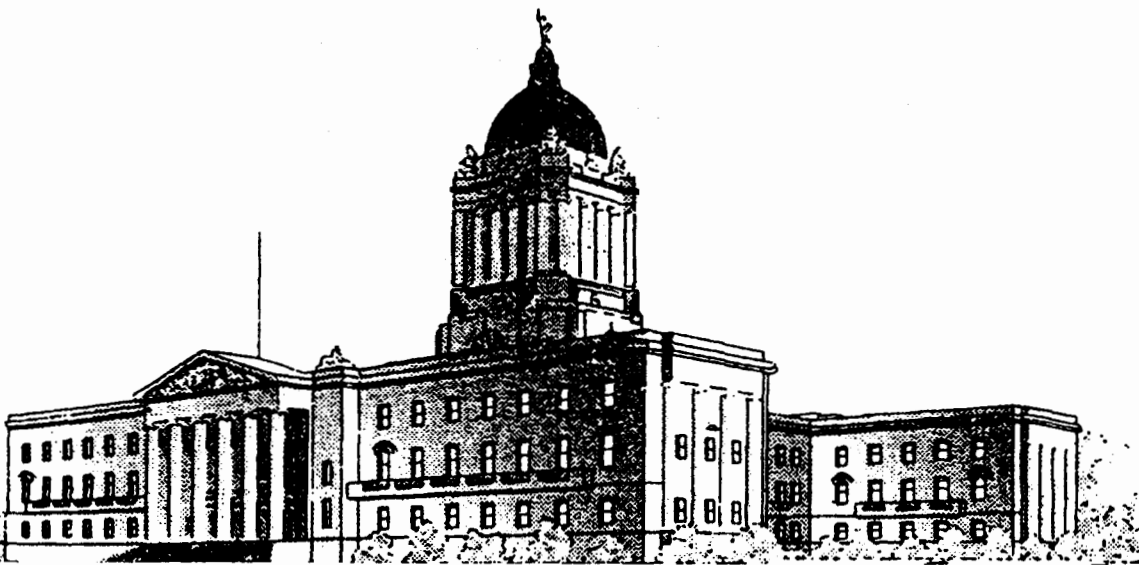
of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

*Published under the
authority of
The Honourable George Hickes
Speaker*



Vol. LII No. 29B - 1:30 p.m., Thursday, May 9, 2002

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Seventh Legislature

Member	Constituency	Political Affiliation
AGLUGUB, Cris	The Maples	N.D.P.
ALLAN, Nancy	St. Vital	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
ASPER, Linda	Riel	N.D.P.
BARRETT, Becky, Hon.	Inkster	N.D.P.
CALDWELL, Drew, Hon.	Brandon East	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CUMMINGS, Glen	Ste. Rose	P.C.
DACQUAY, Louise	Seine River	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
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.
HAWRANIK, Gerald	Lac du Bonnet	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSSEN, Gerard	Flin Flon	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
LOEWEN, John	Fort Whyte	P.C.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
MAGUIRE, Larry	Arthur-Virden	P.C.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McGIFFORD, Diane, Hon.	Lord Roberts	N.D.P.
MIHYCHUK, MaryAnn, Hon.	Minto	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
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.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack	Southdale	P.C.
ROBINSON, Eric, Hon.	Rupertsland	N.D.P.
ROCAN, Denis	Carman	P.C.
RONDEAU, Jim	Assiniboia	N.D.P.
SALE, Tim, Hon.	Fort Rouge	N.D.P.
SANTOS, Conrad	Wellington	N.D.P.
SCHELLENBERG, Harry	Rossmere	N.D.P.
SCHULER, Ron	Springfield	P.C.
SELINGER, Greg, Hon.	St. Boniface	N.D.P.
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, May 9, 2002

The House met at 1:30 p.m.

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Assiniboia Memorial Curling Club Holding Company Ltd.

Mr. Jim Rondeau (Assiniboia): I beg to present the petition of the Assiniboia Memorial Curling Club Holding Company Limited, praying that the Legislative Assembly of Manitoba pass an act respecting the Assiniboia Memorial Curling Club Holding Company Limited.

MINISTERIAL STATEMENTS

Mining Week

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

Today I rise to again proclaim Mining Week in Manitoba from May 10 to 16. It is a real privilege and honour for me to be standing here in the House today as the Minister responsible for Mining. I wish to draw everyone's attention to the proclamation that is on your desk, and to the beautiful carving that was produced from stone that was originated from the Tanco Mine and worked into the shape of the province of Manitoba by volunteer labour in the Department of Mines.

The minerals that we mine in Manitoba—

Mr. Speaker: Order. May I ask all honourable members when reading from Ministerial Statements to please follow the script, because it is not fair to the critic who will have to respond. I ask the co-operation of all honourable members, please.

Ms. Mihychuk: Mr. Speaker, I did not mean to confuse the members opposite or take away from the statement. I would be glad to follow the script precisely, and I am honoured once again to proclaim the week of May 10 to 16, 2002, as Mining Week in Manitoba. I would like to draw the attention of the House to the proclamation that has been distributed to all members.

The minerals we mine enhance the lives of all Manitobans and contribute enormously to our quality of life. We need to be aware of the importance of this industry, Manitoba's second-largest primary resource industry that accounts for 3.5 percent of Manitoba's GDP, second only to agriculture which is 4 percent.

The lepidolite carving at your seat was graciously provided to all of us by the Tantalum Mining Corporation of Canada Ltd., also known as Tanco. Mr. Speaker, the Tanco mine, located 175 kilometers northeast of Winnipeg, is the sole source of North American produced tantalum, which is used in cell phones, computers and other electronics.

Manitoba is the only province or territory that has seen a rise in exploration expenditures from 1999 to 2001. The unprecedented level of diamond exploration that began last year continues in the Northern Superior Province. Manitoba has the right geology for diamond deposits. My department is working hard to provide industry with the essential data it needs to attract even more diamond exploration.

To ensure the ongoing viability of mining communities and to identify the challenges facing the industry, I commissioned a mining task force last November. The task force gathered public input on the ways to strengthen the industry and promote sustainability. The message the task force heard was clear. The mining industry is important to Manitobans, yet it is facing enormous global challenges.

Our Government's commitment to this industry is also clear. Budget 2002 announced the renewal of the Mineral Exploration Assistance Program and the Manitoba Prospectors Assistance Program. Both were an additional three-year term.

* (13:35)

We have also introduced a new mineral exploration tax credit as a further incentive to Manitoba residents to invest in Manitoba-based exploration projects.

This is all part of our strategy to boost investment in mineral exploration and development in Manitoba as it is the lifeblood of our northern communities.

The mining industry has shown leadership in the Manitoba protected areas initiative, and is an active member of the east side planning round table. The sector has also collaborated with Aboriginal communities in developing the Manitoba minerals guidelines, a series of guiding principles to help build relationships and foster opportunities between the mining and exploration industry and Aboriginal communities.

Our Government also recognizes the importance of transparent multi-stakeholder approaches to managing our provincial natural resources. New initiatives such as the Hayes River heritage designation will rely heavily on multi-stakeholder input, including the mining sector, in developing an approach that does not compromise future mining opportunities. It is critical that we find solutions to land use issues that are focussed on opportunities, whether it is economic development, such as mining and eco-tourism, or natural and cultural heritage, such as protected areas and traditional land use.

I would encourage all Manitobans and all members to join us for provincial Mining Week celebrations at The Forks this weekend. The activities are free, so bring the whole family out for a rocking good time.

Mr. Jim Penner (Steinbach): Thank you, Minister, for that statement and for the encouragement to the mining industry. We certainly on this side have a respect for the

mining industry. We have shown that over the years when we were in government, and we strongly supported, as you claim to do, the mining industry.

I have recently met with the presidents of two of the largest mines in Manitoba. I also had the opportunity to meet with the president and vice-president of the Mining Association of Manitoba. I am clear that this is our second-largest industry in Manitoba. It is a very important industry. A lot of people in southern Manitoba focus on agriculture, which is our largest industry, but as has been said this is our second-largest industry in Manitoba. It is so critical that we support this industry because out of every million dollars worth of ore extracted from the ground, \$800,000 is spent in this province. It is a real generator of financial activity in this province, and it is extremely important that we focus on supporting the mining industry in this province.

I did find out that the mining executives are very, very concerned about upcoming legislation, since they have in the last 10 years become the safest major industry in the province, agriculture being the least safe. So the workplace, health and safety rules that are contemplated are of a great fear, in fact, so much so that they have been experimenting with importing ore so they would not have to mine in Manitoba.

Mr. Speaker, I am sorry to have to report that but that is what I have been told. Furthermore, we are undermining the miners because they have high paying jobs and they get the highest taxes in Canada west of Québec. So we are not supporting them in a competitive tax environment. I am concerned about that because mining is so terribly important to us.

* (13:40)

Furthermore, if we really were serious about supporting mining we would not be closing the office in The Pas, the mines registration office, where besides dismissing three employees with a total of 75 years of experience we have a million-dollar building there for storing the mining samples. What are we going to do with a million-dollar building when we close the office

in The Pas, the most favoured office in Manitoba for mining?

Hon. Jon Gerrard (River Heights): Mr. Speaker, I rise to pay tribute to miners and those involved in the mining industry.

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

Mr. Gerrard: I pay tribute today to miners in Manitoba and to those involved in one way or another in the mining industry. This is, as has already been said, a very important industry. I think when the Opposition critic was talking and saying the second most important he probably meant the second most important primary industry, as opposed to secondary or manufacturing, but that does not take away from the fact that this is a very important industry and one that should be supported.

I would briefly draw the minister's attention to the clause in the proclamation about win-win partnerships involving government, industry and communities. It would seem to me that there are two elements which are missing there. One is the unions, which play an important role, a surprising omission for the Government, but perhaps they took a Tory proclamation from before and did not change it.

I think it is important that individual citizens are also recognized as playing an important role in these partnerships. Let us pay not only a tribute but a thanks to the miners who often work under somewhat dangerous conditions, and recognize the importance of safety in this industry as well as other aspects which are important to make sure this industry is vibrant and growing, and that indeed we build not only the primary industry but also secondary industries based on the product produced in Manitoba's mines.

INTRODUCTION OF BILLS

Bill 12—The Consumer Protection Amendment Act

Hon. Scott Smith (Minister of Consumer and Corporate Affairs): Mr. Speaker, I move, seconded by the Minister of Education, Training and Youth (Mr. Caldwell), that leave be given to

introduce Bill 12, The Consumer Protection Amendment Act, and that the same be received and read a first time.

Motion presented.

Mr. Smith: This bill will provide protection for consumers from negative-option marketing practices, amend some of the collection practice prohibitions and the Internet agreement provisions to harmonize with similar provisions across the country and increase fines for offences under the act.

Motion agreed to.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the public gallery where we have with us the members of the North American Indigenous Games Council. They are Alex Nelson, president, from the province of British Columbia; Mike Hawpetoss, vice-president, from the state of Wisconsin; George Lepine, secretary, from the province of Ontario and Susan Guerin, treasurer, from the state of Oregon. This group is here as the guest of the honourable Minister of Aboriginal and Northern Affairs (Mr. Robinson) and the honourable Minister of Culture, Heritage and Tourism (Mr. Lemieux).

* (13:45)

Also seated in the public gallery we have the Springfield School's parent council. They are the guests of the honourable Member for Springfield (Mr. Schuler).

Also seated in the public gallery we have from Garden Grove School 28 Grade 5 students under the direction of Mr. Jim Lapp. This school is located in the constituency of the honourable Minister of Labour and Immigration (Ms. Barrett).

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

ORAL QUESTION PERIOD

Manitoba Hydro Rate Increase

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, during the Budget Address the Finance Minister indicated that the

Doer government would be raiding Manitoba Hydro profits to the tune of \$288 million, \$150 million of that for last year's books, to balance the deficit from last year. Earlier this week when asked if Hydro rates would increase for Manitobans due to the raid, the Finance Minister indicated that we do not anticipate any great increases.

My question to the Premier (Mr. Doer) is: What does he consider a great increase? Five percent? Ten percent? Twenty percent?

Hon. Greg Selinger (Minister of Finance): To make the record absolutely correct, we do not anticipate any increases.

Mr. Murray: Prior to the Government's decision to raid Manitoba Hydro for \$288 million, Manitoba Hydro themselves produced documents that called for rate increases of 6.1 percent over four years. How can the Finance Minister tell Manitobans that Hydro rates will not increase when their own documents are showing a 6.1% increase over four years?

Mr. Selinger: Mr. Speaker, Manitoba Hydro has always been very conservative in its forecasts and has always predicted that one or two years out they would require a rate increase. However, the experience is that they have always exceeded their forecast in terms of profits and therefore it has not been necessary to have a rate increase. We expect this trend to continue.

Mr. Murray: Mr. Speaker, Manitoba Hydro documents clearly indicate a 6.1% increase over four years, yet when asked whether Manitoba Hydro rates would be increased the Finance/Hydro minister indicated that he did not anticipate any increases.

I guess, my question: Would the Finance Minister ask the Hydro Minister if anybody can substantiate what Manitoba Hydro officials are saying: a 6.1% increase over four years?

Mr. Selinger: After careful consultation with the minister in charge of Manitoba Hydro and the Minister of Finance, we have determined, based upon actual experience of profits exceeding forecast of \$371 million between the

periods of 1997 and 2001, the \$371 million over forecast gives us some zone of comfort that once again, all things being equal, we will see very healthy profits from Manitoba Hydro and therefore no necessity for a rate increase.

Manitoba Hydro Rate Increase

Mr. John Loewen (Fort Whyte): Mr. Speaker, on Tuesday the Minister responsible for Hydro, the Minister of Finance, admitted to Manitobans and to this House that he had no idea what rate increases Manitobans would face with regard to their electrical power. This flies in the face of Hydro's own projections which call for a rate increase of 6.1 percent. I would like to ask the Minister of Finance how he could present a Budget to Manitobans which strips close to \$300 million from Manitoba Hydro without first consulting the management of Manitoba Hydro to determine what effect this might have on ratepayers.

Hon. Greg Selinger (Minister charged with the administration of The Manitoba Hydro Act): Once again, just to give an illustration of what the experience has been, in the year 1997 the forecast was for a \$48-million net surplus or profit; the actual was \$101 million. In the year 1998, the forecast was \$48.6 million; the actual experience was \$111 million. For the year 1999, the forecast was \$52 million; the actual experience was \$100 million. For the year 2000, the forecast was \$96 million; the actual was \$152 million. For the year 2001, the forecast was \$116 million; the actual was \$270 million.

* (13:50)

The trend is very clear. There have been profits in excess of forecasts which allow us the opportunity to assure that Manitobans get the full benefit of Manitoba Hydro's dividends based on building a project, Limestone, which was expressly built for export purposes. It was always intended to produce benefits for all of Manitoba.

Mr. Loewen: Mr. Speaker, I would like to ask the Minister responsible for Hydro: Was he so desperate to hide the fact that he needed \$150 million from Manitoba Hydro to cover last

year's operating deficit that he was willing to compromise the integrity of the management group at Manitoba Hydro by not consulting them about what effect the dividend would have on their company?

Mr. Selinger: I have just illustrated for the House the extraordinary advantage that we have of owning Manitoba Hydro in this province, an advantage that we have protected in legislation by requiring a referendum before it is sold off, such as the members opposite did with the Manitoba Telephone System.

I can tell you our relationship with respect to any Crown in Manitoba is very respectful. We intend to keep them in the public domain for the advantage of all Manitobans, not say one thing and do another after we are elected, like the members opposite did.

Financial Statements

Mr. John Loewen (Fort Whyte): I would like to ask the Minister responsible for Hydro whether he will ask Manitoba Hydro to restate their third quarter financial report which he tabled in this House which shows in spite of earnings of \$164 million, the cash position of Manitoba Hydro has decreased by \$50 million to \$14 million, or is this just part of his scheme to hide last year's operating deficit? Does that involve forcing Manitoba Hydro to produce inaccurate financial statements which do not accurately reflect the financial position of that company as it stands today?

Hon. Greg Selinger (Minister charged with the administration of The Manitoba Hydro Act): Mr. Speaker, one day they accuse the Government for interfering in Crown corporations. Now we have the minister opposite—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Selinger: Thank you, Mr. Speaker. On the one hand, they raise concerns about Government interference with Crown corporations and, on the other hand, we now have a member standing up and asking me to interfere with the Crown corporation's preparation of its own quarterly

financial reports. It is an outrageous request to ask the Government to interfere with the Crown's preparation of its own quarterly financial reports. It flies in the face of their own recommendations.

Public Schools Act Section 7(2)—Compliance

Mr. Harold Gilleshammer (Minnedosa): The Public Schools Act clearly states there is a prerequisite to altering school division boundaries, that being a boundary review commission must precede any changes. Can the minister confirm that he has met the prerequisites as stated in section 7(2) of The Public Schools Act?

Hon. Drew Caldwell (Minister of Education, Training and Youth): Members opposite referred to the Norrie report, the Manitoba School Divisions/District Boundaries Review Commission, which was undertaken by members opposite when they were in government in 1994 at a cost of some \$700,000, in excess of \$700,000, a report that also did not see the light of day until the change in government in 1999.

* (13:55)

Just to refresh the Member for Minnedosa's memory, the first recommendation of the Boundaries Review report is that the commission recommends the minister and the Department of Education and Training adopt a strong leadership role in articulating a vision for the future in establishing education policy for the province. That is indeed what we are doing.

Mr. Gilleshammer: Mr. Speaker, did the minister obtain a legal opinion that indicated that he had met the prerequisites as stated in section 7(2) of the act, and can he table that legal opinion?

Mr. Caldwell: Mr. Speaker, the Member for Minnedosa, who is a long-serving MLA in this House, is quite aware that, and I applaud that, too. The MLA for Minnedosa is a long-serving and respected member of this House. I know all of us in this House appreciate the wisdom he brings to this Chamber.

The member also knows in accord with tradition that legal opinions are not tabled in this

House, but in each and every case as we proceed with this process we are acting in all due respect to process.

Mr. Gilleshammer: Is the minister satisfied that the public has had an opportunity to have sufficient input to be able to react to this proposal?

Mr. Caldwell: Well, again, Mr. Speaker, this is an issue that has been in the public domain since the early 1990s. Mr. Bill Norrie and his commission tabled the report in this House, I can give the precise date, November 30, 1994, after quite extensive consultations around the province.

I know that my former colleague in Brandon, Earl Backman, the CEO of the City of Brandon at that time, the city manager, was the principal secretary of the report. In fact, my copy of the Norrie report is an autographed one urging me to get on with it, which I appreciate—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

An Honourable Member: Why do you not sell it for a fundraiser for one of the schools that you are raping?

Point of Order

Mr. Caldwell: Mr. Speaker, a point of order on that comment. I would like the member to withdraw that remark.

Mr. Speaker: Order. Is the honourable Minister of Education, Training and Youth up on a point of order?

Mr. Caldwell: Yes.

Mr. Speaker: The honourable minister, on a point of order.

Mr. Caldwell: Mr. Speaker, the comment by the Member for St. Norbert (Mr. Laurendeau), that there was a raping taking place in this province I believe is not worthy of this House.

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

Mr. Marcel Laurendeau (Official Opposition House Leader): Mr. Speaker, I was not speaking of any raping. I was speaking of the raping that this minister was doing of the education system, which is not out of order.

Mr. Speaker: The honourable Deputy Government House Leader, on the same point of order.

Hon. Steve Ashton (Deputy Government House Leader): Mr. Speaker, now that the Opposition House Leader has confirmed his comments on the record, I must say that I am surprised as Opposition House Leader he would use a term like that which is clearly unparliamentary, a term that specifically referred, in this case, to a minister.

That kind of a term is not appropriate in this House, and I would ask you, Mr. Speaker, to ask him to withdraw what was clearly unparliamentary language.

Mr. Speaker: Order. On the point of order raised by the honourable Minister of Education, Training and Youth, I thank the members for their advice. I will take the matter under advisement to peruse Hansard and consult the procedural authorities, and I will report back to the House.

* * *

Mr. Caldwell: To conclude my response, as I said, Mr. Speaker, I take great pride in having had a number of conversations with the former executive secretary.

* (14:00)

Mr. Speaker: The honourable Member for Minnedosa, on a new question.

Public Schools Modernization Act Section 9.3—Justification

Mr. Harold Gilleshammer (Minnedosa): Mr. Speaker, Bill 14, which can change the amendments to The Public Schools Act, adds section 9.3 called the Validation of Manitoba Regulation 61/02 in which the minister feels the need to state that the regulation, in accordance with section 7, is validated and declared to have

been lawfully made, and everything done pursuant to that regulation is validated and declared to have been lawfully done.

Can the minister explain why he felt the need to include this provision in the act? Is this not an admission that he has not followed the requirements of his own act? Why does he have to validate his actions and repeat twice that this has been lawfully done?

Hon. Drew Caldwell (Minister of Education, Training and Youth): Mr. Speaker, I do appreciate the three questions that the member asked in his first question. I think it is appropriate to have a discussion around issues that are so greatly important to children and the future of the education system in our province, that there have been tremendous deliberations through the last number of years, indeed, nearly a decade.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Caldwell: Of course, this legislation is about children and enhancing educational outcomes for children. Mr. Speaker, it is about redirecting educational resources from boardrooms to classrooms.

Mr. Gilleshammer: I would like the minister to focus his mind on section 9.3. If the minister has followed due process and has followed legal opinion, as he stated in this House, why is it necessary to add section 9.3 to The Public Schools Act to say that he is validating a regulation and that this was lawfully done? Why is it necessary to put that in the bill?

Mr. Caldwell: Mr. Speaker, of course members opposite will have a place at committee to discuss these things. In terms of—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Caldwell: Well, Mr. Speaker, I would urge members opposite to send this to committee so we can begin this process.

In this legislation and in all legislation pertaining to the public school system, children are our highest priority. This entire piece of legislation is designed to assist children, improve their outcomes and enhance their outcomes in the public school system. It is designed to direct educational resources from boardrooms to classrooms so that children are the primary beneficiaries of educational funding.

Mr. Gilleshammer: Again, I would ask the minister to focus on this section of the bill, 9.3, and I would ask—

Mr. Speaker: Order.

Point of Order

Hon. Steve Ashton (Deputy Government House Leader): Mr. Speaker, I am wondering if the member might focus on the rules, and specifically *Beauchesne* which indicates quite clearly that there are no preambles on supplementary questions. I wonder if you could ask the member to focus in on our rules in Question Period.

Mr. Speaker: The honourable Member for Minnedosa, on the same point of order.

Mr. Gilleshammer: I believe that *Beauchesne* also says the minister should focus on the question and answer the question.

Mr. Speaker: Order. On the point of order raised by the honourable Deputy Government House Leader, I would just like to take this opportunity to remind all members *Beauchesne* Citation 409(2) advises that supplementary questions should not require a preamble, and to add to the comments from the honourable Member for Minnedosa, to remind all honourable ministers to deal with the matter that is raised. I would just like to remind all members of the House.

* * *

Mr. Gilleshammer: I value your admonition on that. Mr. Speaker, is this not an admission that the minister has bungled this file and needed to add section 9.3 in order to retroactively cover up for his failure to adhere to the requirements of

The Public Schools Act? Why does he have to do this retroactively?

Mr. Caldwell: The answer to his first question in his second supplementary is no.

**Public Schools Modernization Act
Section 21—Justification**

Mr. Ron Schuler (Springfield): I wish to table section 21(2) of Bill 14. In the proposed Bill 14, section 21, the Government intends to rob the people of Manitoba of any opportunity to challenge any changes made to school divisions by rendering any decision of any board of reference or a court of no force or effect. Why is this minister setting such a dangerous precedent by creating a system where a citizen's right to question their government's action is stripped and dissenting voices are silenced?

Hon. Drew Caldwell (Minister of Education, Training and Youth): Of course, Mr. Speaker, we are not being democratic here at all. We are bringing the whole issue before the Legislature. The bill will be before committee in public hearings. The bill was tabled. Indeed, at the first opportunity, if members opposite want to get the debate, let us get it to committee.

Mr. Schuler: I ask the minister: Given that section 21 is listed as a transitional piece of legislation, does he not know it is in times of transition that it is of most importance to guarantee the rights of the people to challenge their government in a court of law, like the mothers and fathers today in the gallery?

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I would like to remind all members when the Speaker stands the members should be seated and the Speaker should be heard in silence and also to remind all members that the clock is running. The more time you use for disruptions, the less the number of questions and answers we will have. I would ask the co-operation of all honourable members, please.

Mr. Caldwell: I do appreciate the Member for Springfield reading verbatim off his press release. In noting in paragraph 3 about

dangerous precedents, I also note that it is an incorrect usage, but that is neither here nor there.

* (14:10)

The amalgamation exercise that is taking place in this province has involved eight years of consultation. Manitoba along with Saskatchewan are the last jurisdictions in this country to undertake this exercise. As elsewhere in Canada, this issue is not about politics but about children.

Mr. Schuler: Why is this minister stripping the rights of citizens to question the actions of this Government in a court of law when it must be the right of every citizen to challenge their government? This is now a government by decree.

Mr. Caldwell: I may be missing something, Mr. Speaker, but I am under—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Caldwell: I appreciate members opposite playing to the gallery. I may be missing something, but it is my impression that we are having a public debate on this matter right now and we will continue to do so. I urge members to get this bill to committee so we can move forward.

**Winnipeg Casinos
Second-hand Smoke Effects**

Hon. Jon Gerrard (River Heights): My question to the Minister responsible for the Manitoba Lotteries Corporation: In my view, though it would appear not the minister's view, Crown corporations should be exemplary in their business practices and leaders in the effort to have safer workplaces.

Since the Fox-Decent review committee on improving workplace, safety and health has said exposure to second-hand smoke is a serious health hazard under any circumstance and it is an occupational health hazard if workers are exposed to second-hand smoke during the course of their working day, I ask the minister what is her approach to the issue of exposure to high

levels of second-hand smoke for workers and visitors to the McPhillips Street Station and Club Regent Casino, for which she is responsible?

Hon. Diane McGifford (Minister charged with the administration of The Manitoba Lotteries Corporation Act): I thank the member for his question. I certainly share his concerns about the effects of cigarette smoke, first-hand and second-hand. I do want to point out to him that in January of 2002 the City of Winnipeg introduced a by-law. It does not allow smoking in places that are accessible to minors. Both casinos in Winnipeg are of course restricted to persons over 18 years and therefore the casinos were not affected by this by-law.

I could also point out that there are several other parts. Mr. Speaker, the casinos have state-of-the-art ventilation systems at both McPhillips Street Station and at Regent Street casino. As well, the member may or may not be aware that the gaming areas in McPhillips Street Station and Club Regent are 50 percent smoking and 50 percent non-smoking. That is to say—

Mr. Speaker: Order.

Mr. Gerrard: My supplementary to the Minister responsible for the Manitoba Lotteries Corporation: I ask the minister if she will provide results for this Legislature of studies of the workers at the casinos to determine whether there have been adverse physical or mental health effects as a result of the conditions at the casino and, of course, particularly related to smoking but perhaps also in other respects as well.

Ms. McGifford: Mr. Speaker, the member of course would have to apprise me of what those other aspects or respects are. I do want to tell the member that smoking is not allowed in any of the offices of Manitoba Lotteries, and I also want to point out to him that those workers who have especially asked that they have work that does not bring them in contact with second-hand smoke are being accommodated. So we are certainly working hard to address the needs of all workers at both our casinos. We certainly take this issue very seriously.

Mr. Gerrard: Mr. Speaker, in other health problems, I was of course referring to gaming addictions, which the minister, I presume, has some knowledge of this side effect of the casinos, but I would follow up in my supplementary to the minister.

Can the minister tell this Legislature whether there are efforts to monitor the carcinogens, the cancer-causing chemicals which are present in smoke, chemicals like benzene, crylonytrol, benzopyrene in the casinos to determine whether there are detectable levels of these cancer-causing agents in the air in the casinos?

Ms. McGifford: The casinos of course are subject to the same kinds of inspections as other facilities in the province and the casinos, as I have told the member opposite repeatedly, are in compliance with all the requirements of the City of Winnipeg, all the laws and regulations. So that is the answer to his question.

Highway Construction/Maintenance Capital Budget

Mr. Tom Nevakshonoff (Interlake): I would like to preface my question by saying that, after decades of neglect, the highways in the Interlake are finally getting the attention they deserve by this Government. My question is for the Minister of Transportation and Government Services.

What is the response of the construction industry to the five-year, \$600-million highways capital budget that the minister has recently announced?

Hon. Steve Ashton (Minister of Transportation and Government Services): I had the great pleasure of being up in the Interlake, in Poplarfield, on the weekend to look at Highway 68, which is going to get the attention it deserves. I have been in Minnedosa constituency as well as Rivers, but we are getting a great reaction. I just happen to have with me the latest edition of the *Manitoba Heavynews* entitled *A Brighter Future*. I will just quote a small part. It said: After years of lobbying governments and addressing the public with the increased need for sustained funding infrastructure, they are now seeing early tender

calls and awards, planning on a five-year, \$600-million commitment, indeed a brighter future for Manitoba.

School Division Amalgamations Legal Proceedings

Mr. Ron Schuler (Springfield): The Minister of Education just confessed to this House that he is in fact missing something, something we actually agree with him on, and that is: Could he please tell this House will the Government again tomorrow remand the court case that the Springfield School Parents Council has against the Government. Are they again going to miss presenting a case like they have done once and planned on doing tomorrow as well?

Point of Order

Hon. Steve Ashton (Deputy Government House Leader): The normal rules in terms of Question Period are very clear in terms of asking for information, but for the member to stand and, in this case, ask a matter related to a matter that is before the courts and ask for the minister to interfere in that, the members opposite, before they try and howl me down, should be aware in terms of any matter that is before the courts, in any part of legal process, it is not appropriate for this kind of questioning, not only within our rules but not appropriate for this member to stand in his place and try and use Question Period for issues which ought better be raised, quite frankly, in debate in the Manitoba Legislature on this particular bill, rather than in Question Period.

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

Mr. Marcel Laurendeau (Official Opposition House Leader): If the acting Government House Leader had taken the time to look in *Beauchesne*, he would have seen that it had to be before the judiciary. We have already admitted that it is not. The question was: Will the minister prevent it from being remanded tomorrow? *[interjection]* It is not.

Mr. Speaker: Order. The honourable Member for Southdale, on the same point of order, with new information?

Mr. Jack Reimer (Southdale): Yes, Mr. Speaker. I would like to refer the Speaker back to about a year and a half ago when a question was posed to the First Minister in regard to a pending court case in regard to a civil court case that was going to be going to the courts, and the Government at that time objected saying that it was before the courts. The Speaker took it under advisement at that time—you, Mr. Speaker—and came back with a ruling saying that the question could be asked because it was not before the courts. I would remind the Speaker of that ruling.

* (14:20)

Mr. Speaker: The honourable Minister of Health, on the same point of order, with new information?

Hon. Dave Chomiak (Minister of Health): Yes, Mr. Speaker, with new information. *Beauchesne* Citation 409(9) says, and I quote: "A question cannot deal with a matter that is before a court." The Opposition House Leader specifically asked, and in fact in his retort to the Government House Leader asked us to prevent the remanding of a matter before the court.

Now, before the court, Mr. Speaker, deals with matters—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. May I remind all honourable members a point of order is a very, very serious matter. I need to hear the words that are raised by the members that are up on points of order. So I ask for your full co-operation, please.

Mr. Chomiak: Mr. Speaker, from my understanding of Court of Queen's Bench and related rules and matters, a matter that is filed before the court, a matter that is a statement of claim, an action that is started, a defense to that action, are all matters before the court, not to be dealt with in accordance with this particular rule and subsection.

Mr. Speaker: The Official Opposition House Leader, with new information?

Mr. Laurendeau: With further information, Mr. Speaker, I would ask you to refer to

Beauchesne 507(2): "In civil cases the convention does not apply until the matter has reached the trial stage."

Mr. Speaker: I have heard from enough members to make a decision whether it is a point of order or not a point of order, so I will be making a decision in a few seconds.

Order. On the point of order raised by the honourable Deputy Government House Leader, *Beauchesne's* 507 states: "No settled practice has been developed in relation to civil cases, as the convention has been applied in some cases but not in others."

In Montpetit and Marleau it states: As regards to subjudice convention and that the responsibility should principally rest upon the member who asked the question and the minister to whom it is addressed. The committee clarified further that while all members share in the responsibility of exercising this restraint, the Speaker is the final arbiter in determining whether a subject matter raised during the consideration of Oral Questions is subjudice.

Also, going to a ruling in 1995 by Speaker Dacquay, she states: Where comments were of a general nature and were on legal process, subjudice convention is a voluntary restraint.

So the member can ask the question, and it is up to the minister if they choose to answer it or not. So the honourable member does not have a point of order.

* * *

Mr. Speaker: Does the honourable minister wish to answer the question?

Hon. Drew Caldwell (Minister of Education, Training and Youth): Mr. Speaker, as court documents have been filed, I believe it inappropriate to comment on the specifics of a legal case.

Mr. Schuler: I ask the minister: Is it going to be the strategy of the Government to keep delaying this court case until it becomes irrelevant and thus stifling the parents even further?

Mr. Caldwell: Across this great province of ours, hundreds of trustees, elected officials, locally elected officials—[interjection]

Mr. Speaker: Order. I am sure the honourable Member for Springfield would like to hear the answer to this question. I would ask the cooperation of all honourable members, please.

Mr. Caldwell: As I was saying, across this province hundreds of trustees, locally elected officials, are to be praised for their good work in moving this process forward. In Springfield we are creating a new school division that will be Manitoba's second-largest rural division in terms of budget and enrolment with a strong, strong assessment base enabling it to provide excellent educational programs for some 6000 students. We are building in this province opportunities for students now and in the future.

School Division Amalgamations Legal Proceedings

Mr. Mervin Tweed (Turtle Mountain): We have heard the Minister of Education say that he refuses to answer questions in regard to the amalgamation issue because it is before the courts. He has also been quoted as saying that he wants school divisions to move forward on this issue and continue with amalgamation, because nothing is before the courts.

I ask the minister today: Which statement does he support and which statement is the public of Manitoba to believe?

Hon. Drew Caldwell (Minister of Education, Training and Youth): Mr. Speaker, the public in Manitoba can believe that the Doer government is the education government for Manitoba. This Government has worked hard to rebuild trust with educators, trust that was squandered by members opposite during their time in office. We have, as a Government, since day one engaged in extensive consultations with parents, teachers, trustees, children, communities around building educational excellence in this province.

I myself have met a number of times with some of the members in the gallery that

members opposite have pointed to and are playing to.

* (14:30)

The trustees of the new Sunrise School Division, the second-largest division in rural Manitoba, are to be praised for their good work.

Mr. Tweed: Will the Minister of Education confirm that with section 9.3 of this Bill 14, this new act, if it is left in this act that the people that are challenging the amalgamation, the people in Morris-Macdonald who are challenging in regard to the school division, will lose their rights to do so?

Mr. Caldwell: We covered this point a little earlier. The first opportunity upon the passing of the Budget, at the first opportunity, we tabled Bill 14. I myself at second reading—we were speaking to it on this side of the House—urged members opposite to get this into committee so we could have some public debate.

Mr. Tweed: Mr. Speaker, on a new question. Will the minister confirm that after the passing of this act, or with no amendments, any awards made to the people of Manitoba concerned about education, those awards will be ignored by this Government because of this legislation?

Mr. Caldwell: Mr. Speaker, I am mystified as to what the member is speaking to, to be quite frank, but I can tell you that I personally have been in a little over 150 schools around the province since being appointed minister. I dare say that may be as many schools as the ministers under the previous government visited in the entire 11 years.

We are, as a government, engaged in a very meaningful and real sense with every concerned Manitoban around building educational excellence in our public school system for students now and into the future. That will be the hallmark of this Government throughout this mandate.

Mr. Tweed: A new question, Mr. Speaker. Will the minister confirm that in his new act, under section 21(2)(c): any decision by a court on appeal from an award of the board specified in

clause (b) is of no force and effect as of the day of this decision?

Mr. Caldwell: Well, Mr. Speaker, I think the member read the act and that is indeed what is in it. I would urge members opposite again to get this bill into committee so we can have this meaningful discussion.

Mr. Tweed: Mr. Speaker, on a new question. We have a Minister of Education that has been called to account by the Auditor of the province of Manitoba in regard to his handling of the TRAF. We have had a minister who acted outside of the act when he fired the board in the school division of Morris-Macdonald.

My question to the minister is: Will he now be prepared to change the name of this bill from Public Schools Modernization Act to the Minister of Education cover your butt act?

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. Before recognizing the honourable First Minister, I would just like to remind all honourable members that we have students in the gallery and it is televised on TV. I would ask members to kindly choose your words carefully.

Hon. Gary Doer (Premier): Mr. Speaker, I would like to thank you for your reminder that even though we are in an education debate there are students in this Chamber and there are kids that watch this debate.

Mr. Speaker, Manitoba has had for three or four decades now a number of school divisions that have been put in place. There have been changes in population, changes in community, changes in choices for children in courses that are available, changes in courses that are available for children, changes in languages, changes in many other aspects of education, but there had been no changes in the boundaries to reflect those changes that have taken place. We in essence have had a situation—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer: This act, an action of the Government, takes recommendations that were made in a commission, modifies them to deal with a lot of the feedback that was received in the past—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer:—and modifies them with an adjustment and reduction of boundaries by about 33 percent in the province of Manitoba. This set of boundary changes affects 1 100 000 rate-payers in Manitoba. It affects 200 000 parents and it affects tens of thousands of children. It also, in this bill, contains an ability of the public to have protection from unnecessary increases in administrative costs. This bill not only provides predictability from the number of school divisions in Manitoba, allows us to merge divisions in hopefully the most effective way, and there is no perfect way, but in the most effective—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer:—allows the efforts to reduce taxes for school divisions and flatten those taxes from doubling that took place in the 1990s to a much more modest flattening and lowering of taxes. This allows for this transition of a 33% reduction. It is not going from 50 or 100 divisions down to 2 or 1, it is not just the status quo, it is a balanced approach.

Yes, Mr. Speaker, change is difficult, change is challenging, but I am proud of the fact for the first time ever—

Some Honourable Members: Oh, oh.

Point of Order

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

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

Mr. Doer: Mr. Speaker, this is a very serious matter. It is a very important policy issue. I can hardly hear myself speak from the heckling from members opposite. I would ask you and ask all of us to have order on important issues in this House.

Mr. Speaker: The honourable Member for Russell, on the same point of order?

Mr. Leonard Derkach (Russell): Sorry, Mr. Speaker, not on the same point of order.

* (14:40)

Mr. Speaker: On the point of order raised by the honourable Official Opposition House Leader, it is a dispute over the facts.

* * *

Mr. Speaker: The honourable First Minister to conclude, please.

Mr. Doer: Finally, for the first time ever, all Manitobans will have protection in an act that will limit the amount of administrative costs to 4 percent, 4.5 percent, more money for the classrooms, less money for administration.

Mr. Speaker: Order.

Point of Order

Mr. Laurendeau: I previously rose on *Beauchesne* 417 where I stated: Answers to questions should be as brief as possible, deal with the matter raised and not provoke debate.

Mr. Speaker, you ruled that it was a dispute over the facts. This minister continues to not deal with the question that was put to him, and I would ask him to deal with the matter that is before the committee, not before the House.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. On the point of order raised by the honourable Official Opposition House Leader, I would ask all ministers to deal with the matter that is raised by the question. I would ask all ministers to please follow the citation in *Beauchesne*.

* * *

Mr. Speaker: Has the honourable First Minister concluded his comments?

Mr. Doer: Yes.

Mr. Speaker: Time for Oral Questions has expired.

Introduction of Guests

Mr. Speaker: Order. Prior to going to members' statements, I would like to draw the attention of all honourable members to the public gallery where we have with us from Rivers Collegiate 40 Grade 9 students under the direction of Mr. Jim Peirson and Mrs. Leslie McFadden. This school is located in the constituency of the honourable Member for Minnedosa (Mr. Gilleshammer).

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

MEMBERS' STATEMENTS

YM-YWCA Women of Distinction Awards

Ms. Linda Asper (Riel): I had the pleasure of attending the YMCA-YWCA 2002 Women of Distinction Awards ceremony last night. Present were the Minister responsible for the Status of Women (Ms. McGifford), other ministers, MLAs, and various dignitaries as part of the large crowd gathered to celebrate Winnipeg women. It was also rewarding to have many past winners of the awards present.

The Women of Distinction Awards recognize the often unheralded achievements of inspirational and devoted women who have made a true difference in our communities and given encouragement to others through their creativity, passion, leadership and dedication. These awards began in 1977 when members of the Winnipeg YWCA decided that a forum was needed for recognizing the often overlooked achievements of exceptional Winnipeg women.

At last night's event, the 26th awards ceremony, nine women were honoured for a diverse range of activities in nine categories. These women were: Young Woman of Distinction, Christine Langtry; Education, Training and

Development, Beverley Zakaluk; Arts and Culture, Patricia E. Bovey; Business, Trades and Professions, Zorianna Hyworon; Science, Technology and the Environment, Val Buschau; Community Volunteerism, Gail Asper; Communications and Public Relations, Linda Lee; Recreation, Sport and Active Living, Lisa Fraser-Gilmore; Health and Wellness, Jane Runner.

The Gerrie Hammond Memorial Award of Promise was presented to Jocelyn Hirose for her strong commitment to her school and community.

We can all learn from these outstanding women's examples. They inspire us with their stories and show us how we can become involved in our community. They have added to the quality of life that we as Manitobans enjoy. They have earned our admiration and respect.

I would like to offer congratulations to all of last night's winners, as well as those who were nominated for these prestigious awards. Thank you, Mr. Speaker.

Mrs. Bonnie Mitchelson (River East): Mr. Speaker, I, too, would like to congratulate not only the winners of last night's Women of Distinction Awards but all of those who were nominated and all the work that went in to those nominations by many, many people throughout the province of Manitoba.

Again, for the third year, I would like to express my disappointment that the Minister responsible for the Status of Women (Ms. McGifford) has not stood up and made a ministerial statement. Obviously, for this Government, these Women of Distinction are not important enough to be recognized by the minister.

I would like to congratulate the nine winners who have already been named: Christine Langtry for the Young Woman of Distinction is someone that I know personally and I take great pride in supporting and congratulating, as well as all of the others; the recipient in the Education, Training and Development category, Beverley Zakaluk; the winner in Arts and Culture was Patricia Bovey; in Business, Trades

and the Professions, Zorianna Hyworon; in the category of Science, Technology and the Environment, Val Buschau; the recipient of the Community Voluntarism award was Gail Asper; in the category of Communications and Public Relations, Linda Lee; for Recreation, Sport and Active Living, Lisa Fraser-Gilmore; and, finally, in the category of Health and Wellness, the winner was Jane Runner.

I would also like to extend special congratulations to the winner of the Gerrie Hammond Memorial Award of Promise, Jocelyn Hirose, who is a young woman in Senior 4 who attends Miles Mac Collegiate.

Congratulations to all, and I would hope that next year the minister will recognize these women in the appropriate manner.

Telehealth Program

Mr. Gregory Dewar (Selkirk): Mr. Speaker, patients and mental health service providers throughout Manitoba will now have faster access to psychiatric specialists through the Manitoba Telehealth video conferencing network. The official launch of the network at the Selkirk Mental Health Centre was held yesterday in Selkirk by Manitoba Health, the Selkirk Mental Health Centre officials and network representatives.

Mr. Speaker, I had the opportunity to represent the Government at this launch. The Health Minister (Mr. Chomiak) officially launched the network, which uses state-of-the-art technology, on February 25 of this past year. This initiative further expands our Government's ability to deliver quality mental health care services to residents of Manitoba. The initiative includes 23 Telehealth sites across the province and is funded as a two-year cost-share initiative with \$1.5 million from Manitoba Health and \$3 million from Health Canada.

Participants of both ends of the video conferencing network can talk to, hear and see each other. With the addition of this technology at the Selkirk Mental Health Centre, the assessment and information sharing will be improved for all involved in the treatment and care of those receiving services from the centre.

Mr. Speaker, Manitoba is a perfect setting for Telehealth technology as currently up to 30 percent of Manitobans have to travel to access a specialist's care. Beyond reducing travel time for patients, this Telehealth Network decreases professional isolation, improves access to continuing education for rural health care providers. It provides better planning for patients returning to their communities and saves health for health care providers.

Increasing the access to doctors and the opportunity for face-to-face consultation can play a major role in early diagnosis and treatment for Manitobans. This is a significant part of our plan towards the prevention of illness and the promotion of wellness for all Manitobans. Thank you.

Manitoba Day

Mrs. Louise Dacquay (Seine River): Mr. Speaker, Sunday, May 12 is not only Mother's Day, which is a very special celebration, but it is also a very special birthday for our province of Manitoba. Manitoba celebrates its 132nd birthday. Throughout Manitoba, heritage organizations, the Historic Resources Branch and schools are teaming up to create heritage projects to commemorate this birthday. These projects have been designed to educate about different periods in Manitoba's history, as well as demonstrate a variety of aspects contained in Manitoba's rich culture.

As Manitobans, we are blessed with a province that is culturally diverse and possesses a unique and fascinating history. Manitoba Day benefits all of us because it gives us the opportunity both to celebrate our province as it is in 2002 and also to reflect back on the series of events that made Manitoba what it is today.

I would like to extend my best wishes to the 35 individuals who will be participating in the various projects. This will be a tremendous learning experience, one that will enrich their lives as they continue to reside in Manitoba.

Mr. Speaker, I sincerely hope that on May 12, Manitobans of all ages and from all different regions take some time to celebrate and learn

more about this wonderful province we call home. Thank you.

* (14:50)

Buffalo Barbeque

Mr. Jim Rondeau (Assiniboia): I rise to inform all members, indeed all of Manitoba and those in the province during the long weekend about the Optimists' 38th Annual Buffalo Barbecue that will be held on May 17, 18, 19 and 20 at Heritage Victoria Community Centre at the corner of Ness and Sturgeon. This event will be occurring in the wonderful constituency of Assiniboia, and, therefore, it is nice to see that the whole part of the city will focus in this area of the city this weekend.

The Buffalo Barbecue is sponsored by the Optimist Club of Assiniboia. A number of excellent activities including a midway, bands, fireworks and all sorts of other events like the parade will once again be part of this event. The Buffalo Barbecue parade will be held on the Monday and go from the old Unicity site all the way to the Heritage Park Community Centre.

This a great event that will highlight and focus attention on Assiniboia, and I would like to publicly thank the Optimists, the many community volunteers, Heritage Park Community Centre and the businesses who have contributed to this area. I would also like to invite all members, indeed all Manitobans to this wonderful event. It is truly full of family events. It has face-painting. It has buffalo burgers. It has a lot of different activities that are occurring that should be interesting, not only to the whole family, but to everyone. So please come out and enjoy the fun in Assiniboia. Thank you very much.

MATTER OF GRIEVANCE

Apology Request

Mr. David Faurchou (Portage la Prairie): I rise on a matter that occurred in this House yesterday, a matter that cuts to the quick of my being, a matter that you witnessed, a matter that involves myself and the Member for Riel (Ms. Asper). The member approached you, while in

the Chair, and myself, while socializing with you. She made the description as to my conduct yesterday afternoon as being despicable.

Mr. Speaker, despicable. Let me read from the Webster's dictionary: Based on evil, offensive to the senses, repulsive, disgusting, cheap, worthless. This is how the member for Riel describes the honourable Member for Portage la Prairie. Perhaps the Chamber is listening.

Mr. Speaker, I have been a member of this House for a little more than four years. I have been raised to be respectful. I treat this position as MLA for Portage la Prairie as one of privilege, one that has only been experienced by 17 people of the tens of thousands of people who have lived in Portage la Prairie over 130 years. To be referred to as being despicable is truly reprehensible and extremely objectionable and I think should be recognized in this House with an apology.

Throughout my tenure here, I have taken it upon myself, as most members have, to recognize the rules of this House and to acknowledge protocols which have been accepted over the existence of this Chamber.

I believe that this Chamber should be reflective of our community as a whole. We enter this Chamber. It should be one where we reflect the moral values and the very fabric of the communities which we represent. It is vital that we do so.

Yesterday to be described in that manner is beyond my understanding. I want to acknowledge that there is a member from Assiniboia that is chuckling and finding this address humorous.

Throughout my tenure here, I believe that it is imperative and incumbent upon the individual in this Chamber to have knowledge and understanding of the rules of the House and to reflect upon those rules in the manner in which they conduct themselves.

I know that the record will not reflect the dialogue addressed to me by the Member for Riel. However, Sir, you were present and witness to the text of her address to me. The text to her address was apparently emanating from a

ruling which you had made earlier in the day, a ruling that I was involved with in bringing to your attention on a point of order.

This ruling, as are all rulings, is one that is reflective from yourself upon precedent and understanding of the rules. The Member for Assiniboia, who is finding this address humorous, was at the point called to order.

Point of Order

Mr. Jim Rondeau (Assiniboia): I am sitting here shaking my head. I do not know what he is saying that I find it amusing. I do not like it being said for actions that I am not doing. I am not doing anything incorrect. I am shaking my head in disbelief. I am not laughing. I am shaking my head because I do not know where this is coming from, a personal attack, and I am just shaking my head.

Mr. Speaker: On the point of order raised by the honourable Member for Assiniboia, he does not have a point of order. It is a dispute over the facts.

* * *

Mr. Faurichou: Mr. Speaker, and again, playing games, as it was referred to yesterday by other members of the Government side of the House.

All of this, Mr. Speaker, is extremely stressful on myself, and I do not appreciate having to stand this afternoon and use a very rarely used portion of our Order Paper. It is one that is treated with seriousness, and comes with a great deal of reflection and understanding that one only has one opportunity to rise during a session. So I treat this matter very seriously.

We, in this Chamber must look at each one of ourselves as being that of our community and being able to return to our community proud of our conduct, understanding our conduct, and able to defend our conduct. For the Member for Riel (Ms. Asper) to return to her constituency and to express to her constituents that she finds the member from Portage la Prairie as a despicable individual, I think she would be very

hard-pressed to do so, and I would look forward to the debate in any forum.

Mr. Speaker, I have lived my life from the position of believing that one should act as a leader through his or her conduct. One must be responsible for that conduct, and, therefore, reflecting upon each and every action that one undertakes, physical or verbal. I have tried in every fashion to attempt to be respectful of every member within this Chamber because we come here as privileged individuals from across the province, a privilege that less than one-one hundredth of all Manitobans will ever have the opportunity to experience. So, indeed, it is a privilege, one that should not be taken lightly.

Mr. Speaker, you ruled in favour of the point of order, and I was taken to task on that point of order. Each and every one of us is provided for by the Clerk's office a rule book, an understanding of protocols and procedures that are adhered to within this Chamber. We are also provided with instruction from the Sergeant-at-Arms. We are also counselled by those from the Clerk's office. We have had opportunity to speak and look to your wisdom and understanding of the rules and learn from those. All of these opportunities are afforded each and every member of this Legislative Assembly.

*(15:00)

Clearly, to attempt to talk to me in your presence was an effort to reflect upon your ruling, and to have you present at that position and to be privy to what her feelings were about your ruling, only I was the individual she was speaking to. You explained to her very clearly an understanding of the rules, an understanding that I am certain the Member for Riel should have at this time. She is obviously a senior individual, a mature individual and has now tenure within this Chamber and should know of the rules. So then why did she approach you, Mr. Speaker, and myself to use this type of language of expression when it clearly was a reflection on your ruling and taking that in almost a very disputive type of manner?

Why did she attempt to do so and then after clear explanation by yourself acknowledge that perhaps she was in error and perhaps that the

ruling and the understanding and the involvement of the Member for Assiniboia could in fact have a drink for his consumption within the Chamber? The understanding was that it was just not to advertise.

Mr. Speaker, she retired after that explanation, obviously feeling a little embarrassed, perhaps a little ashamed of being once again called to task for her lack of understanding and ignorance because this is not the first time that she has brought her ignorance to this Chamber. The people of Portage la Prairie are still looking for an apology from the Member for Riel for bringing to this Chamber a statement calling Portage la Prairie the poverty capital of Manitoba and then lamenting on facts that were dated. The Winnipeg Social Planning Council came out in the press and expressed that the member's statements may have been true for a short period of time but were not true at the time to which she made the statement.

A little background behind the statement of calling Portage la Prairie the poverty capital of Canada—the particular statistics which the honourable Member for Riel was referring to were the statistics that took place one month after Portage la Prairie residents extended their hands of friendship to the former residents of the Waterhen First Nation. They came to Portage la Prairie homeless. We provided homes. We provided places to stay. Yes, they went onto the roll book as being those in need of social assistance, income assistance, and we are called to the carpet by the ignorance of the Member for Riel. Again, she shows ignorance in another fashion here.

I believe that the Member for Riel should stand in this House, apologize to the people of Portage la Prairie for her ignorance and apologize to you, Sir, the Lieutenant-Governor, as represented here by the Mace, and all members in this Chamber. To call me, as the Member for Portage la Prairie and my actions throughout this tenure within this Chamber as being despicable is in fact itself despicable. Thank you, Mr. Speaker.

Mr. Speaker: Any other grievances? *[interjection]* Before I recognize the honourable Official Opposition House Leader, I would just

like to let members know that I know we are kind of working in the dark, but Government Services has assured us that the lights will be coming back within an hour.

Mr. Marcel Laurendeau (Official Opposition House Leader): After careful reflection and having an opportunity to talk to a couple of my colleagues on both sides of the House, I would like to apologize to the Minister of Education (Mr. Caldwell) for any words which I might have said which have caused any concern.

Mr. Speaker: On the point of order that I had taken under advisement, the honourable member has cleared up the matter. That should take care of the matter, and I thank the honourable member for that.

Point of Order

Mr. Denis Rocan (Carman): Mr. Speaker, I rise on a point of order, by the way. I hesitated to interrupt the proceedings as the honourable Member for Portage la Prairie (Mr. Faurschou) was in full flight on his grievance, and therefore I decided to wait until he was done.

But *Beauchesne's* 168 was very clear, and the member on three or four occasions makes reference to the Speaker participating in a particular conversation or being present. But *Beauchesne's* 168 was very clear: that the actions of the Speaker cannot be criticized incidentally in debate or upon any form of proceeding except by way of a substantive motion.

I would just like to caution all honourable members, when we are rising when particular grievances are in debate that, Mr. Speaker, you in the office that you hold, we may not be critical of your presence or indeed any part of the conversation. So I just raise that on a point of order, Sir. Thank you.

Mr. Speaker: The honourable Deputy Government House Leader, on the same point of order.

Hon. Steve Ashton (Deputy House Leader): On the same point order. I thank the member for those comments, because I was tempted to rise on a similar matter.

I think it is very important to recognize that indeed there are no on-the-record references to conversations with the Speaker. If one refers back to the evolution of the Speaker's role in Parliament, I think the members opposite will see that.

I would caution members, as well, too, Mr. Speaker, on the same point of order, in terms of relaying what are essentially private discussions in the House, particularly when other members who were party to those discussions are not here. I realize members may have frustrations and issues of concern, but the appropriate way in which to raise those matters is through points of order, in which case there is an opportunity for the member who is involved in that discussion to then be part of that point of order, too. I realize the member may have had some frustrations with events that occurred yesterday, but it is usually not a practice in this House to relate private conversations of any kind in this way and particularly matters involving the Speaker.

So I concur with the point of order raised by the eminent former Speaker.

Mr. Speaker: The honourable Member for Portage la Prairie, on the same point of order?

Mr. Faurchou: Yes, on the same point of order, Mr. Speaker.

I believe that I did refer to you on, I believe, several occasions and add my apologies, and I wish to suggest that it was inadvertent, and I apologize for doing so.

* (15:10)

Mr. Speaker: On the point of order raised by the honourable Member for Carman, I thank him for raising that point of order because *Beauchesne* is very clear that the actions of the Speaker cannot be criticized incidentally in debate or upon any form of proceedings except by way of a substantive motion. The honourable member is absolutely correct.

I was going to review Hansard and then I was going to deal with the matter. I wanted to review Hansard to make sure that I heard or that Hansard recorded what I was going to say. But, because of the retraction of the honourable

Member for Portage la Prairie, I thank him for that, and that should deal with the matter. So I thank all members who were involved in assisting in the ruling.

* * *

Mr. Speaker: The honourable Member for Emerson, on a new point of order.

Point of Order

Mr. Jack Penner (Emerson): Mr. Speaker, on a new point of order. I am just observing that the lights in this Chamber have dimmed very significantly, and I am sitting here wondering whether that might be an effect of the Government of Manitoba shorting Manitoba Hydro by \$288 million.

Mr. Speaker: The honourable Deputy Government House Leader, on the same point of order.

Hon. Steve Ashton (Deputy Government House Leader): Not only does the member not have a point of order, I suspect it may be a power surge caused by all those export sales to the United States.

Mr. Speaker: On the point of order raised by the honourable Member for Emerson, he does not have a point of order. It is a dispute over the facts.

* * *

Mr. Speaker: Any other grievances?

An Honourable Member: No.

ORDERS OF THE DAY (Continued)

GOVERNMENT BUSINESS

* (15:10)

Hon. Steve Ashton (Deputy Government House Leader): I move, seconded by the Minister of Conservation (Mr. Lathlin), that the House resolve itself into a Committee of Supply.

Motion agreed to.

**COMMITTEE OF SUPPLY
(Concurrent Sections)**

CONSERVATION

Mr. Chairperson (Harry Schellenberg): Good afternoon. Will the Committee of Supply please come to order. This section of the Estimates of the Committee of Supply meeting in Room 254 will be continuous consideration of the Estimates of the Department of Conservation. When this section last met, there had been agreement to skip ahead and ask questions on issues dealing with drainage and diking. Is that still the will of the committee? We are on line 3. Regional Operations (h) Fire Program (1) Salaries and Employee Benefits, page 46. What is the will of the committee?

Mr. Harry Enns (Lakeside): I believe I requested of the minister that there were some colleagues of mine that are in and out of the different committees currently operating to be able to come back and ask some questions if the minister concurred, and we can do that, quite frankly, on the Minister's Salary at the conclusion of the Estimates. I am prepared to see the wheels turn for a little while anyway.

Mr. Chairperson: I understand it is the will of the committee to continue on page 46, 3.(h)(1). Agreed? *[Agreed]*

3. Regional Operations (h) Fire Program (1) Salaries and Employee Benefits \$4,617,500—pass; (2) Other Expenditures \$7,814,900. Shall the line pass?

Mr. Glen Cummings (Ste. Rose): On this line, were there other funds that were used out of emergency funds? This is the base Fire Program—salaries, benefits. Can I ask on this line how many additional dollars had to be acquired to fight fires in the province last year?

Hon. Oscar Lathlin (Minister of Conservation): Mr. Chair, my information that for last year—I think I was about to answer this question yesterday, actually—the base for the Fire Program budget is \$12 million so that was spent last year. Then there was another \$17 million that was spent from the emergency budget.

Mr. Cummings: That would have been all of the money that the department needed out of emergency funds.

Mr. Lathlin: Yes, I am told that normally it is about \$15 million that is needed, on the average, from the Emergency Fund.

* (15:20)

Mr. Chairperson: I will read line 3. Regional Operations (h) Fire Program (2) Other Expenditures \$7,814,900—pass.

3.(j) Office of Drinking Water (1) Salaries and Employee Benefits \$812,700.

Mr. Enns: Mr. Chairman, perhaps this is as good a time as any for me to ask the minister to, if he can, supply us with an idea of some of the special internal task forces, as I talked about, within the department that have been established to do a number of different things. There is the land stewardship group. There is, I do not know if he has a special task force on the drinking water problems, monitoring. Is there a special task force established, for instance, on the east Lake Winnipeg resource development examinations? I would also like to include the Aboriginal council that the minister has referred to.

The request was if the minister could provide the committee with a listing of these internal committees, their staffing and their costs. If you have it in printed form, that would be acceptable; I would accept that in that way.

Mr. Lathlin: Mr. Chair, yes, I can indicate to the member that, for example, the east side round table has been established. The members have been appointed, and we have appointed the chairperson there, Phil Fontaine. The amount of money that has been committed for that initiative is \$400,000, with a staff commitment of 2.5. I should say that from the 2.5, 0.5 of that is a secondment arrangement with the Manitoba Model Forest organization. The remaining two person years are internal secondments.

I believe, Mr. Chairperson, he also asked about the Aboriginal Resource Council. The Aboriginal Resource Council is comprised of some 14 members. Our commitment for the Aboriginal Resource Council is \$50,000 and with a staff commitment of 1 person year.

The Manitoba round table. I believe the member is familiar with the round table. The

amount of funds committed to the round table is \$75,000; staff is four. With those four staff person years, that includes staff time from five other contributing departments.

The provincial water strategy steering committee. A commitment of \$20,000 was made, and two staff years are helping out there.

The Assiniboine basin advisory committee. \$51,100 is committed there and—

An Honourable Member: \$51,000?

Mr. Lathlin: \$51,100.

An Honourable Member: How much?

Mr. Lathlin: \$51,000, \$51.1. Well, maybe the best way I can answer that with respect to staff years is, depending on the level of activity, we could have one person working there, and then sometimes there will be nobody working there, depending on the activity that is being carried out.

There is also the Lake Manitoba regulation review advisory committee. There we have committed \$150,000 and one staff year. I should also say that this includes some remuneration for the chair for that advisory committee. Lake Winnipeg Management Board, \$20,000 has been committed, two staff years. The West Region Tribal Council co-management agreement initiative. We have not yet determined how much money is being committed there, because the way it has been working thus far is they have been doing their work.

There are meetings with us. I also believe that they were able to access some federal funding to help them along with the development of the MOU. OCN management agreement. The same thing there; there is really no money identified yet. I believe they might have also accessed some federal dollars. The MMF, so far, we have not committed, but meetings are ongoing. The bovine tuberculosis management task force, there is \$100,500 committed, 1.5 staff years. The Endangered Species Advisory Committee, \$6,000 was committed there, and one staff year. The procurement implementation committee, there have been no funds committed there, but we have 0.25 staff years helping out.

The next one is Northern Regional Waste Management Committee. Mr. Chair, \$5,000 has been committed there, and 0.5 staff years. The Lake Winnipeg Fishermen's Advisory Board, \$10,000 was committed, and one staff year attached to it.

That is the list that I have, Mr. Chairperson, in response to the member's request for a list of task forces.

Mr. Cummings: Would the minister care to table the individuals who are filling these positions that he has just reviewed with us? We have identified the dollars. I wonder if the minister—I do not need it today, but if he would be prepared to table the list of people who are on these committees and advisory bodies.

Mr. Lathlin: Yes. We can provide a list. I believe the member was asking for a list of members on those committees and boards—advisory committees. We can do that.

Mr. Cummings: When was the last time the Assiniboine advisory committee met?

Mr. Lathlin: The Assiniboine basin advisory committee, I believe the member is referring to, that particular committee, the last time they met was a little over a year ago. During last year they did not meet at all.

* (15:30)

Mr. Enns: We are now dealing in an area of the department's activity that is extremely important to all Manitobans, possibly made more important in the last little while because of situations developing in other parts of the country. I am referring to, of course, the safety of our drinking water.

I will just ask a quick lead-off question. I note that there is a substantial increase here in the Other Expenditures in this division of some \$700,000-800,000, from \$1.127 million allocated last year, that has been bumped up to \$1.8 million this year. Can the minister provide the committee with an explanation for that increase? Is that essentially more staff to enable the department to carry out more inspections? Is it part of the licensing staff? Just a general overview of what accounts for that increase.

Mr. Lathlin: Mr. Chairperson, the increase that the member is referring to is as a result of the recommendations of Doctor Kettner, who did a study on drinking water, and presented a report. Almost all costs are related to new staff, mainly public health inspectors.

Mr. Enns: I will ask the same question that my colleague has been asking all throughout this part of the Estimates. What is the current vacancy rate in this division; in this section?

Mr. Lathlin: I think the member probably knows that this is a brand-new initiative. There are presently 13 vacancies out of 18.

Mr. Enns: Well, I hope that, as the minister has indicated to other questions, his goal is to fill these vacancies, at least to the 3% level that he himself has expressed as hopefully an achievable goal, because Manitobans do expect all of us to ensure their drinking water.

I want to raise another matter that is very much at heart here or part of this responsibility. I am delighted that the Minister of Labour (Ms. Barrett) has joined the committee for this period of time, because it involves her concerns as well. It is not my intention to turn the discussions of the Estimates here into agricultural discussions, but there has been and is an ongoing concern throughout Manitoba with respect to the significant expansion of the hog industry and the construction of the large hog barns with the quality of drinking water, or ground water pollution, just like that. Your department, sir, has been good enough, for instance, to forward to my research assistants a listing of some 26, 27, I suppose closer to 30, communities that have come under boil water advisories or outright boil orders over the past year, year and a half, and I thank staff for that information.

I want to ask the minister right off: Can the minister indicate to me: Has there been in any one of these circumstances that, where the department has found it necessary to issue a boil order or a boil advisory, the responsible polluting agency has been specifically traced back to a large mega hog barn?

Mr. Lathlin: In response to the member's question, there is the list that I have here, dated

April 16. I believe the member has the same copy of the list. The list I have is Manitoba communities under boil water advisories or boil orders. There is not one that is directly traceable or can be attributed to large-scale hog operations. This does not mean an absolute clean bill of health. However, it is still encouraging, I should add. I will give just maybe three examples where we had boil water advisories or boil orders. For example, at Rock Lake beach cottages, probable cause there was suspected poor well construction. In Balmoral, July 21, 2000, the investigation showed failed septic systems as being the probable cause; poorly constructed wells and surface water seeping into groundwater by uncapped drainage wells. So it gives you an idea of, generally, what the reasons are.

Mr. Enns: Mr. Chairman, I agree with the minister, that does not necessarily mean that everything is 100 percent okay. I think what it does mean is that the officials that had been entrusted from your department, from Agriculture, I still call it the former Environment Department, I am referring to the technical review committee that oversees the plans of any major hog operation of size. In fact, I have complimented this Government. It used to be a voluntary review of these plans, which most aggressive and progressive proponents of hog barns would avail themselves of, but your Government made that mandatory, and that is a good move.

It tells me, essentially, that these senior civil servants, these experts, know what they are doing when they are reviewing plans, when they are citing them, when they are approving of the construction, including the lagoons, when they are approving the manure management plans about how the manure has to be responsibly spread over the appropriate numbers of acres. The fact that today you cannot point your finger and specifically blame one of the large mega barns for direct pollution of our drinking water supplies says a great deal. I want to expand on that, because the industry is under severe attack. We should be mindful of this, because this is one of the few bright spots in agriculture. We are just undertaking a debate in agriculture now as a result of the new U.S. farm bill. This industry is now one of the few bright spots in Manitoba's

agriculture. It employs thousands and thousands of people, and it is under attack and it can be lost.

* (15:40)

In fact, I regret to say that your Government is funding an organization that wants to wipe out these ten thousands of jobs and the large hog farms in this province. When I say under attack, I will just show you, just in the last week's *Winnipeg Free Press*: Province Pigging Out On Swine—regrettably, unfortunately. Due to the action taken by the previous administration and myself, as Minister of Agriculture, in creating a more flexible climate for hog production, our hog production has still grown substantially. But it is coming to an end, and part of it is because of this very issue.

Here, in last week's, I believe last week's, Wednesday or Thursday paper, we had this complaint about an individual in a district, where an entire local council has been voted out of office; to be replaced by an anti-livestock council. I am talking about Piney, where the municipality has now placed a moratorium on any and all future hog expansion in that council, and that is being replicated across the province.

I predict by this fall's election, there will be very few councils left that are pro-agriculture. It is largely because of the fearmongering and the scare that is created in the paper virtually on a weekly basis. This gentleman here says: "Just last week, Bezditny, who has lived in the area for decades, took a sample of his well water to a lab in Winnipeg for testing. He was told that the water contained elevated levels of coliform bacteria, and now has to boil it before using it to cook or drink." Then he makes this statement: 'I never had this problem before the barns,' he said.

A month ago, in March, a major story on the hog question in Manitoba: Livestock Becomes An Election Issue. This is where the reeve of the municipalities is resigning, councillors are resigning, and it is quite coincidentally, it is a story pro and against it. But up against it on the same page: Water Tested For E. Coli in the Birds Hill Gravel Pits—does not identify any source, does not fault a hog barn for it. But the editorial placing of these two stories, people reading the stories say: Well, here we are, the

damn hogs are polluting our water in the Birds Hill area.

The fact of the matter is, we cannot, despite the fact that you have a list—we have some 30 instances where we have had to impose caution with respect to use of our drinking water. You have just put on the record, sir, that there has not been a single identified case that is traceable to a large hog barn. So I am asking the department, and I am asking the Government, to come more vigorously to the defence of this industry.

I appreciate that there are other problems with the industry. It is true, as honourable members like to remind me. Another side product of the hog production still does not smell like raspberry jam, but the food nutritionists who are working on this scheme will resolve that problem. Let us not confuse an issue which is an unacceptable, to some, agriculture odour, from an environmental danger. That is what is happening. That is what an organization like Hog Watch Manitoba, which I understand got \$50,000 from this Government, has: a sole purpose of shutting down the hog industry in the province of Manitoba, and with it thousands and thousands of jobs.

Every 2000 hogs raised provide six jobs in the province of Manitoba. So I am asking the department; I am asking you, sir, as minister, responsible minister, when you issue boil orders, or when you have cause to express concern. I appreciate that it is sometimes a difficult science to be precise about. There are many causes for ground water pollution, I would suspect, but, by far, the largest cause is our own human activity with septic tanks that get overcrowded in an area; get saturated. I expect other agricultural practices, the beef industry, the chemical industry. I happen to know that it was a concern to me, as Minister of Agriculture, years ago, that our soil specialists, for instance, identified rich Portage Plains area, where we have our most intensive vegetable growth, as being one of the most seriously polluted areas for nitrogen leaching to levels which became of concern to us because of the heavy application of chemical fertilizers in the intensive farming of vegetables.

* (15:50)

As far as John Doe reading the paper, with the help of militant, well-funded, government-funded, I might say, activists; they blame every incidence of water pollution on the hog industry. That simply is not fair, that simply is not fair. If they succeed, as they are succeeding, you will watch this industry dwindle.

That is one of the few things that we have going for us in Manitoba. Partly because of the elimination of the Crow, now that it costs our grain farmers just about triple what it cost them prior to August 1, 1995, to ship their grain to saltwater ports for export, we have to feed it either to cattle, to hogs or to poultry. That is the future of farming for Manitoba, and this division of your department could be a vital and important assist to it, not to whitewash or be an apologist for any part of the industry. Your responsibility is to ensure the safety of our water supply. I would like to see you do that in a manner and way that, at least to some extent, sets out the factual information as distinct from the outright misrepresentation and propaganda that we see that is intimidating rural councils throughout Manitoba.

Councils across this province are passing moratoriums on any future hog production. They are passing by-laws far more stringent than those that were passed by the provincial government, and are still, to this day, among the most stringent in the country for fear of not doing enough to safeguard water supplies.

So, Mr. Minister, I make a specific appeal to you, I would like somebody to tell me—the only trouble is you have 13 vacancies in the staff in this complement—but I would like somebody to go out to Piney and to Mr. Bezditny's well, and find out what the cause of his pollution problem is. He has attributed it to hog barns in a very public way and the *Free Press* has attributed it. I would like to find out, I would like at least a disclaimer or let your colleague the Minister of Agriculture (Ms. Wowchuk) be able to put in disclaimers, that hogs were not responsible for the E. coli tested in the homes around the Birds Hill area and the gravel pits area.

I am going to be taking up this matter. This matter is, I think, of more and direct concern to

the Minister of Agriculture, but she needs your assistance in this regard. It should be of concern to the Minister of Labour (Ms. Barrett) for the thousands of jobs that are at stake, and there are thousands of jobs at stake. If it were just a benign kind of thing, I would not be so exercised about it, but, I can, for the last two and a half years, this has been a mounting thing. There has been an article like this in the papers, virtually every other week.

In the case of my colleague, the member from Emerson, who was here yesterday in the committee, his whole rural council of Piney just walked away from their jobs, and that constituency is now represented by totally non-farm people, whose first action was, no more livestock in that municipality and that is spreading across the province. When that happens, and it is based on misinformation, on outright fear-mongering and a totally unacceptable bad rap being given to an industry, I would suggest to you, Mr. Minister, having concerns, there are many First Nations groups that should be considering the involvement in the hog industry on some of the spaces and wide open lands that they occupy in different places.

I simply ask you, though, that where possible, I know it is not always immediately ready to pinpoint the source of pollution, but I would ask you to redouble your efforts to, simply not to publicize, to spend a bit of time.

Because of this action, it seems to me it is a little bit more important that the public hears. I would like to know, it is my constituency, Balmoral, where a boil order closed down a couple of schools in my constituency; boil orders. People do not know. They see a hog barn going up eight miles distant, and they blame that hog barn for that. I would like, among the resources that you have in the department, simple notices to come forward from time to time. The department sends their inspectors out. They either approve of the water supplies, or, if they do not, they put a boil order on it. When they come back three weeks later or six weeks later, the situation is rectified. There ought to be a little notice saying why the order was put on in the first instance, either local or domestic septic tanks, municipal lagoon sludge, which is another

main offender, or the agricultural feed lot, beef feed lot; or if chemicals from chemical fertilizers have been arrived at. It is extremely important to the hog industry, Mr. Minister, that they be treated fairly in the question of ground water pollution and the safety of our drinking water.

Mr. Stan Struthers, Acting Chairperson, in the Chair

Mr. Lathlin: Mr. Chairperson, the case that the member is raising, I just want to tell him that the department did not support the contention that Mr. Bezditny's well was contaminated by livestock. We did not support his contention, and we said so. The problem is the newspaper chose not to report it. In fact, Mr. Bezditny's sampling procedure, according to our people, may have been inappropriate, and he was advised so. The way he sampled may have compromised the integrity of whatever he was sampling. Staff advised Mr. Bezditny on the proper sampling procedures. They suggested to him that his well be resampled and, in fact, offered to inspect his well if contamination was confirmed.

I want to advise the member that, I guess the way I would put it is, in my job as the Minister of Conservation, we have to take a balanced approach. We cannot go too much on one side and too much on the other side. I think, so far, we have not had to take any real action against anybody. As far as the group that was funded by government, again, you know, I want to defend that by saying that this Government wants to be inclusive with other groups. I know that these people will express their views and concerns and so forth. It was the Eco-Network that was being funded by government in the amount of \$50,000. Hey, you know, they are there; we have to work with them. That is my view on that.

The Acting Chairperson (Mr. Struthers): Item 12.3. Regional Operations (j) Office of Drinking Water (1) Salaries and Employee Benefits, \$812,700—pass; (2) Other Expenditures, \$1,009,400—pass;

Resolution 12.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$47,597,900 for Conservation, Regional Operations, \$47,597,900 for the fiscal year ending the 31st day of March, 2003.

Mr. Cummings: Mr. Chairman, this item should not pass. We have been spending the last hour and most of previous day looking through Regional Operations. Despite the statements that the minister has put on the record, and I think he knew at the time that he put them on the record, there is a continuing and ongoing shortage of front-line personnel in the various regions; and while he says that he wants to put the people out that are going to be in front of the public, that are going to be front-line personnel being able to deal with the day-to-day operations of the department, sadly, the vacancy rates that he is running in this area do not substantiate his statement.

* (16:00)

There was a lot of press on the office of the drinking water. I mean, everywhere you turn the Government was all of a sudden going to give us purified water every tap we turned on, because we had a new office. Now we find out that we have 13 out of 18 staff members that are not yet in place, and we have a budget that has been allocated, but only a small number over this past year that have been re-allocated. When we talk about the staffing of this area, in the notes it indicates that they will be transferred out of other areas. That tells me that we are going to end up with shortages in other areas.

So it is our contention that the minister has dropped the ball on these front-line responsibilities, where the people in Manitoba see the NROs, where they see the enforcement responsibilities being carried out, where they see the public relations responsibilities being carried out. I think that this minister needs to be held accountable and that the front-line workers need to receive the support that they deserve and have the jobs filled so they can do the job in the coming year. Over the past time this area has gradually been whittled away at in terms of vacancies, and I suggest that until the minister can prove he is going to fill these vacancies appropriately—he has been allocated the budget. The budget is much the same as it was before. That tells me that these vacancies were there last year. I reject this budget until we can have further verification.

The Acting Chairperson (Mr. Struthers): So section 12.3, resolve that there be granted to Her

Majesty a sum not exceeding \$47,597,900 for Conservation, Regional Operations, for the fiscal year ending the 31st day of March, 2003.

Voice Vote

The Acting Chairperson (Mr. Struthers): All those in favour of the passing of the resolution, say yea.

Some Honourable Members: Yea.

The Acting Chairperson (Mr. Struthers): All those against.

Some Honourable Members: Nay.

The Acting Chairperson (Mr. Struthers): In my view, the Yeas have it.

Formal Vote

Mr. Marcel Laurendeau (St. Norbert): I think we should do a count-out vote here, Mr. Chair.

The Acting Chairperson (Mr. Struthers): Do you have the support of another member?

Mr. Laurendeau: I have got the support of about eight members. It outnumbers three the last time I checked.

The Acting Chairperson (Mr. Struthers): A recorded vote has been requested. We will go to the Chamber to count the vote.

The committee is recessed.

The committee recessed at 4:04 p.m.

The committee resumed at 5:15 p.m.

Mr. Chairperson in the Chair

Mr. Chairperson: The hour being after 5 p.m., the committee rise.

FINANCE

* (15:20)

Madam Chairperson (Bonnie Korzeniowski): Committee of Supply, please come to order.

This afternoon this section of the Committee of Supply, meeting in Room 255, will resume consideration of the Estimates for the Department of Finance.

Considerations of these Estimates left off on page 86 of the Estimates book. Resolution 7.4. Taxation.

The floor is now open for questions.

Mr. Jim Penner (Steinbach): Madam Chairperson, I was going to continue I think where we left off yesterday at five in regard to concerns from constituents, the Home Builders' Association, contractors and renovators, on the new tax on wages for people in plumbing and electrical wiring.

The point at which we left off yesterday, the honourable minister said he would provide me with the letter that he had used to attempt to create an understanding. I, at the same time, tabled four pages of notes used by the Workers Compensation Board, I guess, as a formula for deciding what percentage was labour.

So my esteemed colleague is also interested in addressing this, but I think before we do that, we would just like to hear the explanation that the honourable minister said he would put forward.

Hon. Greg Selinger (Minister of Finance): I just want to give the backgrounds of this issue. The Mechanical Contractors Association of Manitoba asked for the Department of Finance to work with them on what they called a PST review committee meeting. The first meeting was January 11, 2000, and they met in the Mechanical Contractors Association board room at around noon.

Present at the meeting were Mitch Zajac from Mikkelsen-Coward & Co.; John Schubert, McCaine Electric; Dan Gusztak, EIW Construction Services; Ian Hendry, Allco Electrical; Clarkson at Taxation Audit Branch, one of our people; Brad Refvic, who is with us today from Taxation Division; Jack Cumming, Construction Association of Rural Manitoba; Perry Snedden, Neepawa Plumbing & Heating; Monique Nernberg, Neepawa Plumbing &

Heating; Ron Hambley, Winnipeg Construction Association; Gervin Greasley, Winnipeg Construction Association, now retired; Fred Nicholson, Mechanical Contractors Association of Manitoba; and Linda Gransden, the recording secretary.

The purpose of the meeting was to find common ground for a better method of applying the PST on tangible personal property. At that time, at that meeting, the Winnipeg Construction Association, and the minutes show this, indicated they would contact the Manitoba Home Builders' Association to obtain information on the value of housing construction. So there was an undertaking taken there by the Winnipeg Construction Association to contact the Home Builders' Association about this issue. That is January 11 of 2000.

Then on December 4 of 2000, which would be several months later—it is sometimes confusing, January to December—they wrote me a letter, the Mechanical Contractors Association of Manitoba, Marcel Brissette, president of the association. I can provide copies of all this material. They opened up that letter by saying, the topic was the PST on real property tangible personal property contracts.

The construction industry in Manitoba is encountering significant problems applying the current confusing system of collection of PST for projects that involve both real property and tangible personal property. We believe the changes are urgently needed. The problems include difficulty in determining what constitutes real property versus tangible personal property, cumbersome accounting processes to account for equipment and materials, and an almost universal lack of understanding among contractors regarding the system of taxation applying to such a project.

The result, and I am quoting just selectively here, is lost taxation revenue and a high cost of administration both to the construction industry and government. It has even affected the contract bidding process. In a number of documented cases, one contractor received a contract over another simply due to an error in calculating the PST. Unfortunately, this was only discovered following an audit by the Finance Department long after projects were complete.

So that really was the industry saying to us that the uneven application and the confusing understanding of how this tax should apply has resulted in some contractors losing contracts, and they wanted the playing field leveled. So I think it is very important to understand that, that this whole review of this source of taxation was initiated by the industry itself. Once again, I will give you that letter.

Just to go on, it is clear that this is a serious problem both for the construction industry and for those who administer the system for government and that something must be done. From our discussions, they go on to say, we feel confident that it is feasible to development a simpler system to apply PST on these types of construction projects that would be easy to understand and apply, cost less to administer both by the construction industry and government, create a level playing field for contractors by ensuring the PST is being applied the same on all bids, and collect at least the same amount of tax revenue and most likely more with improved compliance.

A number of solutions were considered, ranging from the exemption of all installations involving the taxation of TPP, that is, tangible personal property, to applying the PST on all construction projects. Then they go on to say: We recognize that your Government has made a commitment to work with business in a co-operative manner to strengthen our province's economic climate. We request that your Government support this initiative by directing your department to work with the industry to develop a solution in time for the 2001 Budget. Well, we obviously did not meet that deadline, but that was the initiation of the process after the initial meeting.

Then there was the letter that was sent to me by the Home Builders' Association. On May 1 of this year I replied to that letter to Gerry Trottier, the president. I indicated to them that over a year ago the construction industry requested a review of sales tax on construction contracts because the complex application increased administration costs for business and resulted in an unlevel playing field regarding contract bids. The working group that was set up included the Winnipeg Construction Association, the

Construction Association of Rural Manitoba, the Mechanical Contractors Association of Manitoba, and the Manitoba Electrical League.

We go on to say: Ultimately, the administrative change that was announced provided the optimum solution to these problems. The application of sales tax will now be charged on the total selling price, which is understood by contractors and is easy to administer. This change applies to mechanical and electrical contractors only, as these trades are having the most difficulty applying sales tax. The majority of trades involved in residential construction, including concrete foundations, walls, roofs, windows, doors, drywall, flooring, eaves-troughing, shingles, stucco and painting, are not affected. As a transitional measure, where contracts signed before April 23 provide no opportunity for price adjustment, the additional tax will not have to be added to the contract. So we have provided a transition clause in there as well.

Mr. Jim Penner: I am sorry, I did not get that.

Mr. Selinger: I was saying that it goes on to say in the paragraph at the bottom of the first page of my letter to the president of the Home Builders: As a transitional measure, where contracts signed before April 23 provide no opportunity for price adjustment, the additional tax will not have to be added to the contract. For contracts with a price adjustment clause, which is in accordance with the established Canadian construction contract standards, the additional tax will be applied.

So that is that letter, and I think we have a copy for you. We have a couple of copies. I would like to file one with the Clerk and one with the Official Opposition critic. Also, I am going to file a copy of the letter that I received on December 4 requesting that we review this matter—the Mechanical Contractors Association.

Mr. Jim Penner: Signed by Marcel Brissette?

Mr. Selinger: Yes. I will put a copy with the Clerk anyway. Would you have a copy of the January 11, 2000, minutes? I will file copies. That is the one where they indicated they would reach out to the Home Builders' Association for information.

Mrs. Joy Smith (Fort Garry): I came today because I have had some questions that have come to my office, so I would ask, Madam Chair, that the minister give me a clear scenario of how this applies in the real world.

For instance, if the owner of a plumbing and heating and electrical business owns this business, he has employees, he has been in business for some time and has a PST number that is in place right now, how do the ramifications of this new tax impact on a family business like this, if you could give me a scenario of how things will change. Do they need a new accounting system, for instance? What happens to the present PST number? Just how does this apply in a real business sense?

* (15:30)

Mr. Selinger: The current situation is for a small contractor, let us call it Fort Garry Plumbing and Heating for sake of discussion, when they buy their materials, they have to pay the tax on it. Under the new system, when they buy their materials, they will not have to pay the tax. They will be able to hold those materials in inventory without the tax, and then we will only levy the tax on the labour and materials once they actually do the actual contract and meet the specifications of it and complete that contract.

There is an advantage. First of all, it is simpler to apply the tax, and they can carry their inventory tax free and only have to put the tax on the materials that they carry in their inventory when they do the installation. So we believe that will be a great improvement for them in two senses. They will have less carrying costs and a simpler application of tax. They will not have to figure: Do I have to apply the tax here on just the materials or the labour and decide? They will just apply the tax on the material and labour, on the end product and service that they provide. Up to that point, they will not have to apply the tax on the inventory that they hold. We have got a draft bulletin to everybody, but our informal information in talking to the industry is they believe this will simplify their lives considerably, Madam Chair.

Mrs. Smith: Is the minister saying that these businesses will not, indeed, be paying more tax,

that it will be more streamlined because they are able to not pay tax on the inventory that is already in their businesses?

Mr. Selinger: Right now the materials are taxed when they buy them at the wholesale level and keep them in inventory. Under the new regime, they will have more working capital because they will not have to apply that tax when they acquire the material and put it in inventory. They will only have to apply the tax when they actually provide service and the materials to the customer. They will apply the tax at that point. So, in effect, they will apply the tax on top of the price they are charging the customer and do not have to carry it in the in-between on the materials. It will reduce their overhead costs, increase their working capital and be much simpler to decide where they will apply the tax, because they will apply it on labour and materials regardless of which customer they have.

Right now, depending on the type of customer, they have to decide whether the tax applies or does not apply, and they have to decide on a bid whether or not the tax should be put into the bid or not. In the present situation, it is almost to somebody's advantage to think that they do not have to apply the tax on the labour, so they get the bid. The person that follows the rules clearly and does apply it on the labour is at a bidding disadvantage. Under the new system, it will be a level playing field on bids for services and contracts because, under all circumstances, they have to put the tax on both labour and materials. We think it will be simpler, level the playing field, reduce their inventory costs and thus increase their working capital.

Mrs. Smith: You make it sound as if there is no additional tax. Could you explain to me, Mr. Minister, what the additional tax is?

Mr. Selinger: There were circumstances before where it was not necessary to apply the tax on the labour. Those circumstances were fuzzy at best and unclear. That is where the customer will receive an extra tax where they might not have had to have it applied before. Because it was so unevenly done, it was kind of a hit-or-miss system. That was the feeling.

We will give an example here. I will just try to give you a practical example. For example,

the renovations sector saw the current system as a nightmare, and they asked for it to be dealt with. The cost impact will depend on the labour and material mix on a contract. It will not be a 7% increase. For example, prior to the change, the contractor would include in their price the tax component of materials. This amendment will tax the whole job, as I have explained, materials and labour. Depending on the mix and value between labour and materials, the quantum of the increase will vary. For example, a new water heater, before the change, you would get a bill for \$500 for the job. The new water heater would have cost you \$400 plus RST of \$28 for \$428, plus labour of \$72 to install it, for a total of \$500. Now the bill will be \$400 plus \$72 for labour, for a total of \$472, plus retail sales tax of \$33, for a total of \$505, a \$5 increase for the tax on the labour of \$72.

The type of job will determine the tax impact. Remember that repairs to other areas such as carpentry, painting, concrete work will see no changes at all. For these areas, they will apply it on that labour component, and that labour component depends on how difficult the installation was and what type of installation they are doing. For the service provider, in effect, there is less tax that they have to carry, but there will be, in cases where we apply it on labour, more tax for the customer.

Mrs. Smith: So, basically, if you were in a business, to give it a very simplistic scenario, you would get your materials. You would store them until somebody wanted something renovated, and the business would not pay the 7% tax on that. It would be in abeyance until it was actually sold. Then, when it was sold, dependent on what the job was in place, the contractor would apply the 7 percent to the labour. Is that clear?

Mr. Selinger: Yes, they would apply the tax to the entire job, labour and materials. So they would apply the tax on the total value of the job, the labour and the materials.

Mrs. Smith: How much revenue does the minister think that the Government will get as a result of this new tax?

Mr. Selinger: On an annualized basis, we anticipate it could be \$10 million.

Mrs. Smith: So, basically speaking, what has happened is the cost of renovating your house has gone up 7 percent on the job. Is that correct?

Mr. Selinger: As I illustrated in that example, it only goes up on the labour component of the job which may have been previously exempted. So in the case of a heater of \$400 and \$72 labour, you only get the retail sales tax now applied to the labour component. So in this case of a \$500 job previous to the change, the tax would go up \$5 on the \$500, which is 1 percent.

Now it depends on the mix, right. If you have such as a car repair, which in this case this tax would not apply, but in my case, I just had a small repair done on my car. The mechanical component was incredibly cheap. The labour was incredibly expensive, and that is already taxed. So, in this case here, we have to be careful to note that it is only on electrical and mechanical contracts. It does not apply to basements, walls, windows, doors, drywall, flooring, eaves-troughs, shingles, stucco, siding, et cetera. That stays the same because there was no confusion about that.

It was in this area of electrical and mechanical contracts where they wanted clarity.

Mrs. Smith: Would the minister then tell me: Would these businesses need to have new accounting systems in place to make sure that everything is accounted for?

* (15:40)

Mr. Selinger: In the view of the Department of Finance accountants, they think it will significantly simplify accounting. It will make it easier for them because it is just the total end cost of the service you provide, one calculation, not a myriad of calculations depending on the type of job and a constant process of deciding whether it applies or does not apply, and then every contractor or service provider applying it differently, so you get a very uneven playing field and everybody being frustrated and feeling they are losing business because of the lack of clarity in the present rules.

Mrs. Smith: Mr. Minister, could you let me know: Does this affect in any way businesses

who have PST numbers at this point? Is there any change there?

Mr. Selinger: For an existing registrant, there should be no change in their RST tax number. My officials believe, though, that some people were providing these services without having an RST number, and now they will have to get a number. They will not be able to pretend that they think they do not need a number, and sort of the hidden economy will dry up in that sense. Everybody will get registered, and that, once again, will level the playing field. So we think that, for the legitimate businessperson, they will be better protected and more fairly treated in comparison to some of the suppliers that thought it was not necessary to register and collect the tax.

So our guys are going to out and say now there is no doubt about it. You have to have a RST sales tax number and you have to collect the tax, and for the legitimate businessperson, they should be ahead of the game.

The incentive for everybody to register now is that they will be able to buy their inventory without having to put the tax on it. So it is a good measure to actually stop this hidden economy, because it gives an incentive for everybody to come into the system, and then it gives a simpler system to apply the tax across the board and make sure everybody is treated fairly. That was the inspiration behind it, and that is why the industry approached us, because they could see somebody with no tax number not applying the tax. They could see that they were. They were losing contracts. You start to get resentful if you are paying tax and you are losing business to somebody who is not paying tax. It is a hassle. So I think it will be well received by the industry.

To the official critic, the paragraph on the top of page 2 in my letter to Mr. Trottier, we try to explain that: The Taxation Division and the Canada Customs and Revenue Agency, the agency which, I might note, stiffed us on the overpayments, or made that error, exchange information and co-operate on audits on the underground economy business. With this change, all mechanical and electrical contractors will purchase their construction materials tax

exempt and will be subject to audit. Purchasers that pay sales tax on construction materials will provide an audit trail.

So we actually think it will create greater transparency between the federal and provincial government in the collection of these revenues.

Mrs. Smith: So, basically, what you are saying is you would collect about \$10 million in taxes because it would not be lost revenue. It would not be like a home business starting up without letting everyone know that this is the little jobs that are done on the side, taking away from businesses that have been in business over a number of years trying to make ends meet and pay the wages.

Mr. Selinger: A new start-up who wanted to purchase materials to be competitive would want to do it with not having to pay the tax on it. In order to be eligible for that, they would have to get a sales tax number. As soon as they have that, then they are in the game and we can audit them. They cannot unfairly compete against an established business who is paying their way.

The \$10 million, in our view, is a mix of lost revenue and new revenue from applying it across the board and not having all these little Swiss cheese loopholes. So it is a mix of getting people into the system and applying it consistently across the board on the labour component as well as the materials component.

Mrs. Smith: So, for someone who wants to renovate a house or get a job done, it will cost the homeowner more money in terms of the wages.

Mr. Selinger: Where the focus of the renovation is a mechanical or electrical contract, it could potentially cost them more if it had been exempted before. But for the vast majority of work, flooring, eavestroughs, drywall, windows, doors, shingles, stucco, siding, there will be no change.

Mrs. Smith: So, basically speaking, it is anticipated that it will do two things. It will bring in more tax revenue for the Government. It will also support legitimate businesses who are trying to make a go of it, but, on the other hand, it will

cost the cost of renovations, and in some respects, the homeowners will be paying for increased costs to some extent, depending on what their job is.

Mr. Selinger: In that range of jobs where it is mechanical or electrical contracts, the tax will be applied on the labour as well as the materials. It could potentially cost the customer more. But, if I wanted to push it, I could argue that we will now have a competitive playing field and more competitive bids will be made. Even though we may collect more tax, it may not necessarily generate the customer more cost, if there is a fair and more competitive bidding process. But that is, you know, speculative in a sense. Yes, we are projecting \$10 million. That is the best guess of our officials on an annualized basis. We think that it significantly makes the tax system fair, which is sort of the cornerstone of any tax system—to be accepted by the public is that they feel it has to be fair.

Mrs. Smith: What new checks and balances, besides what we have already mentioned, are in place to ensure that everything is done in a fair and equitable way? Is there anything new that has been put in? For instance, the minister talked earlier about audits. How will these audits be conducted? Is there any new paperwork tied into those audits?

Mr. Selinger: We do not anticipate additional paperwork. The new tax measures are usually written up in bulletins, and there is consultation with the industry to make sure the bulletin is clear and understandable and everybody gets it. Our officials will hold seminars to allow people to understand what is going on. Yes, audits do occur on a sample basis. There are random samples taken, unless there is a specific complaint or some lead that suggests there is a problem that needs to be addressed. But we do not expect that the compliance costs or the red tape will increase for contractors in the mechanical and electrical areas. As a matter of fact, we think that their red tape will be reduced and there will be a simpler, clearer way of applying the tax, and that they would not have to be pondering the imponderable of trying to decipher and understand rules that nobody understood before. We think they will know what they have to do. They will be able to do it

once the service is provided and, you know, it is just like when I get services, then they just whack it to the end of the bill, and the customer pays it and it is remitted by the company to the Province. So we think that it will actually simplify the process for them.

Mrs. Smith: Is there a present random audit system in place now? And if so, how does that work?

Mr. Selinger: The short answer is yes. Then I will give you some details. In the Taxation Division of Finance, there is a person that reviews the databases and looks for areas where there is high risk, and where they see a pattern or a concern or a high-risk exposure. They will assign auditors to check it out. This is an on-going practice of government.

Mrs. Smith: One of the rationales that the minister has brought forward for this particular subject is the fact that it makes business more fair and equitable. How does it deal with the cash-and-carry group? Like, for instance, if you have a legitimate business that is doing everything the right way, and they go in and yet they do not get the job because you have someone who says I will do it cash-and-carry at a much lower price. How is that addressed in this system?

* (15:50)

Mr. Selinger: My officials think it might be easier to detect people that are buying volumes of materials tax-in. In other words, they have not registered for a sales-tax number. So, without that sales-tax number, they have to buy the materials and pay the tax on it. If there is somebody that is doing a lot of that and providing a cash-and-carry business, there is a potential audit trail there now, because they will be distinguished from the ones that buy tax-out, without putting the sales tax on those who have the RST number. So, for the first time, you will be able to separate out those buying and paying the tax because they do not have the proper number and the authorization for that, versus those that do. You will be able to focus to see if there are patterns of abuse there in terms of cash-and-carry and people underbidding legitimate businesspeople.

Mrs. Smith: Are there extra personnel put in place to monitor this at this time, or are there plans to do it in the near future?

Mr. Selinger: No. We do not anticipate additional staff being hired for this, but what it would allow existing staff to do is to focus more clearly on where their potential areas of risk are, and investigate them, because there will be a way to separate that out in terms of looking at who does and who does not charge tax on materials that they are purchasing. So it will allow our people, through the data analysis, to focus in where there are areas of risk and make the existing work of people more efficient.

Mrs. Smith: Thank you for those answers. I am going to ask permission to go on another topic because I have specific questions I wanted to ask the minister and, without wasting a lot of time, I just want to get those questions out, and those answers, if that is all right with the minister.

Mr. Selinger: I just want to know: Does the critic or the member from Steinbach have any more questions on this topic? Or did you want to come back to it later?

Mr. Jim Penner: There is a suggestion I put forward the other day, Thursday, that came from Three Way Builders on using Workers Compensation Board figures instead of changing the way things have been going as the guideline. Is there any merit in that as far as the department is concerned?

Mr. Selinger: My officials do not think so. They think that it is a different system, the Workers Compensation system. Our job in taxation is to tax real activity, not to make judgements about mixes of activity, like sort of a formula-driven approach. I am trying to be very careful here that I do not look like I am criticizing their system, because it is a Workers Comp system, and it is an experience-rated system. It has more moving variables on how they levy their Workers Compensation premiums.

In this case, the job of our Taxation Division is to apply the legislated taxes based on the real work, labour and materials that are used on a job. If they went to a system where they had say a 50-50 split between labour and materials, or a

70-30 split, there would be some people that would benefit by that, because their mix of work would be different, and some people disadvantaged. For example, if we just did it on an average basis, it puts some people at a disadvantage.

An Honourable Member: Like your water heater.

Mr. Selinger: Yes. I gave the example here of the water heater once. So the job is to apply the tax as accurately as possible on real work done and real materials used. For that reason, my officials believe that the method they have put forward is the most accurate and transparent. It would reduce the possibility of any other kind of abuse that might arise through a formula-driven system. Sometimes, these formula-driven systems create inequities as well. But, in the case of taxes, there is only one variable—you apply the tax; what base do you apply it on? In the solution we have provided here, it is a uniform base at the retail level, with tax-out at the wholesale level. We think that is the fairest system. *[interjection]*

My officials just raised the point that this Workers Comp system was never one that was discussed or raised by anybody during the discussions. So it was not really on the table for discussion. They are reacting now, based on the information you provided us yesterday with the comments I am providing you.

Mr. Jim Penner: Did I hear correctly that, during the transition, contracts signed prior to April 23, or on April 23, would be exempt or grandfathered under the old system?

Mr. Selinger: There is a draft bulletin here, and what they say is the following: Contracts signed before April 23, 2002, are generally subject to the new RST application on the portion of the contract completed after June 30. However, if the fixed-price contract does not contain an escalator clause for unseen costs, such as taxes, then the contract will not be affected by the new RST application.

I indicated earlier that most contracts have that escalator clause for unforeseen tax changes or even material changes in many cases. But,

where somebody has given a fixed price and they have given themselves no flexibility, we will grandfather that so that they are not disadvantaged.

Mr. Jim Penner: Another concern. There is a lot of action on this new tax from prospective home builders and renovators. I know that some of my friends enjoy very much buying an older home and fixing it up and probably do a lot of the work themselves so that would not be involved. But, obviously, putting a water heater into a new home and putting a water heater into an older home, replacing one, are two entirely different things when it comes to labour, because I built a house in '89, and it was so simple to put a mechanical in while you are building. But, if you have to do a fair amount of work, the renovators, I guess, are in fear of the costs, and in fear of creating a grey market. For example, I am a butcher by trade. When I was a kid, my dad had a grocery store and I learned to cut meat. I still do it for people. Then they come over and install my new toilet. There is a grey market there. That is not a true example.

An Honourable Member: The auditors' ears were perking up, as you spoke. We will take that as a hypothetical.

Mr. Jim Penner: I am a butcher, but I—just kidding—*[interjection]*

There is a fear on the part of renovators that this will expand the grey market. On the other hand, you feel that having to pay PST on the hardware could eliminate some of that. The other fear, and the question I really should be asking is: Is this going to spread into other areas where labour is not a taxable component at this time?

Mr. Selinger: I think for the reasons I have elaborated on earlier, I do not think the grey market will grow. If there is somebody that does not want to apply the tax to the customer and does not want to use a retail sales tax number in order to exempt the tax on the purchase of materials, then in a case where somebody is trying to operate in the grey market or the black market in providing these services to avoid charging the customer sales tax, they are only going to be able to purchase their materials now

by paying the sales tax up front. That is going to provide an audit trail that distinguishes those service providers from the legitimate business-people who can, with their sales tax number, purchase their materials tax-out. So I think it will be a fairer system and a more transparent system to root out people who are using the lack of charging tax as a competitive advantage in the marketplace.

* (16:00)

The more I think about that, the more I understand that I think it is just a much clearer and simpler and more efficient system to apply in the renovation market, or any market for that matter. It applies across the board.

With respect to the question, the fear, is this the slippery slope, will we be extending this? There are no plans to do that. This was a change made on an initiative from the mechanical and electrical contractors themselves. They brought this to our attention and asked for a solution here. And we have responded. We have no other sections of this, nobody else is asking us for this kind of clarity or change at this stage of the game. We do not have anybody in front of us saying, we want you to change the rules and the application of the tax at this stage in the game. So this was driven by them as the correspondence I have provided you, and the solution we have come up with, which is one that we think will simplify their lives and provide greater fairness to those legitimate businesspeople in this sector.

Mr. Jim Penner: When you had already estimated the approximate amount of increased revenue to the Province, the industry indicated to me that the increased cost of a new home would be somewhere in the range of \$400 to \$700. Is that the figures that you used when you calculated your \$10 million?

Mr. Selinger: My officials estimated that the increased cost would be \$400 on a \$100,000 home, which would be less than half of 1 percent.

Mr. Jim Penner: I would just like to throw in a comment here. I was wondering if the government of the day would consider rebating some of

that to the new home-owners as an incentive to build homes.

Mr. Selinger: The housing market is very strong right now, and the cost of building a new house in Manitoba is among the least expensive in the country. We do not think that kind of incentive is required right now. We think that with the tax cuts we have provided, and the small business tax cuts, and the fact that Manitobans have, this year again, had an increase in their disposable income, unlike in many other provinces, that their purchasing power is up, housing costs are quite affordable compared to other jurisdictions, that we have the basis for a healthy real-estate market right now.

There is an article on May 5, 2002, in the *Winnipeg Free Press* where the headline reads: Demand for houses hot here; housing starts, value of permits, shoot up in first quarter of this year. Things are looking very positive. The demand for new and existing homes in Manitoba is on the increase. CMHC shows a 25 percent in the number of single-family housing starts in the province's five largest urban centres: Winnipeg, Brandon, Portage la Prairie, St. Andrews and Thompson.

So we think it is a healthy market right now. We are happy for that to continue, and I do not think a rebate is necessary.

Mr. Jim Penner: In recent years, there have been discussions by various provinces of blending the GST and PST so there would only be one tax, and this taxing wages is a step in that direction. Is this under consideration by the current government?

Mr. Selinger: No, it is not.

Mr. Jim Penner: The auditing that is being done now, the focus, I think, on PST auditing, is primarily at retail level, is it not? Looking for incorrect coding in the supermarkets and stuff like that.

Mr. Selinger: I am informed that it is everywhere. My officials inform me that the auditing activity does not play favorites, that they look at all sectors. If they see a risk profile developing, they will, based on a data analysis,

they will take a look at it, but they do not have any preconceived notions as to which sectors to look at. Wholesale, retail, et cetera, manufacturing. They play no favorites there. They strictly do it on the basis of emerging evidence from their data analysis.

Mr. Jim Penner: I would like to ask whether this PST addition to wages in the mechanical and plumbing electrical is going to make a difference to the cost of building Red River community college?

Mr. Selinger: Our take on that question would be this: that any additional costs would, in terms of the retail sales tax, we would get it back. We are the collector of the tax, and we are the provider of the funds to build the Red River community college. If we have to put a little bit more out because of this new tax applying to make the facility come to fruition, because there is an escalator clause there, we will collect it back on the other hand. So it is going to be a wash on that project.

Mr. Jim Penner: Thank you for that comment, but, in my experience, it costs a lot of money to collect taxes and administer them, and so on. So it is never on an equal basis. It is going to cost you money to collect that tax, to handle that money, and to bring it into your system and then put it back out there, but that is just the cost of doing business.

Mr. Selinger: Our officials believe they have that obligation to pay taxes right now. They do not anticipate any incremental costs for this change. They think it might even make it simpler, so that the contractors on that project will probably be no worse off. They might be better off.

Mr. Jim Penner: Another concern that has been talked about is that the increased cost is going to, in some cases, reflect on the wages paid to employees. The payroll tax inadvertently does that and this tax may, as well, influence that. Was that taken into consideration?

Mr. Selinger: We do not think it will be an additional incentive to reduce wages paid to labour, for a couple of reasons. One, it is passed through to the customer on the other end, and,

secondly, they can now purchase their inventory tax out. So their carrying costs and their working capital is increased by this measure, which allows them to afford their labour costs on an ongoing basis. They have a greater ability to meet their labour costs and to pay labour fairly on an ongoing basis. They only have to levy the tax when they have completed the job and hand the customer the bill. At that point, they get the revenue off it. So their carrying costs are less.

Mr. Jim Penner: In my opinion, it is a one-time benefit. Once you have achieved that benefit, it is not reoccurring. But you do have more capital, at least somewhat more capital.

I have been asked, in the retail industry, what the guidelines are for the withdrawal of PST on feminine hygiene products. Feminine hygiene products are intermingled with adult hygiene, children's products, et cetera. Some are used by males and some by females. I am just wondering: Where is the cutoff on that PST exemption?

Sorry about that, guys, but it is a serious question among a lot of people, and they have looked at this as an annual cost, what these things cost.

* (16:10)

Mr. Selinger: This regional sales tax exemption is for sanitary napkins and tampons only. It will take effect May 1. The rationale for it is they are a necessary health and hygiene item for women. This exemption would compliment the existing tax exemption for certain medical equipment and prescription drugs. A notice has been sent out to retailers as of April 22, and it is also posted on the Internet. It will also be mailed to all vendors with their tax return in the first week of May, and a press release May 1 as well. That is the communication plan.

The other exemption here is adult Depends, which will also be exempt as well. I should clarify that. Adult Depends have always been exempt, so they are not taxed at the moment.

Madam Chairperson: A recorded vote has been requested in another section of the Committee of Supply. I am, therefore, recessing

this section of the Committee of Supply in order for members to proceed to the Chamber for a formal vote.

The committee recessed at 4:12 p.m.

The committee resumed at 5:15 p.m.

Madam Chairperson: The hour being after five o'clock, committee rise.

EXECUTIVE COUNCIL

* (15:20)

Mr. Chairperson (Conrad Santos): Will the Committee of Supply come to order please. This section of the Committee of Supply has been dealing with the Estimates for Executive Council. Would the Premier's staff please enter the Chamber.

We are on page 21 of the Estimates book. It has been agreed to proceed on a global, rather than a line-by-line, basis.

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Chair, when the Premier announced his administration in October of 1999, he announced the reorganization of several departments. One of those was the merger of the Highways and Government Services. At that time, the press release indicated that Mr. Gerry Berezuk was the Acting Deputy Minister and, three years later, he remains in that position. Could the Premier indicate why his appointment has not been confirmed?

Hon. Gary Doer (Premier): Mr. Chair, I have a lot of confidence in Mr. Berezuk. He has done a very good job. The question that still remains for us is: Can we combine two deputies into one? We did not do that initially. We will probably be dealing with the matter in the next couple of months, during the next period of time on deputy organization.

I just would like to say for the record that all my contacts and dealings with Mr. Berezuk have been very positive, and I think that his Clerk of

Cabinet believes those as well in a very positive way. It has nothing to do with the merit of Mr. Berezuk. It is just an attempt to continue to try to see if we cannot make savings, but, at the same time, he has done a very good job.

Mr. Murray: I would concur. I do not have as much dealing, obviously, as the First Minister would have, but any dealings I have had with Mr. Berezuk, particularly on the security issue, I think he has done a very good job and he needs to be commended, certainly.

I wondered if the Premier, however, might outline the exact reporting structure for this department.

Mr. Doer: Both deputies report through the minister.

Mr. Murray: Could the Premier elaborate how you expect that to change with the combination, or as you referred to, dealing with the deputy organization? Can you give some indication to the House as to how you see that affecting Mr. Berezuk's reporting mechanism?

Mr. Doer: I am not proposing any change at this point, and I would not want to say anything in Hansard that would create any undue uncertainty for Mr. Berezuk himself. Even on Friday, after the Firdale spill and fire, I met with two deputies, with the Clerk in Cabinet, on Friday morning just to make sure that if there is anything we had to do, we were doing it.

Secondly, he was briefing his minister responsible for EMO and we also briefed the Minister responsible for Consumer and Corporate Affairs (Mr. Smith) because he was going to the site on Friday. The minister for EMO went to the site on Saturday and Mr. Berezuk was probably briefing all of us along with Mr. Sanderson, the head of EMO. Because of the episodic nature of some of these emergencies, that is the basic reporting nature, as it has been with the security committee.

It is a matter I am going to resolve in the next occasion for deputy structuring and it will be resolved definitively at that point. There is no contemplative changes in reporting. The matter to be dealt with is the question the member

raises, the acting status, and normally I do not like having a person in an acting status that long, but he certainly has my confidence and our confidence.

Mr. Murray: We recently saw the appointment of Harvey Bostrom to the position of Acting Deputy Minister of Aboriginal and Northern Affairs. I just wondered if the Premier could outline for the committee the process which is currently being undertaken in order to ensure the presence of a confirmed deputy minister for this very important department.

Mr. Doer: The individual who has been raised by the Leader of the Opposition has been put in on an acting basis, Mr. Chair. We will be more definitive at a point later, on the decision we make. We have the ability to bulletin or confirm. If we bulletin, the civil service commission will be involved. If we do not, we will confirm or indicate otherwise.

Mr. Bostrom worked as an ADM under the former government and has been a public employee, I think, for 15 to 20 years.

Mr. Murray: On more than one occasion when the Premier was Leader of the Opposition, he criticized the former government with the politicization of the Treasury Board. Indeed, the former premier was criticized for the appointment of the Secretary to the Treasury at that time. Could the Premier indicate what are the responsibilities, and to whom does Mr. David Woodbury report?

Mr. Doer: An individual named Mark, and I will get his last name, who worked on Treasury Board as an analyst. The Secretary to our Treasury Board was Mr. Potter, and he is not a partisan appointment. I think it is very important that that distinction be made. Mr. Woodbury is a direct Order-in-Council appointee, but Mr. Potter is the Secretary to the Treasury Board and reports to the Finance Minister, as does the Deputy Minister of Finance. They both have reporting relationships to the Minister of Finance (Mr. Selinger). Mr. Woodbury provides a liaison on economic development into Treasury Board to make sure that if there are companies that have opportunities, or if there are other issues that we are dealing with at the economic

development side, that there is a connection between the economic development issues of government and the Treasury Board.

Mr. Murray: Just for clarification, Mr. Chair: Does Mr. Woodbury report to Treasury Board or to Cabinet?

Mr. Doer: Neither. He is an individual that is a liaison in Treasury Board from the Industry, Trade and Mines Department.

Mr. Murray: I just wondered if the Premier can indicate why he would create such a position within his Government which is effectively, as I understand it, looking over the shoulders of Treasury Board officials in order to make sure that the political agenda of the Government is being followed when he himself was so opposed to this when sitting in opposition.

Mr. Doer: To have a situation where Mr. Benson was—I would refer the member opposite—my comments in opposition have been pretty well vindicated with the Monnin inquiry. Perhaps the flags I raised, if they had been heeded by members opposite in their government, the member opposite was involved in the '95 election. I do not know why those flags were not there for members opposite. But the Monnin report answers my question fully. Mr. Woodbury does not have a supervising role over Treasury Board. Does not, will not. That is just not on. It is information between Economic Development and Treasury Board, and he reports through to the Minister of Industry, Trade and Mines (Ms. Mihychuk).

* (15:30)

Mr. Murray: I just want to clarify because I think there is an issue that, perhaps, Mr. Woodbury is trying to ensure that the political agenda of the Government is being followed. I think that, again, the First Minister talks about reference to comments that he made coming home to be part of the truth.

I guess the question that I would ask the First Minister is it appears as though, as he is explaining it, that the role of Mr. Woodbury is to ensure that a political agenda of the Government is being followed. I think that is what he

criticized when he was in opposition. My question: I query the First Minister. Why, when he was against it, would he put the same position in, that obviously has a political agenda attached to it?

Mr. Doer: There are different values that affect policies between different governments; that is, the allocation of resources, more money for nurses, less money for administrators in regional health authorities—a policy decision we made. I want to make sure that that is implemented. Having said that, there is no comparability between a secretary to Treasury Board or deputy minister's status. I recall directly that Mr. Benson had daily access to the former premier and was Secretary to Treasury Board. Mr. Potter is an individual who reports through to the Finance Minister and is a nonpartisan civil servant.

Mr. Murray: I am not sure if the First Minister is trying to—*[interjection]* I had asked yesterday—just to go back, the Premier said he was going to table the number of cabinet committees, I think we talked about. He said he was going to table that today. I just wonder if he is able to follow through on that.

Mr. Doer: I promised I would follow through on, I will give you the Healthy Child Committee and I will get the CEDC. The CEDC members I gave you yesterday. I will table the Healthy Child Committee and the Order-in-Council on Treasury Board. I think this is it. Here is your Treasury Board O/C, one for each. Apparently we need three copies if I table and two copies if we give. I am giving, not tabling.

Mr. Murray: I wonder if the Premier is aware of Mr. Rick Rey.

Mr. Doer: Who is that?

An Honourable Member: Ricky Rey.

Mr. Doer: Ricky Rey. Is he related to Lloyd Girman? I do not. Sorry.

You know, it does not, but I want to make sure that he is not, you know, my uncle or something and I do not know about him. I just want to, you know, I will check out. I will take your question as notice. But I want to be very careful, because if some individual is listening to

Hansard right now and I am making a diplomatic error, I want to know about it, but I do not believe the individual is working in our Executive Council. I do not believe I am responsible for that individual in our Estimates.

Mr. Murray: The First Minister is correct. He does not work with him. However, I think that Rick Rey has been very involved in the harness racing business in Manitoba for years. I would just like to read a section, and then I would like to ask the Premier.

It comes from an article in a newspaper, the *Free Press*, of May 8, 2002. It says in it: \$288 million it grabbed from Manitoba Hydro to throw into the maw of its own creation. There was not one cent to support harness racing in Manitoba as it is supported everywhere else in Canada. I will not bore you with the details of things for which money was available instead, but rural Manitobans know these details. Certainly, Ricky Rey knew them when I talked to him again yesterday. He was pondering what he would do with 30 horses and all the equipment accumulated over 30 years. He said: I don't even want to go out to the barn. It just depresses me.

His one hope is that Premier Gary Doer said he would review the decision. It is a long shot on which I would not bet. I will wager that long after this Government is gone, it will not be forgotten that it killed a 100-year-old spectacle and the wonder of it all.

I would like to ask the First Minister: In light of comments that he made in the House, did he, in fact, meet with the members of the harness racing association?

Mr. Doer: The members of the harness racing association met with the Minister of Industry, Trade and Mines (Ms. Mihychuk) after the Question Period on April 23, I believe.

Mr. Murray: I can go back, and I stand to be corrected, but my understanding is that the First Minister indicated that he personally would be reviewing the situation, and I wonder if he can comment on that.

Mr. Doer: I do not think the member will find that in Hansard. Having said that, the minister

did meet with them, and my report after that meeting was that she was going to receive some kind of proposal from them.

When you make a lot of decisions in a budget, you have to meet with people about it. If they got something you did not consider at the time you made the decision, then that is fair ball. I think, if there is something we did not consider, then we allow that to be presented to us. I will go back to the minister and find out. I know she met with them, and they were going to propose something on the harness racing. I will talk to the minister.

We certainly know that the industry is gone, and the member from Russell and I discussed this at length on Tuesday afternoon.

* (15:40)

Mr. Murray: I wonder if the Premier could provide the committee with a list of those deputy ministers, acting deputy ministers, assistant deputy ministers and executive directors who have left the public service since October of 1999.

Mr. Doer: I can provide the list. Some of the deputy ministers, when we downsized, were downsized with the smaller Cabinet. I can provide a list either here or through the Civil Service Estimates.

Mr. Murray: Could I just to clarify and then move on, could I just clarify that you will provide the list in this House to me? If you could give me a date, whether that is the next sitting.

Mr. Doer: I will provide the list of deputy ministers, which is directly under my responsibilities.

Mr. Murray: Then do I take it that you will not provide the assistant deputy ministers and executive directors who have left the public service since October 1999?

Mr. Doer: Normally, they are asked for under the Civil Service appropriations and they have all the information at their fingertips when the Estimates are done there. The deputy ministers are obviously directly responsible to the Premier.

As such, in these Estimates, I am responsible for those and I will provide them to the member.

Mr. Murray: Okay, it seems to me, Mr. Chair, that, as the presiding member of Cabinet, the Premier in conjunction with the Clerk of Executive Council, who would be responsible for the overall professionalism, recruitment and appointment of the senior management team—that being the deputy ministers, assistant deputy ministers, and, in some cases, the executive directors; that is, for the various departments of government—I would hope that the Premier would not be indicating any abrogation of his responsibilities. I just believe that, when requested in this House for the information, I would hope that the Premier would acknowledge and provide the necessary information as requested.

Mr. Doer: I can provide the information you asked about the next sitting. We have a lot of people working on other issues like agriculture and there are other things going on. I hope the Civil Service Commission in its Estimates has those at their fingertips. The information is available.

The second point is the employing authority for an ADM and executive director, there are obviously deputy ministers whom they report to. For example, the selection of the individual to be the EMO head, which would be an executive director level, I believe, that decision would be made following the court action or the unfortunate circumstances with the individual that was hired prior to that change in office. We are acting in a way that, if we were to take a look at the two manners in which that position was filled, I think that you would find a pretty good civil service process with that position. The Civil Service Commission was directly involved in it.

I am not saying, no, I cannot provide it. I am just saying that I can provide the deputies and we will endeavour to get the ADMs, but they are not on a reporting basis to the Premier. That would totally undermine the authority of the deputy ministers in government, which I would be very concerned about.

Mr. Murray: Mr. Chair, the Premier makes reference to the fact that these are available at the Civil Service Commission, I think. If they

are available there, then I would assume that it would be easier for them to find their way to him into this Chamber, and I respect that he will do that.

Mr. Doer: Yes.

Mr. Murray: Again, I keep just having to ensure that we get a date when you would do that.

Mr. Doer: Well, they are not part of my Estimates, but I will provide them at the earliest opportunity, or the earliest when we get it done. They might be ready right now. They might be ready closer to the Civil Service Estimates, but we will get it done in a timely way.

Mr. Murray: Mr. Chair, over the last number of years, there have been reports about the great number of members of the public service who potentially are, or might be, eligible for retirement within a number of years. I am sure the Premier is obviously aware of that fact. These represent, obviously, a number of senior members of the public service.

I would like to hear from the Premier today as to the action he has taken around successor planning for these critical positions within the public service.

Mr. Doer: I asked the new Civil Service Commissioner to take this responsibility on about a year and a half ago. Ms. Strutt took that job on. We feel that this is a huge issue of concern to the public service. She has prepared and is preparing a number of strategies to deal with the issue of the regeneration of the public service. It is an obvious area of her responsibility and a concern of ours.

It is also a concern of ours that the unfunded liability of pension plans was unfortunately cancelled in 1962 and was never picked up until the fall of this year with the first payment that is scheduled for the employer portion of pension plans. So it has both a financial implication that has built up over 40 years and a competency implication. Obviously, we are accelerating the amount of, are very, very concerned about the number of management trainees we have in the public service to make sure we have a new generation of public employees.

I mentioned in the Chamber a couple of days ago that in some levels we are losing some

managers to the City of Winnipeg at \$30,000 more a year, but of course if you raise salaries too much then you are going to get criticized on the other side. So it is a balancing act, but we are finding now that in the senior levels of the public service, in the middle-management levels, the feds just recruited somebody or are offering a job to an ADM, an individual at ADM level for \$30,000 more. We just lost a director for \$20,000-\$30,000 more to the City of Winnipeg and the federal government. So we have a pretty lean operation in the sense of salaries and benefits relative to some of the competitors in the public sector. In the private sector it is even more attractive for people.

I mentioned the management trainee and Management Internship Program. Diane Gray is one example that came through—I do not know whether she wants to be singled out—the management intern system. We are increasing the number there and also having more inclusive criteria for more Aboriginal people. We certainly need more numbers in the Management Internship Program here or management training program here.

Mr. Murray: Mr. Chair, certainly our side of the House and our party was pleased to be involved in supporting the ability to ensure that the unfunded liability portion of the pension was passed through this House very quickly, as it was the right thing to do. I think that is something that we supported along with members of the Government.

I wondered, Mr. Chair, one of the first actions by the Doer government was the appointment of Ms. Joanne Cerilli as the Boards and Commissions Co-ordinator. I just wonder if the Premier could advise whether Ms. Cerilli's responsibilities are only related to the Department of Labour or to boards and commissions throughout government.

Mr. Doer: I will take a look at the job description, but certainly she works directly for the Minister of Labour (Ms. Barrett) and is contained within her Estimates, I believe.

* (15:50)

Mr. Murray: So for clarification, she reports directly to the Minister of Labour and has no

other responsibilities outside of the Minister of Labour's jurisdiction.

Mr. Doer: She reports to the Minister of Labour. I have never attended a meeting dealing with boards.

Mr. Murray: I am sure the question will come up in Estimates, with the Minister of Labour, but I would just ask the Premier if he is acknowledging that he is unaware or is not aware, I guess, of any reporting duties other than to the Minister of Labour.

Mr. Doer: She reports to the Minister of Labour in her ministerial capacity.

Mr. Murray: I wondered if the Premier could indicate, in addition to Ms. Cerilli, are there any additional employees within this branch?

Mr. Doer: I am not sure. Again, I do not have the details of the minister's department in my Estimates here. There is no employee in the Executive Council Estimates that works in that area, that the member is asking about.

Mr. Murray: Could the Premier indicate what the reporting structure is concerning this office? Does the office report to a member of his senior staff, or does it report to the Deputy Minister of Labour or the Minister of Labour?

Mr. Doer: The individual, I believe, reports directly to the minister and ultimately positions in boards and agencies of government. Some of them are determined by statute. For example, Workers Compensation Board, you have a number of management appointees, a number of labour appointees. Some of the areas are appointed with some discretion, some are appointed, individuals are appointed ultimately, some are appointed by ministers, some are appointed by lower, not lower but different levels of government, administrative levels of government, administrative bodies, advisory bodies. There are lots of those, and I do not know all the status of those. The member could ask those questions, I think, in the Estimates of the Minister of Labour.

We are accountable for the decisions we make. The member opposite will read; I am sure his research staff pulls out the Order-in-Council

every week. We will review them, and we are accountable for them. We think we have had an orderly transition in some of the boards and agencies.

Mr. Murray: I wonder if the Premier could indicate if there are any advisory boards which assist this office in fulfilling his obligations to government?

Mr. Doer: You would have to ask that question to the Minister of Labour. I do not have an advisory board. You would have to ask the Minister of Labour that question.

Mr. Murray: I wondered if the Premier could indicate what his direction to this office was, upon assuming office, in relation to the criteria which would be used in selecting members to serve on various government boards and agencies.

Mr. Doer: The member opposite will know that there was a very orderly transition on a number of major boards and agencies in government. They are Order-in-Council appointees, and they are normally, some are Cabinet appointees and some are not. We have kept some from the previous government. Mr. Mauro has been kept as chair of the Crown Council, Mr. Fox-Decent has been kept as chair of the Workers Compensation Board, and Cheryl Barker has been kept as chair of the film board, just to name a few. Some are obviously replaced but in a time that is timely. Mr. McCallum's 10-year term was up at Hydro, and he was replaced by Mr. Schroeder.

Mr. Murray: Mr. Chair, could the Premier indicate to the House the salary which is currently being paid to the chair of Manitoba Hydro?

Mr. Doer: The salaries and conditions of the previous contract are comparable to the existing salaries and conditions to the existing incumbent, Mr. Chair.

Mr. Murray: I wonder if the Premier could indicate a specific number to the House as to what the chair of Manitoba Hydro is being paid.

Mr. Doer: Well, I will check the exact numbers. My instructions were that it be comparable to

Mr. McCallum's. I will find out what that comparability is. It is higher than other boards but obviously much lower than the CEO's, because it is a part-time job.

Mr. Murray: Again, will the Premier make that available the next time we get together for Estimates?

Mr. Doer: Yes, I will provide Mr. McCallum's status and I will provide Mr. Schroeder's. I want to say that I found the transition at Hydro very helpful, and you know, Mr. McCallum, I think, is a very capable individual and I think that Mr. Schroeder is as well. *[interjection]* Oh, there are people that talk about how much money he saved the way he financed Limestone, but that, I know, if you call it Millstone, then you probably do not want to go there.

Mr. Chairperson: Is it agreed that there be a recess? Ten minutes agreement? *[Agreed]*

The committee recessed at 3:57 p.m.

The committee resumed at 4:12 p.m.

Mr. Chairperson: I call the committee to order.

Report

Mr. Stan Struthers (Acting Chairperson of the section of the Committee of Supply meeting in Room 254): Mr. Chairperson, in the section of the Committee of Supply meeting in Room 254, the question was put on Resolution 12.3. Regional Operations, \$47,597,900.

Mr. Chairperson, this resolution was carried on a voice vote, and subsequently two members requested that a formal vote be taken. I am hereby formally reporting this to the Chamber.

Formal Vote

Mr. Chairperson: Formal vote has been requested. Call in the members.

All sections in Chamber for formal vote.

Mr. Chairperson: The bells have rung for one hour. We shall proceed with the vote.

Sergeant-at-Arms, please turn off the bell.

In this section of Committee of Supply, meeting in Room 254, the question was put on resolution 12.3. Regional Operations \$47,597,900. This resolution was carried on a voice vote. Subsequently, two members requested that a formal vote be taken.

The question before this committee, therefore, is whether resolution 12.3. Regional Operations \$47,597,900 shall pass.

All those in favour of passing the resolution, please rise.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 27, Nays 23.

Mr. Chairperson: This resolution is accordingly carried.

The hour being after 5 p.m., it is time for private members' hour. Call in the Speaker.

IN SESSION

PRIVATE MEMBERS' BUSINESS

Mr. Speaker: Will we be proceeding with second reading of public bill, No. 200, The Elections Amendment Act?

An Honourable Member: Not today.

* (17:20)

Res. 4 – Fetal Alcohol Syndrome

Mr. Speaker: Okay. Then we will proceed with proposed resolution No. 4, Fetal Alcohol Syndrome, standing in the name of the honourable Member for Radisson.

Ms. Marianne Cerilli (Radisson): I move, seconded by the Member for St. James (Ms. Korzeniowski),

WHEREAS Fetal Alcohol Syndrome (FAS) and the related Fetal Alcohol Effect (FAE) are entirely preventable neurological disorders caused by the consumption of alcohol during pregnancy, which delays growth and results in

intellectual and behavioural disabilities. These disorders are frequently related to maternal alcohol addiction; and

WHEREAS FAS and FAE can have a devastating impact on children, families, and communities, with serious implications for the justice system, as well as social services. One child with this affliction can cost up to \$1.5 million in special care, supervision, and support throughout its lifetime; and

WHEREAS in some high risk populations in Canada, the incidence of FAS reaches 190 births per 1000, while the global average is 2 births per 1000; and

WHEREAS Healthy Child Manitoba, initiated by the Provincial Government, provides numerous educational programs aimed at preventing FAS and FAE, including recent funding for the STOP FAS program to expand to the North; and

WHEREAS the Provincial Government has provided \$4.1 million to the Healthy Baby program, which ensures Manitoba women have good nutrition throughout their pregnancy. There has also been a 42 percent funding increase for the Healthy Child Manitoba for the year 2001; and

WHEREAS the Provincial Government has increased funding to Parent-Child centres across Manitoba, and is working with communities to establish other programs suitable for those communities; and

WHEREAS the STOP FAS program provides mentoring and support for a three-year period to addicted mothers, most of whom enter treatment; and

WHEREAS the Department of Health, and the Department of Family Services and Housing, as well as numerous non-profit organizations, are working to implement and address the recommendations of the Study of the Services Needs for Pregnant Addicted Women in Manitoba.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba recognize the efforts made in this area, and urge the Provincial Government to consider continuing its commit-

ment to addressing the widespread problem of FAS, and to consider assisting individuals currently suffering from this preventable illness across Manitoba.

Mr. Speaker: It has been moved by the honourable Member for Radisson, seconded by the honourable Member for St. James,

WHEREAS Fetal Alcohol Syndrome—

An Honourable Member: Dispense.

Mr. Speaker: Dispense? Dispense.

Ms. Cerilli: Mr. Speaker, I think this is probably about the third year that I have put forward a resolution on fetal alcohol syndrome, and I really hope that members opposite will this year see fit to support this resolution. I think in other years I have said that we recognize that the former government, including members opposite, did initiate some positive programs, that our Government has built upon, in this area.

I think the most recognizable or visible one of these programs is sponsored jointly by the Manitoba Liquor Control Commission and Healthy Child Manitoba. Wherever you go throughout Manitoba now, whether it is seeing a multimedia campaign on television, whether it is seeing the bus shelter ads or pamphlets and posters, you will recognize that there is a campaign that is aimed at getting the message out that no amount of alcohol is safe to consume when you are pregnant.

The message of this campaign, as demonstrated through the television advertising in particular, is to try and convey not only to pregnant women, but also to their family and friends, that there must be support for abstinence of alcohol and drugs during pregnancy, and that family and friends have a role to play to not apply pressure to drink socially, or otherwise, and to support women in their decision to say no to drinking alcohol during pregnancy.

I am pleased that formerly the Manitoba Liquor Control Commission had \$10,000 towards these types of advertising campaigns, and this year the Manitoba Liquor Control Commission under our Government is funding

\$250,000, in co-operation with Healthy Child Manitoba, to develop these type of public awareness and educational campaigns.

Our Government has recognized that fetal alcohol is a serious and entirely preventable disability, and one that does not recognize any boundaries of race or class or geography, Mr. Speaker. Families and women across the province have the kind of social and cultural pressure to drink alcohol no matter where they live, no matter what social class, socio-economic status or race that they are a part of. So I think it is important that we have a cross-government effort. I am going to describe some of the different programs, cross-government and in a variety of departments, that are trying to address this.

We recognize, I think, that there is a role for a number of different departments to prevent fetal alcohol syndrome, because so many departments have financial impacts and have long-term impacts from this condition.

Healthy Child Manitoba is the lead program in addressing a number of the initiatives to address both FAS and FAE, including the public awareness and prevention strategies to reduce the number of children that are born with FAS, and to support their caregivers and families. Healthy Child Manitoba supports many community organizations in their work to address FAS, including grassroots organizations such as the Fetal Alcohol Family Association, and the Coalition on Alcohol and Pregnancy.

In partnership with the Justice Department and the RCMP, Healthy Child will pilot a new FAS training curriculum to sensitize police officers to the issue of FAS. I think it is now being recognized more and more that a number of people who come in contact with our criminal justice system as perpetrators of criminal offences have this condition. It is incumbent on us to do everything we can to ensure that all of those working in the criminal justice system understand the implications of this disease and learn to recognize individuals that are afflicted with it and how to develop strategies to deal with that.

Healthy Child Manitoba is also working with the interagency FAS and Health Canada to redesign toll-free information and support services for communities, parents and individuals with FAS. The toll-free line is open to anyone anywhere in Manitoba.

Also within Healthy Child is the Healthy Baby program, which assists low- and moderate-income women with the nutritional costs associated with pregnancy and provides expectant moms with practical information related to prenatal development, including the effects of alcohol on an unborn child. The Health Baby program is the first of its kind in Canada and is being replicated in other jurisdictions.

Mr. Speaker, I can tell you from my own experience with a friend of mine whose family adopted a child that has FAS the incredible pressure and stress that it adds to families and the requirement for programming supports, whether it is respite care, whether it is supports to assist day care workers with paraprofessionals or aides, whether it is the kind of contact that people can have through informal peer support through the kind of associations that allow families caring for children, no matter what their age, with this illness so that they can get together and talk and share resources and ideas and information and have that kind of mutual support. So all of those kinds of services are being offered by our Government.

The Justice Department has created a task force on FAS. This committee is currently working on early detection and intervention strategies to better support offenders with this disability. An FAS curriculum is being developed and being delivered to all new correctional staff, making them better prepared to deal with the needs of inmates.

Headingley Correctional Institution is currently offering a program for adult offenders with FAS. This nationally recognized program provides a therapeutic community environment and teaches daily living skills. Already improvements have been noted in the behaviour of participants. Many jurisdictions have expressed an interest in this program model.

So obviously in a number of areas related to FAS Manitoba is seen as a leader. I know that in other areas related to the Healthy Child program, Manitoba is pioneering and breaking new ground, whether it is early childhood development or programs related to FAS.

The Health Department is obviously very active and has done some progressive work in the area. The Winnipeg Regional Health Authority has maintained a clinic for drug and alcohol exposed children in the Winnipeg Children's Hospital, where a team of professionals provide diagnostic and support services. The departments of Health and Family Services also support the fetal alcohol support team in Thompson to provide northern diagnostic services via telelink with Winnipeg's FAS clinic. The telelink ensures that children in northern Manitoba have access to a broad range of specialists who can provide diagnostic consultation and help in planning for services for families and children.

One of the difficulties with this illness for women who may not know very much about FAS is originally when they have their child and start seeing that there are developmental delays and other behaviour abnormalities or problems they do not know what is causing it. People often assume that children with FAS or FAE are just "bad kids" and do not recognize that there is a medical reason for their behaviour and the other symptoms that they exhibit. So it is crucial that there is the kind of telelink service across Manitoba that can make the connection to link with women across the province and families across the province to ensure that diagnosis is made and then the links can be made to other services and supports. Manitoba Health also works in collaboration with several interdepartmental and community life projects, including the study of the service needs of pregnant women which has reviewed barriers to the treatment for pregnant, addicted women, and is now developing recommendations to improve service options.

The Addictions Foundation of Manitoba with help from the provincial government provides training on FAS to health care and social service providers and has begun a pilot

project to determine the number of their clients that may be alcohol affected.

This whole issue of knowing the number of people is crucial to this. I think that the numbers I mentioned earlier, those statistics are estimates. The resolution before the House states that in some populations in Canada, the incidence of FAS reaches 190 births per 1000, with a global average that is only 2 births per 1000. This whole idea that a number of people are going undiagnosed and the stats are not necessarily as comprehensive as we would like them to be—I think there are lots of children and even adults who are living troubled lives because they do not know that some of the difficulties they have, the behaviours that they have, the challenges that they have in their life are related back from developmental problems going as far back as when they were in utero and their mother was consuming alcohol or drugs while pregnant.

* (17:30)

Through the special education review, teachers in our province identified the need for support and planning for students with FAS. In response, Education, Training and Youth developed a resource entitled Tapping the Hidden Strengths: Planning for Students that are Alcohol Affected. This resource presents best practices for working with students with FAS as part of this initiative. Education provides workshops to school divisions across the province on how to work with staff to move forward with ideas and strategies in this document.

I know that classrooms these days seem to, on the one hand, be trying to do more with less and at the same time have more and more children with special needs. I know that our Government and I personally support the idea of mainstreaming and the philosophy of mainstreaming. We recognize that mainstreaming children with special needs only works, and part of what mainstreaming means is that those kids have the supports in the classroom and in the school that they need in order to be successful. I am really pleased that these training documents and curriculum and resources workshops are being developed.

Manitoba's successful Stop FAS Program in Winnipeg has been expanded to The Pas and Thompson. Stop FAS is a three-year initiative, home visitation program for women who are using drugs and alcohol heavily during their pregnancy. Women are assigned mentors that work with them to obtain drug and alcohol treatment, to stay in recovery and resolve the myriad of problems related to substance abuse.

I think it is valuable to say at this point that there is a continuum that exists in the area of FAS and FAE, that there can be quite a range of some children that have very mild affliction and then some that are very profoundly affected, and that we must address that full continuum and ensure that there are resources both to support families that are on the mild end as well as the serious resources that are needed to help the more serious cases.

In conclusion, I just want to say that I look forward to hearing from members across the House so that they can support this resolution. I know that in the past, there has been all-party support for programs in this area, and I look forward to the passage of the resolution.

Mr. Glen Cummings (Ste. Rose): Mr. Speaker, I am privileged to have an opportunity to stand and put some comments on the record in relationship to this resolution.

One of the things that I will say right off the top, because the Member for Radisson (Ms. Cerilli) closed her comments by suggesting that she hoped we would be supporting this resolution, frankly, if the resolution had been consulted a little bit before it was put together in the form that it is printed, there might well be unanimity in this House for the support in this area, because fetal alcohol syndrome, or whatever title one wants to put on this affliction that is working its way through our society, for a mother and for a family, it has to be one of the most devastating events to occur in their lives. To know that it is preventable and to know that there were ways that they could have prevented their child from being damaged by the abuse of alcohol, I do not think there is a mother anywhere, who, given all of the facts and the ability to control any possible addictions that she may have acquired prior to becoming pregnant, there is not a mother

alive that I could think of who would not rather have done something differently if, in fact, they do end up with a child with FAS.

As I said, there are a couple of self-congratulatory lines in there that maybe the Member for Radisson and I could discuss down the road because it is interesting that, in many respects, the work that government is doing today is the work that was begun earlier by the previous administration. It was begun under some very difficult financial times, I would add. It began as a fairly cost-intensive and numbers-intensive program because it was targeted and, obviously, it could not deal with the huge, broad spectrum of society in its beginning stages.

So, first of all, I would support the Member for Radisson and comments that she made about the numbers of FAS children and the costs that are borne out, and have been borne out, by reviews of the costs to society of trying to manage, to support, to bring them into full partnership or citizenship in a society of FAS-damaged children as they grow through to adulthood, the severe uphill battle that they end up having to fight.

Mr. Speaker, I believe that the basic concept that we have to do everything we can to stamp out FAS is wholeheartedly supported. I would even extend that to say that probably every member of this House understands, appreciates, and wants to see as much done as possible to deal with FAS. The problem is, how can governments provide enough resources to do the job? That, of course, is the decisions that come with being in government.

As I indicated, the groundwork that was done by our administration and the work following up on the knowledge and the understanding that Fraser Mustard developed about early childhood development, all of it is combined together. But this resolution, of course, focuses on FAS so I will put my focus for my following remarks directly on the aspects of FAS and what we can do to reduce and eliminate.

I would suggest that our approach and the Government's approach, there is still some philosophical difference in how we believe that

these programs can be best effected within society. While I believe in the sanctity of the individual and the right of a person for self-determination, I would have to say, Mr. Speaker, that there are times when government takes money from yourself and myself and our neighbours and says we are going to take this money and put a program in place to help our other neighbours because they are in danger of having a fetal alcohol child or they already have one and that child needs some support.

But when you reach that conclusion, then how do you implement a program that would be the most effective? The concept that we used was that we felt in the beginning you needed to have a targeted program, that you needed to have a program that identified mothers at risk and literally targeted them as part of the delivery of the program. Sometimes people will say, now, that is a pretty tall order. How are you going to identify the families or the mothers who are at risk?

Certainly, I would acknowledge you cannot identify them all, but I would hazard a guess that between the Department of Health and the early pregnancy advice where there is some ability to identify mothers and families that are at risk through health and through social services, that it does pay to target. That was why we were somewhat critical of the more broadly based approach that the minister took, because certainly it has the ability to consume a significant amount of funds.

But the history of fighting FAS since 1998 with a STOP FAS program was the platform upon which this Government built. It is a platform upon which the previous government built its initiative to try and deal with this. One cannot state too strongly the damage that this does to society as a whole, when we cannot save some of our smallest and weakest in society from the ravages that go with fetal alcohol syndrome as a result of consumption of, ingestion of alcohol particularly.

* (17:40)

It is a known problem, and education, as the Member for Radisson (Ms. Cerilli) indicated, is one of the key components to that. Certainly, as

long as the education thrust is used to attract attention, to provide advice, to get people to seek advice as well, then I am 100 percent in support of that.

The fact is, however, that any program probably has to work through fairly targeted and identifiable entities in the community to be able to deliver the program because it needs the volunteer support, it needs the involvement of professionals, and, ultimately, it needs the community to step in, and this is particularly true in small communities or, as I have come to understand the larger centres of our country, the communities within the community where there are identifiable problems. That is what targeting can deal with. Education can go a long way to address the larger population and then perhaps get the message to the entire society.

Consider it this way, Mr. Speaker. If you have a targeted individual, that does not mean that there is a stamp put on their hand or on their forehead and that they are identified in any other way, except that the community and the people in the community who have the ability to work with them, and the knowledge to work with them, will attempt in every single way to influence what they may or may not do in terms of consumption of alcohol, in particular, during pregnancy. That also leads into nutrition, and it also leads into general lifestyle because, and I certainly do not need to give anybody a lesson on parenting, but the obvious medical issues that are at stake are what I am trying to reference.

That leads, again, to where there was somewhat of a philosophical difference between ourselves and the current government. The Minister of Family Services (Mr. Sale) got himself a little bit into hot water one day by misstating how he thought Conservatives were beating on people to make things happen, using a more persuasive model, as opposed to the model that he uses, where he says that everybody, as in the case of a pregnant mother, is eligible. Just walk in and identify yourself, and have a doctor's examination, I presume, and other time investment with your medical practitioner and they are eligible for support.

That, in itself, sounds very good on the surface but, in actual fact, we know that unless

some of the at-risk mothers are receiving stronger advice, and more practical application of helping them determine what kind of a lifestyle they are going to live that, in fact, the money that can be provided to them, and certainly, again, if a parent is not of a significant family income, then the little bit of support is probably appreciated.

But we cannot get around the fact that those who may have known addictions, those who are, perhaps, under stress for whatever other reason in society, whether it is their lifestyle, whether it is their family make-up, or whether they are currently unemployed, any of these things can lead to significant influences on an expectant mother. If there is no positive intervention, the money that this Government is providing under the manner of the program, as they deliver it today, may not be used for the purposes that it was intended.

Mr. Speaker, one has to be somewhat delicate in how you phrase that, because I do not want to be identified, and this party does not want to be identified, as not caring, not wanting to stop FAS, but there has to be some accountability where government is taking dollars from one part of society to try and aid the other part of society, and that is a basic underlying tenet of how I approach these programs.

So, when a nutritional supplement of \$31.50 per month in the first and second trimesters of their pregnancy—that is not an unreasonable amount of money, but the minister, as he was wont to remind us, got a terrific uptake in his program. There was a high enrolment. I believe it is exceeding expectations. You know, one of my colleagues, I think, capsulized this pretty clearly. She said: Well, yes, anytime you are handing out money without any restrictions, you are going to get a full uptake.

I mean, that is always a possibility. That is a cynical view, some would say, and I know that the huge percentage of expectant mothers would use the money for what it is intended, but when we are talking about FAS, and lifestyle changes, that mothers that are possibly at-risk, if they are not brought to stronger counselling and support so that they can deal with the other problems in their life, then FAS may still be the problem that will show through and affect their child for the rest of his life.

Mr. Speaker, I stated in my first few sentences, and I want to repeat it for the record, that this side is in full support of doing everything that can be done to reduce FAS, but I argue that I find it quite ironic on this side of the House, when we talk about nutritional aspects, that the very minister of the current government who ridiculed any kind of format that may have even remotely smacked of food stamps which it does put a person in a somewhat an awkward position in a small community presenting what this Government calls a voucher, but, nevertheless, I think, the Government on that side has decided that they do want to be sure that the money is somewhat targeted because, when they switch over to a voucher system, they are saying: Here is a voucher; you can buy some milk in the community that you live in. It may be high priced. It is maybe not within your budget. Here is a voucher that will allow you to improve your nutrition.

I have trouble reconciling between that on the one hand and, on the other hand, the Government saying that they do not believe in requiring people to do certain things in order to receive the benefits that they need. In the case of FAS, Mr. Speaker, it is very important that, whatever mechanism the Government uses, they do try to find the most at-risk mothers and the most at-risk families and do everything they can to support them to reduce and hopefully eliminate FAS because everyone in this room, everyone in society ends up paying the price.

Ms. Bonnie Korzeniowski (St. James): It gives me great pleasure to add to the comments of our member from Radisson (Ms. Cerilli) and my colleagues across the way. Our Government has recognized that fetal alcohol is a serious and entirely preventable disability, one that does not recognize boundaries of race or class. We also recognize the fact that all departments of government are affected by the repercussions of fetal alcohol syndrome. Healthy Child Manitoba works across provincial government departments to build a community development approach for the well-being of Manitoba's children, families and communities.

This effort is led by the Healthy Child Committee of Cabinet, chaired by the Minister of Family Services and Housing (Mr. Sale) and

comprising the ministers of Aboriginal and Northern Affairs (Mr. Robinson), Culture, Heritage and Tourism (Mr. Lemieux), Education, Training and Youth (Mr. Caldwell), Health (Mr. Chomiak), Justice (Mr. Mackintosh) and the Status of Women (Ms. McGifford). The core commitments of Healthy Child Manitoba include fetal alcohol syndrome prevention, adolescent pregnancy prevention and prenatal and early childhood nutrition programs. Our Minister of Corporate and Consumer Affairs (Mr. Smith) also recognizes that fetal alcohol syndrome awareness and education initiatives will continue to advocate safe and appropriate alcohol consumption and help to enhance the service responsibility of business in the province in some of the new liquor act changes.

This Government should be commended on its work to date. Through the leadership provided by Healthy Child Committee of Cabinet, this Government has taken an interdepartmental approach by including seven departments in the development of a plan to reduce the number of children born with fetal alcohol syndrome and to develop supports for those already affected.

* (17:50)

FAS, a preventable brain disorder caused by drinking alcohol during pregnancy, affects thousands of Canadian children every day. FAS and the related fetal alcohol effective, FAE, are neurological disorders that produce a distinctive pattern of physical, intellectual and behavioural disabilities. In the resolution we speak of the financial cost. This is evident and, I think, pretty well known. However, the human cost is even more devastating to consider. Consider the pain of the afflicted, the physical, emotional, psychological pain, the isolation, rejection, confusion from their lack of insight.

I remember one young man, I am not sure what the diagnosis was, but when it was pointed out that it was a problem he had no control over, he was quite amazed. He said, gee, I thought I was just a jerk. There are consequences of behavior, physical and financial and emotional, consequences from their behavior that often cause them to fall into the justice system and are not necessarily treated appropriately by either staff or their fellow inmates. The pain to the family, friends, caregivers requires extensive supports.

The cost of substance misuse is enormous. FAS is the most horrendous. The victim is not responsible. They are robbed of a normal life and the devastating results begin at birth. Most disturbing and profoundly sad is that there is no cure, and that it is 100 percent preventable. Education is the key. Support is critical. The mothers themselves of fetal alcohol children are, in the same sense, often victims as well, sometimes, mostly, through lack of education, and they in turn suffer the pains of guilt, helplessness, frustration, depression, exhaustion.

I remember as a young mother many years ago this was unheard of. There was no such thing as education. I really did not know anything about drinking and the effects of drinking on the fetus. Now, I was fortunate enough to have Mother Nature take a hand in providing an aversion to alcohol, so I am certainly not taking a holier-than-thou approach, a much more of a there-but-for-the-grace-of-God-go-I.

Manitoba recently hosted the second annual conference of the six-member Prairie Northern Partnership against FAS with our Minister of Family Services welcoming leaders and officials of the Yukon, Northwest Territories, Nunavut, Alberta and Saskatchewan. The Government's recently announced Healthy Child Initiative will expand its supports to the FAS and FAE families using prevention and support programs.

With the recent conference on FAS, new support materials and more funding for the provincial child care program, this Government is making steady progress in developing and restoring programs to improve family life in Manitoba. Healthy Child Manitoba focusses on public awareness and prevention strategies to reduce the number—[interjection] Okay. I just wanted to add one more thing in regard to the correctional facility. I am really very pleased to know that the Justice Department has created a taskforce on FAS, and this committee is currently working on early detection and intervention strategies to better support offenders with this disability.

I just want to say that, in my work as a social worker in psychiatry and in corrections working with the youth, I just wish that I had had the kind of information that is now available

to our workers in understanding, recognizing and understanding. I know that I have also had a personal encounter with a young lady who was a friend of my son actually, a delightful, bright young lady who continually caused us no end of pain and frustration because of her behaviour that we just simply could not understand. I had not even heard of FAE, and once I found out what that was all about, it made an incredible difference on how I reacted to her behaviour. I think if we have, not just in the correctional institutions, caregivers in every sense of the word, I applaud our Government for what we have done in this respect.

I would just like to conclude, Mr. Speaker, by encouraging this Legislative Assembly to urge our Government to consider continuing its commitment to addressing this widespread problem and to consider assisting individuals currently suffering from this preventable illness across Manitoba. Thank you.

Mrs. Myrna Driedger (Charleswood): I am pleased, Mr. Speaker, to see that the NDP are continuing efforts to deal with fetal alcohol syndrome. It is certainly an issue that does require the attention of governments across Canada, and I am pleased to see some of the initiatives that are ongoing with the Government.

The whole issue of fetal alcohol syndrome, Mr. Speaker, I do not think became known until just a number of years ago. I was pleased when I was the legislative assistant to the Minister of Family Services to be involved with some of the work that the Children and Youth Secretariat were doing at the time to look at some of the strategies to deal with children at risk. One of the strategies certainly that was being addressed was fetal alcohol syndrome and fetal alcohol effects.

I was really impressed with the work of the Children and Youth Secretariat, the scope of their work and the efforts that they were taking to look at high-risk children and preventative programs and the emphasis that was put on that

and the co-ordination that was going on between government departments that was able to be achieved through having the Children and Youth Secretariat in place. Certainly with their establishment of the children first strategy, which focused on early years and breaking down barriers to co-ordinated services and strengthening families and communities was a real priority for our Government. I was pleased to be part of many of the discussions that we had.

Certainly fetal alcohol syndrome is one that I think most of us would certainly be pleased to see eradicated at some point. It is a huge challenge for governments, a huge challenge for communities and I am sure huge challenges for families to deal with this condition.

When I was a nursing supervisor, Mr. Speaker, I can recall walking into a nursery and hearing this baby crying, and the sound of the crying was not a normal sound. I spoke to the nurse and I was wondering why they were letting this baby cry and why this baby sounded like it did. The nurse explained to me that this baby had fetal alcohol syndrome. I can remember this so well. It was eleven o'clock at night, it was dark outside and I stood looking into this crib at this little baby that had this vacant look in his eyes. He was staring—a very compelling moment. It has stuck with me for many, many years, as if I could almost close my eyes and I am there again to see this little child and the nurse telling me that you cannot pick up a baby with fetal alcohol syndrome readily because babies do not like to be touched when they have fetal alcohol syndrome. They hurt when you touch them. As a mother, it is hard to imagine what that could possibly be like.

Mr. Speaker: Order. When this matter is again before the House, the honourable member will have 12 minutes remaining.

The hour being 6 p.m., this House is adjourned and stands adjourned until 1:30 p.m. on Monday.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 9, 2002

CONTENTS

ROUTINE PROCEEDINGS		Members' Statements	
Presenting Petitions		YM-YWCA Women of Distinction Awards	
Assiniboia Memorial Curling Club Holding Company Ltd.		Asper	1308
Rondeau	1295	Mitchelson	1308
Ministerial Statements		Telehealth Program	
Mining Week		Dewar	1309
Mihychuk	1295	Manitoba Day	
Jim Penner	1296	Dacquay	1309
Gerrard	1297	Buffalo Barbeque	
Introduction of Bills		Rondeau	1310
Bill 12—The Consumer Protection Amendment Act		Matter of Grievance	
S. Smith	1297	Apology Request	
Oral Questions		Faurschou	1310
Manitoba Hydro		Laurendeau	1312
Murray; Selinger	1297		
Loewen; Selinger	1298	ORDERS OF THE DAY	
Public Schools Act		GOVERNMENT BUSINESS	
Gilleshammer; Caldwell	1299	Committee of Supply (Concurrent Sections)	
Public Schools Modernization Act		Conservation	1314
Gilleshammer; Caldwell	1300	Finance	1320
Schuler; Caldwell	1302	Executive Council	1330
Winnipeg Casinos			
Gerrard; McGifford	1302	PRIVATE MEMBERS' BUSINESS	
Highway Construction/Maintenance Capital Budget		Proposed Resolutions	
Nevakshonoff; Ashton	1303	Res. 4—Fetal Alcohol Syndrome	
School Division Amalgamations		Cerilli	1336
Schuler; Caldwell	1304	Cummings	1340
Tweed; Caldwell	1305	Korzeniowski	1342
Tweed; Doer	1306	Driedger	1344