



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. 33B - 1:30 p.m., Thursday, May 16, 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.	Wolsley	N.D.P.
GERRARD, Jon, Hon.	River Heights	Lib.
GILLESHAMMER, Harold	Minnedosa	P.C.
HAWRANIK, Gerald	Lac du Bonnet	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
LOEWEN, John	Fort Whyte	P.C.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
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 16, 2002

The House met at 1:30 p.m.

ROUTINE PROCEEDINGS

TABLING OF REPORTS

Hon. Gord Mackintosh (Minister of Justice and Attorney General): Mr. Speaker, I am pleased to table the Supplementary Information for Legislative Review 2002-2003 Departmental Expenditure Estimates.

Hon. Becky Barrett (Minister of Labour and Immigration): Mr. Speaker, I am pleased to table the 2002-2003 Departmental Expenditure Estimates for the Department of Labour and Immigration.

INTRODUCTION OF BILLS

Bill 20—The Adult Learning Centres Act

Hon. Drew Caldwell (Minister of Education, Training and Youth): Mr. Speaker, I move, seconded by the honourable Minister of Consumer and Corporate Affairs (Mr. Smith), that leave be given to introduce a bill, The Adult Learning Centres Act; Loi sur les centres d'apprentissage pour adultes, and that the same now be received and read a first time.

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

Motion presented.

Mr. Caldwell: I would like to thank the Clerk for her assistance on this.

It gives me great pleasure to introduce The Adult Learning Centres Act for first reading in this House. This important piece of legislation establishes adult learning centres as distinct entities to address the unique needs of adult

learners by providing educational programs using recognized principles of adult education. It enables adult learners, Mr. Speaker, who have not completed secondary school, or who are ineligible to pursue other educational opportunities to obtain recognized educational credentials in order to pursue further education and/or employment. The bill establishes a system of registration for adult learning centres with strict program quality and financial accountability requirements.

Motion agreed to.

ORAL QUESTION PERIOD

Chiropractic Care
Coverage Reduction

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, since 1999 the Doer government has seen revenues of close to a billion dollars come into this province, and that is the good news. The bad news is they have spent every thin dime and then some. Today, the Minister of Health on CJOB radio quoted, and this is what the Health Minister said on CJOB. He was quoted that: The decision to cut chiropractic coverage in Manitoba was a tough decision.

We, on this side, say it was a bad decision. Health care should be about access to care and choice for patients. Would the Health Minister talk to the Premier and will they reverse their decision?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, firstly, with respect to the billion dollars, I believe it was the member opposite, when he was the PR director for the Conservative campaign, that talked about a billion dollars. His facts are not accurate.

* (13:35)

With respect to the decision to deal with chiropractic, as I indicated both in this House on

previous occasions and on the radio this morning, there is a whole series of decisions we made.

It is interesting that members opposite told us not to spend more money. In fact, they said we are spending too much. When we made a decision with respect to a service that is not a core service, we did not do what members opposite did when they were government and cut the number of visits right across the board to all chiropractic patients. They cut the visits from 15 to 12. They made that budgetary decision. I indicated, as well, this morning on the radio that if the federal government would come in and—Thank you, Mr. Speaker.

Mr. Murray: Mr. Speaker, what does the Premier have to say to the 25 000 Manitobans who have expressed their concern and disappointment that his Government has made the decision to eliminate chiropractic care for Manitobans under the age of 19?

Hon. Gary Doer (Premier): Mr. Speaker, this is a service not covered under the Canada Health Act. It is a private service that we are contributing co-payments to, and I thought members loved private health care.

Mr. Murray: Well, Mr. Speaker, both the Premier and the Health Minister like to argue that the Canada Health Act does not cover chiropractic services so it is okay in that respect to reduce coverage. I would like to point out to the Premier that neither home care nor Pharmacare is covered under the Canada Health Act. So, under this Government's watch, under the Doer government, are Manitobans expected to have reduced Pharmacare and reduced home care?

Mr. Doer: Mr. Speaker, we initiated the first home care system in North America, the non-profit home care system. I remember members opposite when they did try to privatize home care after the last election campaign in '95, how the public rebuked that.

There are two election promises from the federal Liberals contained within red book—*[interjection]*

Well, let me get this straight. The barking dog gets moved up front now so he can chirp a

little louder here in the House. Is this the deal? Is this the new Tory team?

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I would like to remind all honourable members that each and every member in the House is an honourable member and they should be referred to by their constituencies or ministers by their portfolios. I ask the honourable First Minister to please withdraw that comment.

Mr. Doer: Mr. Speaker, I did not refer to any member, but I will withdraw the comment. I certainly think that heckling is out of order. The member opposite continues to heckle. I find it passing strange that the Member for Ste. Rose (Mr. Cummings) has moved back, the Member for Morris (Mr. Pitura) has moved back and this member has moved forward.

Mr. Speaker: Order. Before I go to the next question I would like to thank the honourable First Minister for that withdrawal.

Mr. Doer: I have not finished my answer yet. Thank you.

Mr. Speaker: Conclude your comment.

Mr. Doer: Mr. Speaker, as I was saying, in 1997 the Liberals, in their red book, promised to bring a 50-50 program or a national home care program in under the Canada Health Act. In 1997 the Liberals promised to have a national pharmacare program. We certainly have reminded the federal government of that in our presentation to the Romanow Commission. There are no political commitments by the federal government to put chiropractic services under the Canada Health Act. This is a private system that gets co-payments from the provincial government. Members opposite celebrate and worship at the altar of private systems. I am surprised they are flip-flopping on this issue.

Chiropractic Care Coverage Reduction

Mrs. Myrna Driedger (Charleswood): We learned today that 25 000 Manitobans have signed protest letters asking this Government to reverse their decisions about their chiropractic cuts. I would like to ask this Minister of Health

today if he will reverse his decision on the chiropractic coverage, cuts that he made to that, if he will truly listen to the Manitobans that are asking him not to cut back care to children and to other patients in Manitoba.

* (13:40)

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, what I find very strange in the member's question is they voted against our Budget that expanded health care dramatically to every man, woman and child in the province of Manitoba. They voted against and they campaigned against our expanded nurses program.

Point of Order

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

Mr. Speaker, if the minister does not know the answer to the question, he should just sit down.

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

Mr. Chomiak: Mr. Speaker, the member specifically asked a question about the Budget, related to coverage under the Budget. I was responding with respect to budgetary questions, which I note there have not been a lot of.

Mr. Speaker: On the point of order raised by the honourable Official Opposition House Leader, I would like to take this opportunity to remind all ministers that *Beauchesne* 417: Answers to questions be brief, deal with the matter that is raised and to not provoke debate. I ask the co-operation of all honourable ministers, please.

* * *

Mr. Chomiak: Mr. Speaker, the member has made a reference to the press conference held by the chiropractic association and a series of letters they brought in. As I said on the radio this morning, I understand a lot of Manitobans care

about chiropractic, and that is why it has not been de-insured.

Mrs. Driedger: I would like to table a letter from a Mr. Frank Richards who called the Member for Transcona (Mr. Reid) to complain about these cuts to chiropractic coverage and was told by the Member for Transcona that some chiropractors lived in Tuxedo, some chiropractors made \$200,000, some chiropractors drove big cars, and that he only drove a tin can.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mrs. Driedger: I would like to ask the Minister of Health if it is indeed, as Mr. Richards titled his letter, NDP jealousy of chiropractors' lifestyle that is the true reason for medicare cuts.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Chomiak: Mr. Speaker, the member has enough trouble defending her own comments and her own words, never mind introducing third-party comments.

Mrs. Driedger: I would like to ask this Minister of Health if the million dollars that he is saving from cutting chiropractic care for children is what he is actually going to use to build his sandwich factory.

Mr. Chomiak: No.

Family Farms Government Commitment

Mr. Jack Penner (Emerson): Yesterday we read that the exodus of the Manitoba farm had been reduced by 13.6 percent. The majority of that reduction occurred in the last five years. I want to ask the Premier whether he has read the headline in the *Winnipeg Free Press* today that says: Manitoba leads the farm exodus.

Can the Premier tell me whether the next headline we will read in the *Winnipeg Free Press* will be Manitoba farmers become an endangered species?

Hon. Gary Doer (Premier): First of all, I am pleased the agricultural question has finally been asked by members opposite. It is not my job to

presume what members opposite should ask, but the fact it was not a lead question yesterday shows me how low the priority of agriculture has now become in a party that has stood up for agriculture for generations.

Mr. Speaker, the fact the question was not asked yesterday I think was regrettable, because to us it was a very important issue. Let me correct. I know facts are not important to some members, but the Stats Canada survey was from May of 1996 to May of 2001, so we should not put a partisan twist on three and a half years of Tory rule and one and a half years of NDP rule.

* (13:45)

The real issue here is we have had a significant decline in the numbers of farmers here in Manitoba, right across Canada, but more particularly in areas where the subsidies have been the greatest. I think the grain and oilseed areas in Manitoba and Saskatchewan have been hardest hit. Members opposite will know this because the Minister of Agriculture (Ms. Wowchuk) has been dealing with this, the former Minister of Agriculture as well as the present Minister of Agriculture. I am pleased members opposite have joined us against these obscene U.S. subsidies, which have put a lot of livelihoods at risk.

I would suggest to members opposite we have a challenge. These numbers represent, as I say, two thirds of one regime and one third of another regime. The bottom line is we are all in this together to fight for the family farm, and I appreciate the question today.

Manitoba Crop Insurance Program Funding

Mr. Jack Penner (Emerson): I am really pleased the Premier is finally putting some priorities on agriculture. Just so that we know the sincerity with which the Premier talks about this, I would like to ask the Premier: Why did his Government remove \$53 million from one of the income security programs farmers have, namely Crop Insurance?

Hon. Gary Doer (Premier): The member opposite knows the criteria for Crop Insurance.

There were a number of measures we have taken, including spreading or improving the scope of Crop Insurance for unseeded acres based on heavy and excessive moistures.

Mr. Speaker, members opposite raised the taxation rate. In fact the portioning on taxes was just changed this year. During the five years the member was talking about, the Tory portioning on agriculture was raised from 26 percent to 30 percent. We have reversed this. The Minister of Intergovernmental Affairs (Ms. Friesen) has reversed that portioning on agriculture from 30 percent to 26 percent.

Canadian Farm Income Program Funding

Mr. Jack Penner (Emerson): Again, Mr. Speaker, I am very pleased to hear the Premier is finally recognizing the dilemma that his farm community is in. His advice to Manitoba farmers was during the election campaign: Vote for the NDP and we will stand by the family farm, and we will save the family farm--

Mr. Speaker: Order.

Point of Order

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, *Beauchesne* 409(2): "A supplementary question should need no preamble." Would you please remind the honourable member.

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

Mr. Jack Penner: Mr. Speaker, the Premier knows full well this government, this Conservative government, removed \$20 million of ESL taxation from farm land. His reduction does not even come close to comparing to the reduction we had in this province.

* (13:50)

Mr. Speaker: On the point of order raised by the honourable Government House Leader, I would like to take this opportunity to remind all honourable members *Beauchesne* Cita-

tion 409(2): A supplementary question should not require a preamble. I would ask the honourable member to please put his question.

* * *

Mr. Jack Penner: Thank you very much, Mr. Speaker, and I appreciate your caution.

I want to ask the Premier why it is that in this year's Budget they are removing a further \$4.25 million from the Canadian farm income protection plan when he is as serious as he said about the protection of the farm community and the family farm in this province of Manitoba.

Hon. Gary Doer (Premier): Mr. Speaker, the member opposite will know there are some agricultural investments now that are increasing and improving. When the member opposite asks what the headline will be with the next Stats Canada report, I am hopeful and I think we all have to work toward a strategy that reverses the decline in family farms here in Manitoba.

The member asked, and I am hoping the headline next year in agriculture will be: Manitoba now growing more potatoes than any other province in Canada. That is what I am hoping the strategy will be. I am hoping the headline will be, and I do not write the headlines, that Manitoba is leading the country in biotechnical expansions that improve agricultural development. In fact, there was a headline about that yesterday. I am hoping the headline next year will be: Nutraceutical centre and investments here in Manitoba are taking diversification of crops into healthy foods and leading the country in a new \$20-billion industry. I hope next year the headline is that the number of seeded acres of potatoes has grown 8.8 percent in the last two years.

Mr. Speaker, the grain and oilseed sectors and the pulse crop sector are under the obscene subsidy threat of the so-called free traders, friends of members opposite, and that is why we have to bind together with the family farm and deal with this problem in a legitimate way.

Hells Angels Retail Outlet Opening

Mrs. Joy Smith (Fort Garry): Mr. Speaker, police say the Hells Angels are responsible for a

series of shootings and assaults in Winnipeg, as well as being major players in drug trafficking and prostitution. The gang has been linked to an attack on a police officer's home. Now the Hells Angels are trying to open a retail store in the Exchange District. What has the Attorney General done to support the City to prevent this from happening here in Winnipeg?

Hon. Gord Mackintosh (Minister of Justice and Attorney General): Mr. Speaker, I am sure that members opposite may be aware that after years of inaction and lack of specialization and targeting of gang crime in this province, the Prosecutions branch now, under our watch, has a gang unit in place. I also say we have in place a prison gang suppression team which is growing in its ability to link with both police and all the correctional facilities in Manitoba for the surveillance and interception of communications involving criminal organization members.

As well, we have introduced a witness intimidation strategy that is overdue in this province. We also provided, along with Québec, some national leadership to get C-24, new criminal organization provisions in the Criminal Code in place. Those are some of the initiatives we have ushered in because, clearly, it demands innovative and different ways of tackling this issue.

Mrs. Smith: Mr. Speaker, will the Attorney General advise this House today what he has done to support the City to prevent the Hells Angels from opening a retail store in the Exchange District?

Mr. Mackintosh: Yesterday, we heard of members opposite who said do not interfere in the retail businesses of this province even when they are selling products that kill our youth. Today they are saying get involved, so perhaps they want to look at their strategy on retail businesses.

I will say this, Mr. Speaker, that we have been in discussions with the Winnipeg Police Service in terms of the application of—*[interjection]* They like to hear themselves ask questions and go no further.

* (13:55)

As I have said, we are having ongoing discussions with Winnipeg Police Service as a department to see how we can support the Winnipeg Police Service with their concern and our mutual concern about this particular initiative to determine what is behind it and what the links are.

Mrs. Smith: Mr. Speaker, will the Attorney General support the mayor of this city, when the mayor said he would like the City to have the power to reject applications from criminal groups but would probably require provincial legislation? Will the Attorney General do something specific to prevent the Hells Angels from opening the retail store in the Exchange District?

Mr. Mackintosh: Mr. Speaker, I am pleased to confirm this Government is looking for any ways the Province can bring to bear laws, whether they are new laws or existing laws, to deal with this challenge. It is indeed one of the challenges of organized crime in that it often operates with a face of legitimacy, so it is important that there be different and innovative strategies that have not existed. We will be discussing with the City and the city police ways or methods to address this issue.

We look forward to a co-operative approach, because anything that can be done has to be done, but I remind Manitobans when provincial legislation was introduced in this House to deal with organized crime the Opposition made a very clear statement that it was not a priority and refused to pass that before Christmas.

Manitoba Hydro Financial Statements

Mr. John Loewen (Fort Whyte): Mr. Speaker, the Minister of Finance is forcing Manitoba Hydro to put debt on Hydro's books to provide cash to the Province to cover the Doer government's operating deficit. This is categorically off-balance-sheet financing.

Mr. Speaker, would the minister explain to Manitobans what KPMG, who are the auditors for Hydro, has to say about the minister's refusal to allow Hydro to meet CICA requirements by restating their third-quarter statement to reflect

the fourth withdrawal of \$150 million from Hydro to cover last year's operating deficit?

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, the obvious answer to the member's question is that the third-quarter financial statement was distributed to you and to other members of the Legislature on February 19. When the fourth-quarter financial statement comes out, it will bring everything up to date, which is the appropriate mechanism to deal with it.

Mr. Loewen: The appropriate mechanism is to restate it. I would like to ask the minister: Has he consulted with the Auditor General to get his opinion on the advisability of using off-balance-sheet financing to cover operating deficits?

Mr. Selinger: Mr. Speaker, the Auditor General has free and full access to my office. He can give me advice anytime he wishes. I am sure he will if he thinks it is appropriate. The decision that we made with respect to the Budget to transfer some of the excess profits of Hydro to the Government of Manitoba was to provide fiscal stability to this province, something the members opposite did when they privatized the Manitoba Telephone System. Then, because they were afraid to deal with the success of Manitoba Hydro in generating profits from exports, they did backroom deals through the back pages of the Hydro annual report where they had off-the-book financing for government projects which they never disclosed to anybody.

Mr. Loewen: Mr. Speaker, my supplementary question to the minister: Does he have an analysis that he can table which will show the effects of the borrowing that was required by Manitoba to undertake the \$288-million payment to the Province of Manitoba to help finance the purchase of Winnipeg Hydro and for the construction of the Wuskwatim dam? Can he table an analysis that will show to the ratepayers of Manitoba Hydro what effects all that borrowing will have on their hydro-electric rates?

Mr. Selinger: Mr. Speaker, I have indicated several times in this House that the transfer from Hydro is a result of the profits over and above

what was forecast of \$371 million. These profits are the result of building the Limestone project in the late eighties, early nineties, a project that was deliberately built for export purposes.

It is only appropriate that Manitobans, who guaranteed and provided the leadership from this side of the House to build that project, should see those benefits accrue to all Manitobans. This is in stark contrast to the members opposite who broke an election promise not to privatize the telephone system, sold the telephone system, put some of the profits into the Fiscal Stabilization Fund and then used them to fuel their re-election bid, which failed in the last election.

Winnipeg Casinos Air Quality Study

Mr. Speaker: The honourable Member for River Heights.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. The honourable Member for River Heights has the floor.

* (14:00)

Hon. Jon Gerrard (River Heights): Mr. Speaker, earlier this week the Minister responsible for the Manitoba Lotteries Corporation indicated there will be a comprehensive assessment of air quality at the Club Regent and McPhillips Street Station casinos. My question to the minister is: What aspects of air quality will be measured, and when will the report of the findings be presented?

Hon. Diane McGifford (Minister charged with the administration of The Manitoba Lotteries Corporation Act): As I did indicate earlier this week, and as the member has reiterated, there will be an air quality study at the McPhillips Street Station casino and at Regent Street casino. The date on the purchase orders was March 12, 2002.

We expect this study in late May, early June, and it is expected to be completed in September.

Mr. Gerrard: Mr. Speaker, what the minister is referring to is a replacement of the carbon filters.

I ask the minister to admit those carbon filters have not been replaced in three years when they should have been replaced in one year and a maximum two years, and in fact they are a major reason we have a shortfall in air quality in the casinos, and that is causing a lot of health problems for people.

Ms. McGifford: When the member opposite is in full flight, I am always reassured that there is a doctor in the House, because I sometimes worry about his blood pressure.

Mr. Speaker, I have no idea what the member is referring to. I am referring to a study on the filtration system of lotteries, which will be undertaken in late May or early June. The results will be available in September. I do not know how he knows what I am referring to. I do know what I am referring to.

Mr. Gerrard: Too many times the minister has misled this House, and I would—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I would like to take this opportunity to ask all members for their co-operation, when picking words, to just use a little caution. All members are honourable members. I would ask members to be a little gentle with each other in the phrases that they are using.

Point of Order

Mr. Marcel Laurendeau (Official Opposition House Leader): Mr. Speaker, the member was clearly using the word "misleading," which is definitely parliamentary. If he had stated "deliberately misleading," then we would have had reason to give him a warning, but to advise the member not to use the word "misleading," I think we might be in trouble in this House, because that is something that side is always doing.

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

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, the member was being cautioned by the Speaker, was not being called on a point of order and was not being asked to

withdraw any remarks or change his wording. It was simply a caution in order to maintain the decorum of the House, which is the role of the Speaker in any Legislature.

Mr. Speaker: On the point of order raised by the honourable Official Opposition House Leader, I was giving a caution to all members of the House, because when it starts to use words that are getting close to—sometimes it just takes one incident to go over the limit. That is why I was asking all members just to be careful in the words they choose.

It was a general caution to all members. I was not referring to one member specifically, but in the future please be careful in choosing your words because every member here is an honourable member.

* * *

Mr. Gerrard: Mr. Speaker, I ask the Minister responsible for the Manitoba Lotteries Corporation to admit that the operating manual, which describes how you evaluate whether the air conditioning system is working, describes one test which is called the sniff test to detect the odours coming from the filtration system. I would suggest to the minister that the odours coming have clearly indicated the system is not working properly, as many have reported to me, and that the minister perhaps should go to the casinos and smell for herself.

Ms. McGifford: Well, Mr. Speaker, I guess I could say the only one blowing smoke is the member opposite.

I just want to bring to this member's attention that the administration at the Manitoba Lotteries Commission are professional people who care for their workers, who care for their customers, who are doing a very good job and have undertaken this study. I only wish this same kind of work had been undertaken at Pinawa where we have a nuclear waste site.

Sherridon Rail Line Service Resumption

Mr. Gerard Jennissen (Flin Flon): Mr. Speaker, my question is for the Minister of

Transportation and Government Services. Last Friday a fire on the Sherridon rail line to Pukatawagan and Lynn Lake destroyed a bridge. Consequently, 53 Mathias Colomb First Nations passengers were unable to reach their destination by rail.

Can the minister update the House on what the provincial government has done to assist in resolving this problem?

Hon. Steve Ashton (Minister of Transportation and Government Services):

Mr. Speaker, I hope all members will listen to this because, believe you me, if you live in Mathias Colomb or any of the communities served on the Sherridon line or the Hudson Bay rail line when it is your vital link to the community, a situation like this is serious.

I was notified last Friday. I know the Member for Flin Flon (Mr. Jennissen), who represents the area, has been in constant contact with me. EMO worked along with other agencies, and particularly I would like to give credit to Hudson Bay rail because they worked very closely and worked very hard to get members of the community back into the community because, once again, this was the only access. I know the repairs are ongoing, and the hope is that we will see a resumption of service. I believe even yesterday there was hope to have service resumed.

I want to commend everyone that was involved in this, again, people from Mathias Colomb, chief and council in particular, and EMO. This is the kind of thing we do as Manitobans. When there is an urgent situation, we act as soon as possible, another example of our emergency responders and communities working together, in this case, getting back the service very quickly.

Workers Compensation Rate Increase

Mr. Leonard Derkach (Russell): Mr. Speaker, this NDP government is quickly acquiring the characteristic of helping the Premier's (Mr. Doer) friends through such things as increased administrative costs, running deficits in arm's-length agencies and that sort of thing. The

Workers Compensation Board will be seeing rising premiums of 11.4 percent over the next four years. This is an unprecedented raise in the last 10 years.

I want to ask the minister who is responsible for the Workers Compensation Board why she is allowing the Workers Compensation Board to increase this kind of premium to the payers of workers compensation, when in fact administrative costs have increased by \$2 million and the Workers Compensation Board is now running a deficit of something like \$2.4 million.

* (14:10)

Hon. Becky Barrett (Minister charged with the administration of The Workers Compensation Act): Mr. Speaker, I did answer practically the same question two days ago in the House, but I am more than happy to answer the question again today.

First of all, the Government does not allow the Workers Compensation Board to set the rates. The Workers Compensation Board sets its own rates. It certainly does under our Government. Secondly, the administrative costs of the Workers Compensation Board of Manitoba are the lowest in the country. Third, the Workers Compensation rate that will be increased as of July 1 will still have the Workers Compensation Board of Manitoba rates the lowest in the country. I would suggest they look at the province of Alberta where the Workers Compensation rates were just increased by 23.7 percent.

Workers Compensation Investments True North Entertainment Complex

Mr. Leonard Derkach (Russell): Mr. Speaker, I want to ask the minister what rate of return she expects from the Workers Compensation Board investment in the new arena. It is an investment of \$7.5 million, when in fact we are told the reason for the increased rates is because of poor investment decisions in the past.

Hon. Becky Barrett (Minister charged with the administration of The Workers Compensation Act): Mr. Speaker, the member is wrong in his statement about the \$7.5-million

participation in the True North project. It is a line of credit. It is not an investment. The investment committee of the Workers Compensation Board has, over time, a very good record of providing a good return on investments. The investment community as a whole, and the workers compensation investment community across this country, are suffering from the same effects of the economic downturn felt late last year, exacerbated by the tragic events of September 11. We have all the confidence in the world in the investment committee's decisions that they will make in these very, very difficult times.

Mr. Derkach: Mr. Speaker, I want to ask the minister why she would allow for what she says is a line of credit, which still puts at risk \$7.5 million.

This is the same minister who tried to take \$30 million out of MPIC and, once the public outrage became apparent, she reversed her decision. Today she is trying to put another \$7.5 million in a venture capital outfit. She is the minister responsible. I want to ask her why she is doing this on the backs of small business people—

Mr. Speaker: Order.

Point of Order

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, I do not know if the honourable member did not have a good lunch or is not feeling well today, but that was, clearly, a very significant abuse of the rules. *Beauchesne* Citations 409 and 410 make it very clear: No preambles. He was going on and on with an extensive preamble.

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

* * *

Mr. Speaker: When the honourable member was putting his question, I was standing up and

your mike was probably cut off, so I would ask you to please stand up and put your question.

Mr. Derkach: Thank you, Mr. Speaker. I will start again. I want to ask the Minister responsible for the Workers Compensation Board: Why is this minister, who has already tried to steal \$30 million from MPI, allowing \$7.5 million to be taken—

Mr. Speaker: Order. I recognized the honourable Member for Russell to put his question, not to rephrase the whole question. The honourable Member for Russell, please put your question.

Mr. Derkach: May I go on a new question, then?

Mr. Speaker: New question? You will have the opportunity once you put this question and the minister answers it; then you will have the opportunity to put another question. I ask the honourable Member for Russell to please put his question.

Mr. Derkach: I want to ask the Minister responsible for the Workers Compensation Board why she is allowing the Workers Compensation Board to invest \$7.5 million of ratepayers' money into a risky venture to begin with where returns can be questionable.

Ms. Barrett: If the critic understood the relationship between the Workers Compensation Board and the Government, it is an arm's-length organization. The minister has no allowing to do. It was a decision that was taken by the investment committee and the Workers Compensation Board without any interference or discussion at all or influence or any other of the things the former government may have done in their relationship with the Workers Compensation Board but we have not.

Workers Compensation Administration Costs

Mr. Edward Helwer (Gimli): Had administration costs not increased at the Workers Compensation Board by \$1.9 million in 2001, the Workers Compensation Board would have come very close to balancing their budget

last year. Instead, under her watch they incurred a \$2.4-million deficit.

If the Workers Compensation Board's current financial situation calls for an 11.4% rate increase, why has this minister chosen to let the Workers Compensation Board hike up their administration costs and stick Manitoba small businesses with this bill?

Hon. Becky Barrett (Minister charged with the administration of The Workers Compensation Act): As I stated in my earlier answer, the Workers Compensation Board has the lowest administration costs of any workers compensation board in Canada. In addition, the 11% increase the member talks about is a projection over five years.

Even if that were the case and we were at the \$1.66 rate that is projected as a possibility for five years, we would still be lower than the Province of Alberta, which this year increased their rates by 23.7 percent and now have a rate of \$1.68. So much for the vaunted Alberta advantage.

Mr. Speaker: Time for Oral Questions has expired.

MEMBERS' STATEMENTS

Mental Health Care

Ms. Marianne Cerilli (Radisson): Mr. Speaker, Manitoba Health has been working very hard over the last year on mental health renewal to raise the profile of mental health. Major initiatives announced during Mental Health Week did not receive the attention they warrant; therefore, I want to highlight here specifically the innovation on co-occurring mental health and substance abuse disorders.

Last week our Health Minister (Mr. Chomiak) attended a workshop with Drs. Kenneth Minkoff and Christie Cline and approximately 40 stakeholders. The workshop, the first step in a multi-year project, officially launched the new service model that has just been developed to improve support for Manitobans with co-occurring issues of mental health illness and substance use disorders.

Using a training for trainers' approach, Mr. Speaker, this initiative will provide system-wide training for all mental health and addiction service programs operating within the Winnipeg Regional Health Authority. It will also improve integration and continuity of mental health services so that clients can better access appropriate services at the right place and at the right time, rather than having different services that do not jointly address these problems of addiction and mental health problems that often occur together in a person.

Funding has been provided by the Winnipeg Regional Health Authority, Addictions Foundation of Manitoba and Manitoba Health. The intention is to expand it province-wide. This new mental health initiative ties in closely with mental health renewal, a priority of the Department of Health. With stakeholders, Manitoba Health has developed a four-year plan for profiling mental health and broadening the mandate of the mental health system that includes a vision, statement, goals and objectives.

Two goals of our mental health renewal plan are improving services and clients' ability to access appropriate services at the right place and time and, secondly, to improve integration and continuity of mental health and health-related services. Our approach is based on an overall population health principle and—

Mr. Speaker: Order. The honourable member's time has expired.

* (14:20)

Point of Order

Ms. Cerilli: On a point of order, Mr. Speaker, I was watching my red light carefully, and it did not flash. [*interjection*] I feel like the Member for Selkirk (Mr. Dewar) is vouching for me here. He was also watching.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. Normally, I press the button for the light to start blinking at 15 seconds. This time I was a little preoccupied, and I take full responsibility. I did not press the

button, so I would kindly ask the House if they would allow her 15 seconds to add. My error. I just ask 15 seconds. Agreed? [*Agreed*] I will press 15 seconds.

* * *

Ms. Cerilli: I want to conclude by saying that our approach is based on an overall population health principle and community-based strategies. With early detection, people can be more appropriately treated. I want to congratulate our Minister of Health on his commitment to mental health in Manitoba and assure all those people with mental illness in Manitoba that this Government understands and is concerned about their needs.

Hog Watch—Funding Withdrawal

Mr. Harry Enns (Lakeside): Mr. Speaker, I choose to use my member's statement for an urgent appeal to the Premier (Mr. Doer). We have had the unprecedented action in this House this week when we recognized the difficulties of agriculture. We have supported in quick fashion the resolution of the Premier.

Mr. Speaker, we have all spoken about it. We read the headlines in the *Free Press* that we do not like about the demise of the family farm. One of the few bright candles that are still burning in agriculture is in the pork industry, and the Premier is fully aware of it.

Now I ask the Premier to do the one thing that he can do immediately without any cost to the Treasury, in fact with a savings to his Treasury. Stop funding organizations whose sole motive is the destruction, the blowing out of that candle in the pork industry. Hog Watch is getting \$50,000. It is not a neutral body. Its stated goal, its stated aim, you check their Web site, their stated aim is to destroy or turn back the clock and stop hog production in the province of Manitoba.

Well, Mr. Speaker, that is one thing that the Premier could do just upon leaving the Chamber. He could suggest to his appropriate minister: Look at it. Hog Watch need not get \$50,000 of taxpayers' money, of hog producers' money, to kill their industry; who are deliberately on a

daily basis misrepresenting the industry, providing misinformation to the industry and generally fearmongering the general public about pork production in the province.

Western Canada Aviation Museum

Ms. Bonnie Korzeniowski (St. James): Mr. Speaker, on April 18, the Western Canada Aviation Museum held a Volunteer Appreciation Celebration to honour the 333 individuals who contributed approximately 38 100 hours of time, talent, and skills in the year 2001. If valued at a bargain rate of \$15 per hour, these volunteers donated more than \$571,500 to the Western Canada Aviation Museum.

The WCAM volunteers represent a diverse cross-section of the community, but regardless of their age, occupation or gender, they share one cherished goal—to preserve Canada's aviation heritage.

Ms. Sharon Morden, Volunteer/Rental Office, who deserves credit, praised the volunteers for their hard work and noted that their dedication is truly inspiring. Each volunteer, in their own way, has made a difference to the museum and to the community at large.

The museum states that they could never repay these volunteers for their efforts. The Appreciation Celebration was their way of demonstrating their sincere gratitude to the men and women who help keep the museum going. "We could not do it without them!"

I had the honour at the celebration of presenting 20-year plaques to the following volunteers: John Datskiw, Wesley J. Maher, Ed Juzak, and A.F. Morien. These volunteers have been around almost as long as the museum itself. They are an integral part of the WCAM, as are all of the volunteers.

I also helped present certificates to the 98 volunteers who had donated 100, 300, or 500 hours of service in 2001 and to the three volunteers who had donated an astonishing 1000 hours or more during the year. The recipients were: David Fox, Elizabeth Kobold and A.F. Morien.

These people truly exemplify the generous spirit of volunteerism in Manitoba. I know this Assembly joins me in extending my gratitude and congratulations.

Family Farms—Reduction

Mr. Larry Maguire (Arthur-Virden): Mr. Speaker, it is my pleasure to rise today to bring forth a private members' statement on the situation in agriculture in Manitoba as well.

Mr. Speaker, it was announced today by the Premier of Manitoba (Mr. Doer) that, of course, the Statistics Canada numbers indicate that Manitoba has lost 13.6 percent of its farmers in that five-year period '96 to March 2001. Of course, they were saying that a good deal of those years were under the Manitoba PC government rule.

Our government was the government, and the PC Party was the government in Manitoba for those first three years up till the fall of 1999. However, there were a great many points made by this government in support of: such as the flood money for the southwest part of Manitoba and other regions, bringing crop insurance wet acreage payments in place; the development of bringing forth mechanisms that will allow for the expansion of the hog industry that we have seen as one of the success stories that the Member for Lakeside (Mr. Enns) as minister involved at that time did and has just pointed out now as well, Mr. Speaker. The point is that the transition from the Crow benefit loss to the farm bill of the United States today is something that this government of the day has taken nothing into consideration to deal with in regard to the future of Manitoba.

There are many farms that are viable in rural Manitoba today and there are many opportunities. They have been pointed out in this House many times. But there are farmers out there today struggling in the size of their operations, trying to maintain the opportunity of squeezing that last 7 or 8 cents out of a dollar of grass, when in fact it is in the 92-cent range of investment that they have to make to get a gross dollar in this industry today. Of course, that has led to a changing of the types of farming that we are having in Manitoba and we have been most impacted by it.

I would just like to say in closing that, as well as being the highest taxed west of Québec, there is only Prince Edward Island that has lost more farmers than we have in Manitoba.

* (14:30)

Chris Chatelain

Mr. Jim Rondeau (Assiniboia): I rise today to congratulate Chris Chatelain of Sturgeon Creek Collegiate who recently came first in the sixth annual Manitoba Robotics Game Competition. This competition is sponsored by the Manitoba Science Council and focusses on developing high-end, critical-thinking skills utilizing leading-edge technology.

I understand that Chris has just come back from a competition in Calgary sponsored by the Southern Alberta Institute of Technology. This was an open competition with high school and university students competing in a sumo wrestling event. This event has students develop robots that will push, pull or flip their opponents out of the ring. It is a high-level skill, and you have people from all the high schools in western Canada along with universities all through western Canada competing.

Chris, who has been enrolled for three years in the electronics program at Sturgeon Creek, designed and built two robots. One autonomous robot which actually works without remote control uses its own artificial intelligence and one robot that was working on remote control.

I am pleased to announce that Chris was awarded second place in this competition. This is a wonderful feat that he should be extremely proud of.

I would like to also mention Gary Yakimoski, the electronics teacher at Sturgeon Creek Collegiate, who in addition to running a challenging state-of-the-art program, also conducts a school robotics club. This club has kids work in it, and what they do is they talk about problems, they talk about solutions to the electronics and computer systems. I am sure we all wish Chris well in his studies in the second year computer program, an analyst program, at Red River next year. I know with achievements

like this, we can look forward to a very bright future in this province.

Thanks, Chris. You have done a good job.

ORDERS OF THE DAY

GOVERNMENT BUSINESS

House Business

* (14:30)

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, I wish to obtain the unanimous consent of the House to rescind the Estimates sequence change moved and agreed to yesterday, to change the Estimates sequence in the Chamber by switching the Justice Estimates with the Estimates of Consumer and Corporate Affairs. Would you ask if there is consent?

Mr. Speaker: Is there unanimous consent of the House to rescind the Estimates sequence change moved and agreed to yesterday, May 15, to change the Estimates sequence in the Chamber by switching the Justice Estimates with the Estimates of Consumer and Corporate Affairs? Is there consent? *[Agreed]*

Mr. Mackintosh: I wish to obtain the consent of the House to vary the sequence for the consideration of Estimates by switching in the Chamber the Department of Culture, Heritage and Tourism with the Department of Justice and that is to apply permanently.

Mr. Speaker: Is there unanimous consent of the House to vary the sequence for consideration of Estimates by switching in the Chamber the Department of Culture, Heritage and Tourism with the Department of Justice? Is there unanimous consent? *[Agreed]*

Mr. Mackintosh: I wish to obtain consent of the House to vary the sequence for the consideration of Estimates by switching in committee room 254 the Department of Labour and Immigration with the Department of Conservation. This change is to take effect for Tuesday May 21 and is to be in effect for the balance of the week of May 21-23.

Mr. Speaker: Is there unanimous consent of the House to vary the sequence for the consideration of Estimates by switching in committee room 254 the Department of Labour and Immigration with the Department of Conservation? This change is to take effect for Tuesday May 21 and is to be in effect for the balance of the week of May 21-23. Is there agreement? *[Agreed]*

Mr. Mackintosh: I move, seconded by the Minister of Labour and Immigration (Ms. Barrett), that the House resolve into Committee of Supply.

Motion agreed to.

**COMMITTEE OF SUPPLY
(Concurrent Sections)**

CONSERVATION

* (14:40)

Mr. Chairperson (Harry Schellenberg): Good afternoon. Will the Committee of Supply please come to order. This afternoon this section of the Committee of Supply meeting in Room 254 will resume consideration of the Estimates of the Department of Conservation. We are on page 48 of the main Estimates book.

12.4. Conservation Programs (e) Forestry
(4) Forest Management and Development (a) Salaries and Employee Benefits \$506,800—pass;
(b) Other Expenditures \$37,000—pass.

12.4.(5) Forest Regeneration Stock
\$1,411,900.

Mr. Harry Enns (Lakeside): Mr. Chairman, there was a time when the department was more actively and directly involved in providing forestry generation stock, I would call it, through the nurseries both up at The Pas and in Pineland. I am aware, of course, that these have changed and the actual production of nursery stock is now no longer directly involved with the department, or at least at some arm's length with respect to Pinelands. What is the situation and from whom does the Government purchase its seedling stock for replanting?

Hon. Oscar Lathlin (Minister of Conservation): All of the nursery stock is supplied by the Pineland Nursery.

Mr. Enns: The Pineland Nursery now is the sole provider of stock. I know roughly what has happened there. But what is the current situation, and what if any relationship does Pineland continue to have with the department and with Government? I note that there is a zero line in these appropriations. Is this what we would call now created as a stand-alone agency where—have the assets of Pineland Nursery, which at one time were part of the assets of the department, part of the assets of the Government, been signed over or sold to the group now managing the Pineland Nursery? Just some general information about the structure of Pineland Nursery. One other question while on that: In the arrangement that we arrived at with respect to Pineland Nursery, is the Manitoba government obligated to purchase all of its nursery stock from that facility, or indeed can you go shopping elsewhere?

Mr. Lathlin: The Pineland Nursery that the member refers to is, of course, a special operating agency. It operates at arm's length from government, but there is a board that operates the nursery, I understand, at a break-even-point basis. The Deputy Minister of Conservation chairs the board of directors. As far as buying the seedlings from elsewhere, yes, we can go on the open market.

Mr. Enns: I will just pass.

Mr. Chairperson: 4. Conservation Programs (e) Forestry (5) Forest Regeneration Stock \$1,411,900—pass; (6) Pineland Forestry Nursery. I will just read that into the record.

4. (f) Fisheries (1) Administration (a) Salaries and Employee Benefits.

Mr. Enns: I was mistaken. I thought maybe there was a general item here that I would have a chance to speak to. Since last we met the minister has tabled the Five-Year Report on the Status of Forestry in the House, which I thank him for, not that I want to take up any great deal of time on this. I look forward to perusing it more carefully myself, but more importantly, just how this will work out over the next period of years for the Government.

One specific question. I am aware that we are talking about all the forestry resources in the

provinces, but, certainly, from my knowledge, what I call the east shore, the eastern portions of the province east of Lake Winnipeg—

Mr. Chairperson: Order, please. We have finished all the lines in 4.(e), which is about Forestry. Is there leave to revert to Forestry? *[Agreed]*

Mr. Enns: Mr. Chairman, I will not abuse this leave. I just wanted to make the one general comment. It is just in the last few days the minister has also issued a public press release indicating the appointment of a Mr. Phil Fontaine to head a group that is going to, in my opinion, be directly involved with the future economic development, well, all things in that region. My understanding of it is that that is probably the part of Manitoba that has been the least scrutinized by anybody in terms of forest inventories, in terms of overall resources. There has been less activity.

Whether it is mining companies searching for mineral deposits, whether it is our own forestry people doing very active forestry inventory work in that area, I am assuming that in combination with this five-year look at forestry, the task force that Mr. Phil Fontaine is heading up in that area will provide the minister, will provide the Government with a blueprint, if you like, or at least some recommendations as to how the resources of that fairly significant part of the province, which, I think the minister and I both agree, is largely undeveloped, under-serviced, and yet, at the same time, holds out considerable opportunities and challenges for the First Nations people that reside in the area, as well as others. But I suppose my question is whether the group that Mr. Fontaine heads will have considerable impact with respect to all resources but also forestry resources on the east side of the province.

Mr. Lathlin: Yes, the member is correct. We have started what we call the east side Lake Winnipeg land use planning process. We have completed phase 1, as a matter of fact, in that process, phase 1 being going into the communities, meeting with the stakeholders to try to determine where the boundary of this review should be located, what area should we be reviewing and also to attempt to identify issues

that would come up. So that work has largely been completed. There is a draft report that we are looking at currently and we will soon be releasing.

Phase 2 is the work that Mr. Fontaine has been asked to do. We appointed people I think from quite a variety of organizations to this east side round table that is going to be chaired by Mr. Fontaine. To look at how that area might be used, there are several areas, I guess, several things that will come into play, but they will be part of the land use planning process.

We will also be extending an inventory work progressively up the east side of Lake Winnipeg over the next five years. The member is absolutely right. Some people call that part of Manitoba the last untouched area. The east side round table will be making recommendations about the future development on the east. Their terms of reference include the forestry sector.

Mr. Enns: Mr. Chairman, I am sure the minister has already heard from some—if he has not, he will—people, Manitobans who feel very strongly that that area generally should remain untouched. I might add that I do not share that view. I think that all parts of Manitoba should be looked at and looked at carefully. I applaud the minister's move in this direction and wish him every success.

It is a significant part of the province that deserves rather than having some development that comes to it helter-skelter and unplanned and perhaps inappropriate that it receive the kind of overall view that I would hope Mr. Fontaine and his round table can bring to that organization. But there will be undoubtedly some controversial issues arise in whatever decisions are made. It will be interesting to pursue the progress that the Government makes in that part of the province. Pass.

* (14:50)

Mr. Chairperson: 4. Conservation Programs (f) Fisheries (1) Administration (a) Salaries and Employee Benefits \$126,200—pass; (b) Other Expenditures \$153,900—pass.

2. Fish Culture (a) Salaries and Employee Benefits \$661,300—pass.

Mr. Enns: Mr. Chairman, I am attempting to pursue the specific area where there may or may not be the opportunity to talk about this department's efforts to maintain and enhance our fisheries through their restocking program. Fish Culture is as good as any, so let me ask those questions at this time, and we will move on with this division.

What is the program for the coming year? We have heard some indications that restricted budgets have impacted negatively on the hatcheries, for instance at Falcon Lake. But is the overall long-standing, traditional program of restocking a number of Manitoba lakes being maintained, cut back or increased in this Budget?

Mr. Lathlin: Mr. Chair, yes, we are maintaining fish hatchery operations at Grand Rapids, the Whiteshell and Swan Creek. In fact, this year there have been slight increases as to the amount of fry we are working with.

Mr. Enns: Well, Mr. Chairman, one of the unaccomplished hopes and ambitions that I had when I had the opportunity to maybe further them was the knowledge that, No. 1, the incidence of survival of fries, for instance, is pretty low, 1 or 2 percent, something like that. It grows dramatically if we can introduce our replacement stock into our lakes as, I would say as a cattleman, yearlings. I think the proper term for fishermen is fingerlings, or something like that, when they are considerably older.

Some jurisdictions have had remarkable success in the development of what they call rearing ponds in small bodies of water or adjacent bays to lakes, or wherever they can be done, that provides some minimal employment opportunity for Manitobans, and we have so many bodies of water in Manitoba that could lend themselves to it, to experimenting at least with that concept.

As I say, I regret that I never did it. I know I have read some information from the experts who say that, for instance, the survival rate, the success rate of stocking a lake with fingerlings, as compared to fries, jumped from about 1 or 2 percent to 25 and 28 percent. That is a pretty dramatic increase. I know the numbers sound

impressive when you say that we dropped 10 000 fries into Lake Dauphin, walleye fries or something like that, but the recognition is, of course, we realize that only 1 percent or less survive. But if they are fingerlings, that survival rate jumps very dramatically to 25, 26, 27 percent.

So I just pose that question to the minister or challenge his Fisheries department to give that some consideration. I always thought, also, that it would be an excellent little project for the department to co-manage with a First Nations group and with a Métis group somewhere that do several things. It brings them in the loop. It brings them to the realization, sharing some responsibility for the sustenance and the continuation of our resource. In my opinion, a small community or something like that would quickly take ownership of a project like that, be rather proud of the fact they are supplying the rest of Manitoba with these fingerling fish, and what I would consider to be relatively minimal cost. Some feeding might be involved, some supervision, and then the work of netting them out at the appropriate time for distribution to other lakes and streams across the province.

I hold that out to you, Mr. Minister, as something worthwhile to challenge your Fisheries staff with just when you think they are getting kind of complacent and taking life for granted, that they have a job forever and no minister is ever going to step on their toes. You challenge them with this every once in a while.

* (15:00)

Mr. Lathlin: Yes, in fact, I have asked that question of staff in the past, in light of all of the representations I receive from different fishermen's groups. Some fishermen, not biologists, but fishermen out there on the lakes and rivers are totally convinced that stocking lakes and rivers is the way to go. They want us to do more and more. I looked at the level of activity that was occurring in stocking, and I thought, well, if it is such a good idea, why are we not doing it more?

Some of the advice I am getting so far is that stocking is not a suitable approach on all lakes and rivers. In some areas, unfortunately, it is not

a good use of time and resources, but I also noticed that in some rearing ponds, I believe, there are projects under the Fisheries Enhancement Initiative of this nature. They are partnered with the local enhancement groups. I notice some of them when I drive by when I go out on the highway. I think, more and more, I am starting to be convinced that is probably not the best approach in all cases.

The other question I have asked in the past is: What happens when we put fingerlings into other lakes and rivers? This is a layperson asking these questions. People are always concerned about transferring foreign species biota to other watersheds. I have asked that question as well, but really I do not have any information to pass on to the member with respect to that question.

Mr. Enns: The minister raised the question, and I am fully aware there is always those concerns about the transference of possible unwelcome matter, pollutants, biota, from one body of water to another. On the other hand, there is also capable science that can help him and the department make the appropriate decisions.

My colleague would like to ask a few questions with respect to the transference of biota.

Mr. Jack Penner (Emerson): In regard to the issue the minister put before the committee, and that is the concerns about the transfer of biota or foreign species and those kinds of things, we have heard over my tenure in this Legislature the current Government's tremendous concern expressed from time to time by the minister's Premier (Mr. Doer) and by numerous members of his caucus from time to time about the eventuality of and the huge amounts of damages, I think are the terms they used, that could be a cause to our lakes and our rivers and our streams, our total fisheries industry.

So I ask the minister whether he is aware that the—oh, what is the name of the U.S. person that did the sod-turning ceremony at Minot, I believe, on a pipeline that is going to be built from Garrison to Minot? What was the name of the U.S. official that actually gave the order to proceed with the transfer of Garrison water, which will eventually end up in our Souris River

and indeed our Red River and through the Assiniboine and into Lake Winnipeg, and indeed the Hudson Bay basin, and whether the minister has any real concern about the possible transfer of biota via the means of that pipeline and Garrison water now being allowed under this NDP administration into Manitoba?

I truly wonder, Mr. Minister, whether this administration has really assessed the effects of what might happen if the treatment facility in that pipeline at any time should fail for a day or an hour even and what the dramatic effect might be to our lakes and rivers and streams and indeed our entire fishery industry in this province, which is one of the biggest and best freshwater fisheries that we have in Canada, I understand. Is the minister concerned about this possibility?

Has the Premier expressed, as he said when he first came back from his trip to Washington, that nothing would happen unless the province of Manitoba would sign off on an agreement to allow transfer of Garrison water across the Great Divide into Manitoba, and the dramatic economic effect of the possibility of killing virtually every fish species that we have in our lakes and rivers and streams in Manitoba? Has this minister apprised his Premier of the dramatic economic impact that could have to the northern communities, and indeed the city of Winnipeg, and how we are going to be affected?

I think these are the terms used by the now-Premier of Manitoba in his former role and I believe by the numerous critics that have from time to time raised the matter when we talked about just the Rafferty-Alameda.

An Honourable Member: We both have scars on our back from all that talk.

Mr. Jack Penner: So the scars that I specifically have on my back are still from time to time giving me pain at night some days, and I wake up with that shudder in my being when I think about the hugeness of the adverse impact that could be caused, and indeed, the devastation that could be caused in Manitoba when one really imagines the effect of what he and his colleagues raised in this Legislature. I think we need only go back to Question Period from time to time and/or Estimates during those 1988 to '93

period of time, I think, when Rafferty-Alameda was built.

I wonder if the minister could give us his view now of the concern that he still holds, I would believe.

Mr. Lathlin: Well, Mr. Chairperson, I thank the member for his question, and I share his concern about the effects that the American water projects might have on Canadian waters.

Let me tell him first, though, that when we got into Government in November and October of 1999—*[interjection]* We were sworn in November 5. I remember that. And lo and behold, I believe that was the first major issue that I as a rookie minister had to deal with, along with the Premier because we very quickly found out that the process that was well on its way, the Americans, a lot of work had gone on, only to find that the previous government had done absolutely nothing. *[interjection]*

* (15:10)

Mr. Chairperson: Order, please. Let the minister make a statement and the others can make a response later. Okay? You will get your opportunity to speak.

Mr. Lathlin: Thank you very much, Mr. Chairperson. I would just like to finish that part of the response by saying we were indeed scrambling in November when we got into office. The Premier had to make an emergency trip to Washington. I accompanied the Premier at that time. We met with several agencies in Washington at the time through the Canadian embassy. So I would just like to set that record straight that it seemed to us that very little had been done by the previous government with respect to lobbying the American authorities to not allow these projects to go through, because they would have an adverse impact on Canadian waters.

The member was referring to somebody who was doing something recently. I believe the member was referring to the Secretary of the U.S. Bureau of Reclamation. Yes, we have as a government have launched a formal—*[interjection]* The member was asking what we

are doing. We have lost a formal legal appeal with the U.S. Bureau of Reclamation and we are presently determining whether or not to go to court in the U.S.

The Premier has repeatedly expressed his grave concern with the Prime Minister, the American ambassador to Canada, and so on and so forth, the Canadian foreign minister discussing or telling the Canadian authorities that if the Americans were allowed to proceed with some of their water projects that it would definitely have a negative impact on Canada.

The project referred to, I believe it is called the Northwest Area Water Supply project. It has been approved in the United States but has not been signed off by Canada. This could result in a reference to the International Joint Commission. We have talked about that quite regularly in the past. It has to comply with the Boundary Waters Treaty. It is important to know that the only construction that has been started is an isolated section of a pipeline that the member was referring to. No water will move out. I mean, the member asked a serious question. I am trying to respond to him. No water will move out of the Missouri River basin in the coming several years.

Unfortunately, Canada must carry forward our concerns with the American governments. We are insisting that they do so. We have lobbied the federal government time and time again. If there is ever court action, my understanding is that it will be launched by the federal government.

Mr. Jack Penner: Thank you very much for that response, Mr. Minister. Mr. Chairman, I think the person that I was hoping the minister would reference in my lapse of memory was the reference to the Secretary of State, Mr. Colin Powell, who gave the order in the Congress to go ahead with the construction of the pipeline from the Missouri River to Minot. The minister is correct. The project has started and they are laying pipe.

What I was asking the minister is: Where is the agreement the Premier was going to have to sign off on before any of those kinds of projects were started in this province, and where is the

commitment our Premier made to Manitobans, assuring them nothing would happen, nothing would happen in regard to the transfer of biota out of the Missouri River basin into our freshwater lakes and streams?

If our minister is now telling us this is no longer a concern and the only action our Premier has taken is written a letter expressing concern, then I think our Premier is probably in jeopardy of having misled the people of Manitoba. I believe it is imperative that this Premier then go before the Legislative Assembly and apologize to the Legislative Assembly for having misled the people of Manitoba.

I believe there has been far too much anxiety spread by the current Government in their role as opposition, when they were in opposition. They have put enough on the record. I am just shocked and amazed that the environmental community in this province, and indeed in our country, is not up in arms over this Government's laxness of response. I believe the demonstration that was put on in the front foyer of this building, demonstrating what the project would be all about, was even allowed in this building. It was clearly an objective way by this province to try and allay the fears that might be expressed by those that might have questions on it.

* (15:20)

My question to the minister is: What would the cost be of the breakdown of the treatment facility for even part of a day, and the transfer of biota and other foreign fish species into our lakes and rivers and streams? Has he asked his department to do a complete analysis of the possibility of the damage that might be incurred, and what action is his Government contemplating if that kind of thing should occur? Because we know, sir, for a fact, once the Secretary of State of the United States orders a project to proceed, it will proceed, and it will proceed to finalization.

What has he asked of his department as to the calculations of the huge amount of damages that could be done to this province and its freshwater fishery?

Mr. Lathlin: Manitoba really has no legal sign-off. I think the member knows the federal

government and the federal government of Canada only can deal legally with the federal government in the United States. I know the member knows that.

Our Government has compiled the most scientifically credible attack on the Northwest Area Water Supply project as part of the legal appeal process that is being pursued in co-operation with the federal government. The member and his leader met with the proponents of those North Dakota water projects. Unfortunately, those proponents used that to infer—and I watched the guy on TV myself and I was shocked and amazed that the representative used that photo op—that there was support for these water projects in Manitoba. We have not only quantified the possible damages that could be done to Manitoba resources but have made that information available to the decision makers in Ottawa, Washington and, as well, Minnesota, North Dakota and so forth.

I think this Government, contrary to what the member is suggesting, we have done I think more in the short two and a half years that we have been in government than what they had done. Like I said earlier, we came into government in November of 1999, and we had to scramble to try and catch up with the project that was proceeding at a fast pace.

We were surprised that the former government had not seen fit to travel to Washington and talk on behalf of Manitobans. We did that and we are still doing it today.

Mr. Jack Penner: Just to allay the fears of the minister, I want to tell the minister that the reference he makes to the so-called photo op that Mr. Joe Belford from the state of North Dakota and some of our caucus members had when he was here was in reference to Devils Lake and had nothing to do with the Missouri River water and the transfer of water out of the Missouri basin into Manitoba.

That has always been, always been, a position that the previous administration took to Ottawa, to the Americans, that we would not agree to Missouri River water being transferred into the Hudson Bay basin. That is clearly the message that we left with Mr. Belford when he

visited Manitoba. It is a similar discussion that Mr. Belford and I had only last week by phone, that we would not and never have been in support of transferring Missouri River water into Manitoba, as this NDP administration now is doing, and by rolling over and pretending that this is not happening is a disservice to the people of Manitoba.

I truly believe that if this Premier had really been serious about not allowing the transfer of biota across the great divide from the Missouri River system into our Hudson Bay system, something could have been done if he would have worked in conjunction with Ottawa and the International Joint Commission. But, sir, I will say this to you, that you are one day late and one penny short on this one. I believe that it is truly—

Mr. Chairperson: Order, please. We cannot hear the member speak. Keep your conversation quiet or go out in the hallway. Thank you.

Mr. Jack Penner: So, Mr. Chairman, I would suggest through you to the minister that if he would truly take his responsibilities seriously and basically cause protection to happen to all those northern communities that could be dramatically affected by the transfer of biota and foreign fish species into Lake Manitoba and beyond, into our Churchill River system, into our Hay River system, into virtually all the waters in Manitoba and, indeed, through that up the Saskatchewan River into Saskatchewan and indeed Alberta.

I mean, can we not see the huge damages that could occur by this Government's inaction to try and avert that kind of massive disaster that we see coming?

Mr. Lathlin: Mr. Chairperson, I wonder if the member might do us a favour next time he talks to his friend Joe, to ask him if Joe Belford is being paid by the Garrison Diversion Conservancy District.

Mr. Chairperson, the member also makes the assertion that we were a day too late. I do not know where the member is coming from on this issue because the Northwest Area Water Supply project was authorized by the U.S. Congress before we took office in November of 1999.

[interjection] What did the previous government do to prevent that? This is what I was trying to tell the member, that when we came into government, we literally had to scramble to get information together, to get staff together and travel to Ottawa and present our case because the previous government had done absolutely nothing.

Mr. Enns: Mr. Chairman, I have tried to be reasonable and fair with the minister, but I want to assure the honourable minister that I have enjoyed Washington, not once, not twice, but three times—a couple of times in cherry blossom time. It is a lovely city to visit at that time of the year for no other reason than the reason that we are talking about. So again, let us deal with matters reasonably credible.

For the minister to say that previous administrations, previous staff members, previous ministers showed no concern with respect to the Garrison is simply not factual. The Garrison was a major concern in the late sixties and early seventies when the first physical portions of Lake Garrison was established in the early sixties before I came into office; Lake Garrison was established for the express purpose of being able to provide substantial irrigation waters to various parts of the northeastern parts of the State of North Dakota, which inevitably meant transferring Missouri River basin water into the Hudson Bay.

So the issue that we are just discussing for a little while now has been around for a long time. I recall being involved with it in 1969. I can remember being involved with it when there was another New Democratic Party government resource minister by the name of Al Mackling who assembled an all-party group from not only the Manitoba Legislature, but included such notable representatives of the federal government as Mr. Lloyd Axworthy and Senator, then Premier, Duff Roblin to visit and lobby extensively with U.S. senators in the American Congress.

* (15:30)

Then again, Mr. Chairman, I remember a further visit when the activity in the Garrison—the Garrison has been a project that has been

lying there for the last 50 years and it will continue to be a source of concern for us from time to time, as different supporters come up, as it gains support from time to time, any time when the American Congress and the State of North Dakota are successful in getting the American Congress to vote another \$200-million or \$240-million appropriation for further development of the overall Garrison project. We have a reason to be concerned and we will be active on it.

When we were in government—and this is a covenant—we maintained a legal person in Washington on Manitoba's behalf. I happen to agree with the minister that this, in essence, is a problem about which we have to rely on our federal government to be the protector of our rights. States deal federally with each other. It is our people, our Canadian ambassador in Washington, our Minister responsible for Foreign Affairs that have to present our case with their counterparts in the American system of government. We, quite frankly, do ourselves, while it is great for some local politics, and that is quite frankly what I charge the current Premier with. My colleague alluded to it. He made a lot of fine headlines about how he, Gary Doer, was going to stop American water from coming across this border.

Well, in the final analysis, the minister just contradicted his own Premier because Gary Doer in Manitoba is not constitutionally empowered to do—I will not use that phrase that staff thought was, you know—

Mr. Chairperson: Order, please. You cannot refer to members by their name. Refer to them by the constituency or portfolio.

Member for Emerson.

Mr. Enns: I would ask the Chairman to refer to me by my appropriate constituency.

Mr. Chairperson: The Member for Lakeside, excuse me.

Mr. Enns: Now we are even. So I withdraw that reference to the Premier by name and refer to him as the member from Concordia or, more appropriately, First Minister or Premier.

It was he that was making all kinds of grandstanding positions to Manitobans about how—not on his watch was there going to be any transgression with respect to the longstanding positions taken by previous Conservative governments, previous New Democratic Party governments, on the issue that we are talking about. Let us be straight about that. This is not a new issue and governments past and present are doing their best to ensure that Manitoba's interests are indeed safeguarded. I want to specifically ask the minister: Does Manitoba maintain a legal office, a lawyer in Washington acting on this brief for us on a continuous basis? If so, at what cost?

Mr. Lathlin: Let me respond to the member this way. This is also a problem on which we all have to be on the same side as Manitoba because the Americans will use this to their advantage. Again, I want to tell the member that no Missouri water is crossing our border now nor will it cross our border in the near future. I want to emphasize again that Manitoba does not have the legal position or the capacity to deal with the United States federal government, but we will use every legal means to stop those projects.

With respect to the member's question as to whether we have an office or have somebody in Washington doing the legal work for us, yes. We have somebody there and the costs, of course, depend on work that we assign to this individual. It is not a fixed cost.

Mr. Jack Penner: I appreciate the response from the minister, but I am concerned about his obvious will, or lack of will, to make a much stronger case for North Dakota not to transfer this Missouri basin water into Manitoba. I want to assure the minister that our Government has never, during my tenure in office or during my presence in this Legislature, once conceded to the fact that we would accept any transfer of water from the Missouri River basin.

It is very clear that when Mr. Colin Powell, Secretary of State for the American government, gave the okay to proceed with this project, they must have been satisfied that they were on legal ground to be able to transfer water. I would suspect that Manitoba must have backed off enough and was assured, as I think the Premier

said, and that the Premier stated that the water would be treated and, therefore, might not cause the kind of concern it had before. That really concerns me because if, in fact, there is one breakdown of that treatment plant, the water will keep flowing. It will not be stopped. That means that you will get raw, untreated water into our lakes and river systems. I do not know how much water it would take, whether it would take a gallon or ten gallons or a thousand or a hundred thousand. I have no idea. But I would like to know from this minister, I would like to know from this department whether they have done any calculations on the cost of a disaster occurring, the disaster being the transfer of biota and fish species into our lakes and rivers and streams and what the effect, in fact, might be and what the cost—it would be impossible to clean up, I believe—to our communities, especially those in northern Manitoba, would be if this did in fact occur. Have you done any estimates of the cost of a disaster of that kind?

* (15:40)

Mr. Lathlin: Mr. Chairperson, I want to again emphasize to the member that our Premier (Mr. Doer) has not backed off of anything. In fact, when we started out some two and a half years ago, after about a year I remember saying to the Premier that he had so much patience in dealing with the American authorities, going from one agency to another representing the interests of Manitobans. At the time it seemed to me that this task that he was faced with was so huge, enormous, given the political atmosphere that was there in Washington.

In my humble opinion and from my observations I do not think the Premier has backed off of anything at all. In fact, he is saying exactly what we have said. With strong technical studies through the United States, the damage estimates, his leader has those numbers in the briefing material that was supplied to him as a member of the all-party Garrison committee. So they have the numbers there.

Mr. Jack Penner: Mr. Chairman, if the numbers are there, could the minister then relate to this committee what those numbers are?

Mr. Lathlin: I would suggest to the member to consult with his leader.

Mr. Jack Penner: Well, Mr. Chairman, I am a bit confused here. I thought the responsibilities of these committees were to give us an opportunity to question the minister and ask for information, and, if that information is available, would he be able to provide it to this committee?

Mr. Lathlin: Mr. Chairperson, I will make a commitment to the member that I will provide those numbers at the earliest opportunity.

Mr. Jack Penner: Mr. Chairperson, I appreciate that from the minister. We look forward to taking a look at those figures. We will then make an assessment of them. However, I want to go back to the minister's reference to Mr. Belford's visit to Manitoba a short while ago. I just want to say to the minister that never in my life have I denied a person an audience and I do not believe my caucus has or will deny a person an audience, or a delegation from our American side of the border, to discuss and have a dialogue on matters on both sides of the border. I want to indicate to the minister that at no time did I discuss with Mr. Belford the possibility of Garrison water coming into Manitoba, because I made it very clear to Mr. Belford that that was not acceptable. We did, however, discuss Devils Lake. We also did discuss the matter of Devils Lake always having been within the Hudson Bay watershed district. He knew that, and I knew that.

At no time did Mr. Belford and I discuss the possibility of Garrison water being transferred to Devils Lake and through Devils Lake into the Red River system. That was not in our discussion, nor was it part of any debate or discussion that Mr. Belford and I have had. If Mr. Belford would ask for another audience with myself or some of my colleagues on Devils Lake, or for that matter any other, I would not deny him an audience. That is not the way I deal with matters, and I believe that is not the way my colleagues would deal with the water.

I believe, as I think the minister believes, that the way to deal with matters is to put them on the table and have the debates and discussions on them, and gain all the information and knowledge that we can from both sides of the issues that we can at least have an intelligent, knowledgeable dialogue. Whether we agree or

disagree is totally immaterial, but at least we could have the dialogue and the courtesy of having those discussions with our American friends. They could voice their concerns; we could voice our concerns. I think under those terms, Mr. Belford came to Manitoba and probably will come to Manitoba again.

I certainly have no aversion meeting with my North Dakota friends at any time. I met less than two months ago with the former governor, Mr. Sinner, on various other matters, not dealing so much with water issues, and will do so again.

I met the day before yesterday for two and a half hours with a fellow by the name of Mr. Dick Gross, who is the facilitator of the IFMI group, participants of which are Manitobans, North Dakotans, South Dakotans and Minnesotans, largely formed to deal with matters of flooding in the Red River basin. We are going to be participants in a forum in Minneapolis on the 23rd and 24th to deal with exactly those kinds of issues. We will talk about many other things at that forum, including harmonization of various matters, including probably water policies, if that be their decision to enter into that debate.

Certainly, I would be amenable to having a very broad range of discussions and debates with my friends to the south because that is the only way that I believe that we can truly come to an understanding of each other's concerns and address those concerns in a meaningful, peaceful manner.

Mr. Stan Struthers, Acting Chairperson, in the Chair

* (15:50)

Mr. Lathlin: Mr. Chairperson, I want to say to the member, yes, you know, I commend him for his relationship with our neighbours down south. I just want to also ask him: I wonder if he is aware that Mr. Belford has always promoted an inlet to Devils Lake. I mean, that is one of the reasons he is being paid by the Garrison Diversion Conservancy District to do that very thing, promote an inlet to Devils Lake. An inlet, if it were to be built, would bring water from the Missouri River into Devils Lake. So the legislator's forum that he talks about is taking

place only because it is being promoted and funded by the Government of Manitoba under an agreement between the Premier and the governors of North Dakota and Minnesota.

It is a good forum. He is absolutely right. That is where many of these issues can be discussed, and hopefully lead to some resolution.

Mr. Jack Penner: I think the minister would have been correct a number of years ago. I believe the discussions that I have had with a number of people from North Dakota, including the former Governor Sinner, that at one time I think that they were looking at an inlet into Devils Lake to enhance Devils Lake viability. However, I think they have built numerous other projects that have diverted water into Devils Lake, and I think they have been more than successful in doing that. I think it has caused them a bit of consternation and is still causing consternation.

I think, therefore, they are now pursuing the option of alleviating some of the flooding threats in Devils Lake. I think there are currently discussions that I have had with the Army Corps of Engineers in meetings I have attended in North Dakota that were held by the Army Corps of Engineers, an indication that the engineering is proceeding and the planning is proceeding to build an outlet out of Devils Lake which would flow Devils Lake water into the Sheyenne River and then hence on into—and there is another option being explored. I believe they are talking about building a 22-mile aqueduct that is also being explored by North Dakota and through the Army Corps of Engineers, the viability of which I think has not yet been totally assessed, although there have been some comments made on those two projects and/or also the viability.

I do not believe any final decisions on those have been made, although the minister should note that again in that instance, as well, there have been, to the best of my understanding, some of the equipment has already been ordered and probably might be on-site to accommodate some of the actions that they are contemplating on the outlet at Devils Lake.

I am quite aware and being kept abreast of where they are proceeding and how they are

proceeding, and I believe that it is—quite frankly, the Devils Lake issue, just the Devils Lake water issue is not a great concern to me personally. It never has been and I do not think will be. The salinity in the lake, it depends on which basin you would take the water from, and tests that have been done by the Army Corps of Engineers and others would indicate there is significant difference from one part of the Devils Lake basin to the other. Even if they did flow water into the Red River, I think it would give Fargo, North Dakota, a greater concern and people along the Sheyenne River a greater concern than it might us.

I believe there is an opportunity. I believe there is a real opportunity to make some advancements in the whole matter of water storage and basin storage, in the prevention of flooding and indeed a lasting water supply for the Red River Valley, and indeed Manitoba's portion of the Red River Valley. As you know, Mr. Minister, the communities in the Red River Valley now are tied basically to two treatment plants, one at Letellier, one at Morris, and they deliver water to virtually all the communities now in the valley and are totally dependent on the Red River for water.

I remember well when I was first elected, a grass-green minister, and some of the staff that sits here today were staff members in the department that I became a minister of. I felt rather insignificant in that department because they were the knowledgeable people. They brought the knowledge to the minister's office. It gave me a great deal of comfort that I could bring the issues that we had to deal forward in a manner that were professionally dealt with. I have always held that department and their staff in very high regard. They taught me an awful lot. I learned a lot. I made a few mistakes, and they helped me resolve those mistakes and I truly appreciate that.

I would say to the minister that if we entered into negotiations and discussions with North Dakota of the possibility of building the Pembina dams on the Pembina River, building two dams to be allowed to store water with virtually no salinity in it; and if they should build Devils Lake, which I am certain they will at one point in time or another, that we then have the

ability to mitigate the salinity of the water coming down the Red River into Manitoba to the point where it would be an acceptable water supply for us. That would do two things. It would actually give us security of water supply in the province of Manitoba. The Pembina River and those two dams would be a tremendous relief, if they were built, to the insecurity that the communities in the Red River Valley now have, because if this drought that we are experiencing in the valley now continues, I suspect we might be in a similar situation that we were in 1988 when we actually asked North Dakota and Minnesota to flow some water down the Red River, that the river would actually remain a viable source of water for us. We might be in a similar type of situation.

For that reason, Mr. Minister, I think it is extremely important that we remain and hold a very open dialogue. That is why I am a great supporter of the IFMI process, hold an open dialogue with our friends to the south because we might need them and they might need us from time to time.

I believe it is important that we probably enter into discussions with our friends to the south to develop policies of a similar nature in all four of those jurisdictions. That is why I am very interested in moving on the ability for us to develop water policies in the entire valley region that would be amenable to all of us. I think it is time that we set aside some of our political biases and had meaningful discussions in that manner with our friends to the south, because I think we could both benefit greatly from coming to some terms and agreement on some of these matters. That would not include the transfer of biota through any outlets of the Garrison system into the Hudson Bay system. I think we could have that discussion very openly with them now.

Mr. Chairperson in the Chair

Mr. Lathlin: Mr. Chairperson, let me say to the member that we will send him the most current information that we have on this. The long-term plan is still for an inlet as well as an outlet. That is what Mr. Belford is promoting. I have been at meetings with Mr. Belford myself. With respect to the outlet, again, I will say that the U.S. Environmental Protection Agency had recommended against such an outlet.

I think also the member made reference to the Pembina River dams. Well, those dams should stand on their own. They could benefit North Dakota as well as Manitoba. We do not believe we should tie any Pembina River work to Devils Lake. We have tried to have these more friendly discussions on water issues. Unfortunately, we have had these discussions thrown back at us saying that we agreed to Garrison water projects when we do not agree.

* (16:00)

Mr. Jack Penner: I accept what the minister says. If he has had discussions with Mr. Belford that still include the inlet to Devils Lake from Garrison, I accept that, but that is certainly not the message that Mr. Belford has brought to my table, or, that I know of, my colleague's table. His only discussion that we have had with him is the Devils Lake outlet and how that can be done.

It has been very clear, our position has been very clear, that we will wait for the final analysis by the Army Corps of Engineers. The interim report indicated that they did not think it was viable to build the outlet in the manner that was prescribed by the direction they had been given. They believed that the salinity would be such that it would be damaging to Manitoba.

I have a copy of that report. I have read it. We accept that. We accept the terms under which the Army Corps of Engineers has done those studies. It is also important to note that they are, however, doing further studies on this matter and that the final report has not yet been tabled, to my knowledge has not been tabled. The Army Corps of Engineers has indicated to me that, as soon as they do have that study and release it, we will get copies of it. Similarly, the discussions that I have had with people from North Dakota, other than Mr. Belford, have given us the same assurance that no mitigative action of the flooding or the possible flooding of Devils Lake and the damage that might occur if that lake ever did break out is not contemplated until they have a final assessment by the Army Corps of Engineers.

So I just want to make that very clear, that that is the understanding that I have. But at the same time, I want to say to the minister I want to

also make it very clear that at no time has Mr. Belford brought the discussion of an inlet out of Garrison into Devils Lake to our table for discussion.

Mr. Lathlin: Mr. Chairperson, the Member for Emerson is an honourable member, so I believe what he says.

Hon. Jon Gerrard (River Heights): My question in relationship to Fisheries which we are dealing with in the Estimates at the moment deals, first of all, with the situation in Lake Winnipegosis, one of the major lakes in the province and one where there have been concerns about the fishery for some time.

I wonder if the minister could give us an update of the situation on Lake Winnipegosis and what is being done with regard to management of the fishery there.

Mr. Lathlin: I agree with the member. The Lake Winnipegosis commercial fishery has not been in the best of health for quite some time now.

The department is currently considering implementing a broad stakeholder board to advise on the management of Lake Winnipegosis to rehabilitate the walleye population. When we go ahead with this advisory board, once it has been appointed, it will try to address five main areas, and that is the harvest reduction, spring spawning protection, cormorant control, the walleye stocking and the habitat enhancement protection.

An advisory board would also facilitate the fishery management decisions on such contentious issues as winter perch fishing, spring mullet fishing as well as walleye harvest reductions. So that is where we are at on Lake Winnipegosis.

Mr. Gerrard: I would just explore that a little bit further and ask the minister if he can give us some up-to-date information on what was the walleye production in Lake Winnipegosis last year, and, secondly, some information on what might be the target levels that he thinks we should look to in the optimum management of the Lake Winnipegosis fishery.

Mr. Lathlin: I can indicate to the member that recently the walleye production increased in 1996-97 from 26 500 kilograms to, in 1999-2000, 252 000 kilograms. That is primarily from a strong 1995 year class and smaller 1996 year class. This is only half of what a rehabilitated fishery is expected to produce.

The summer fishery continues with 32 licensed fishermen holding 116 quota entitlements of some 2300 kilograms each. The winter fishery operates with a maximum of 174 licences, and winter production is traditionally mullets, winter perch, seasons of low production and participation.

The Pine Creek First Nation recently approached the department with an offer to facilitate development of a restructured management process. So we are looking at setting up a management advisory report right now. I think if we were to bring Lake Winnipegosis up, we would not be having the problems we had at Lake Dauphin, Lake of the Prairies, because I understand that is where these people normally went for domestic fishing and so on and so forth. When that fish disappeared in Lake Winnipegosis, they started to look for other areas where they could fish.

I think the other issue is, when I was Minister of Conservation the first couple of weeks there, of course, everybody wants to meet with the new minister and present their issues, and the new minister eagerly wants to meet with everybody, because there are so many issues to deal with. I talked to the fishermen over and over again, as I met with each group. One day a group will come in and they want the department to change rules, whether it is to extend the line, and maybe the next day another group will come in and they will ask me to increase the mesh size, and on the third day somebody else comes in and they want me to increase the quota or extend the season. On and on it goes.

* (16:10)

So I was sitting there thinking no wonder we have a problem, because there does not seem to be any order. At least it appeared to me as a layperson there did not seem to be any order as to how these fishermen can go about doing their work.

We have set up the Aboriginal Resource Council, for example, and they have done some good work so far in trying to deal with some of these issues and may come to the department with recommendations as to how we can try to be consistent in the way we manage the fisheries of Manitoba. That work is continuing.

Mr. Gerrard: I would ask the minister also for an update on the situation on Lake Manitoba. As the minister himself well knows, governments have been, from time to time—the Government to which the minister belongs is no exception—concerned about the inter-basin transfers of water. Of course, one of the most significant basin-to-basin transfers of water was from the Assiniboine River basin to the Fairford-Dauphin River basin through the Assiniboine Diversion.

Mr. Chairperson: Order, please. We have difficulty hearing. Maybe it is just the mike. I do not know.

Mr. Gerrard: I ask the minister about the situation and what is being done with relation to Lake Manitoba. Of course, one of the concerns of Government has been the basin-to-basin transfer of water. One of the most significant that has occurred historically in Manitoba is from the Assiniboine River basin to the Fairford-Dauphin river system through the Assiniboine Diversion. It is incumbent upon us as a province to know the results of such basin-to-basin or sub-basin to sub-basin, depending on which way you look at it, transfers of water and the impact on the fishery.

I would like the minister to give us an update on what is happening in terms of better understanding the impact of the Assiniboine Diversion and the water going from one watershed to another. What is happening with the fishery in Lake Manitoba?

Mr. Lathlin: Some of the groups I mentioned earlier, fishermen's groups that I have met over the course of two and a half years, but more recently some of the groups that I have been meeting, have expressed that same concern that we may be transferring some foreign matter into Lake Manitoba. They are of the opinion, quite a firm opinion by the way, that it has negatively impacted the fishery in Lake Manitoba. The

concern that they have consistently raised has to do with carp going into Lake Manitoba.

Mr. Gerrard: Yes, can you tell me whether or not there have been or are scientific studies of the effects of the Assiniboine River diversion on fisheries in Lake Manitoba?

Mr. Lathlin: I can indicate to the member that as far as I know there have not been any so far.

Mr. Gerrard: I understand the minister to say that there have not been any so far. Is the minister going to undertake such studies or make sure that such studies are undertaken or funded?

Mr. Lathlin: Yes, I can indicate to the member that one of the things we have started doing is to look at the Lake Manitoba water levels. Again, some fishermen attribute the fluctuating levels, the Portage diversion, the lake levels, they attribute all those things to the poor fishery in Lake Manitoba.

We have also recently been talking to the Department of Fisheries and Oceans. Recently they have brought resources to Manitoba, 40 positions in Manitoba, and we are trying to interest them in coming along with us so that we can use some of their resources in fishery research on Lake Manitoba.

Mr. Gerrard: Yes, let me extend this by asking you essentially the same question I asked about Lake Winnipegosis. Can you give us today the most recent production of walleye for Lake Manitoba and can the minister indicate what might be a target level for an optimally functioning lake, optimally managed lake?

Mr. Lathlin: Okay. I can indicate to the member that the Lake Manitoba commercial yields, and these are in kilograms, for walleye, for example: in 1999, there was 304 000 kilograms; in the year 2000, there were 413 000; and in 2001, it has gone down to 250 000 kilograms. That is the main, that is the species that commercial fishermen go after primarily.

With respect to sauger: in 1999, 62 700; the year 2000, 28 000. I am going to round these off. In 2001, it had gone down to 15 000. Those are just walleye and sauger.

* (16:20)

Mr. Gerrard: I would like to thank the minister for that information, and I would ask the minister whether he or the department have some sort of target range that they would expect the well-managed fishery on Lake Manitoba to be producing on an annual basis for walleye.

Mr. Lathlin: Mr. Chairperson, unfortunately, I apologize to the member. I do not have that information right here, but I know we have it in other documents. Perhaps I can suggest to the member that, at the earliest opportunity, I can make that information available.

Mr. Gerrard: That indeed would be very helpful, and I thank the minister for that.

Let me move on to another area of discussion, one that has been sort of highlighted recently. This is allocation of lakes for fishing, and it is my understanding that there is an individual, Marc Collette, who has some concerns about how things have gone in the last number of years and that the department has undertaken to try and resolve this with a mediation process. Is that correct?

Mr. Lathlin: Yes, a mediation process had been initiated. So now we are waiting for the report to come to our office, and as soon as we get the report, I guess we can make a decision one way or the other.

Mr. Gerrard: It is my understanding what the department has indicated to this individual is that they would require that the individual not have any contact with the media or have any demonstration on the grounds of the Legislature if there is to be mediation. Is that the minister's understanding also?

Mr. Lathlin: As the member is probably aware, the individual that he is talking about is currently, at least I saw him there this morning when I came to work, on the Legislative grounds. It is my understanding, Mr. Chairperson, that staff did ask that he not demonstrate during the time that this mediation process was being carried out. Apparently, he had agreed to that condition or to that request. So now he is back to demonstrating. Hopefully,

when we get the mediator's report, we can make the appropriate decision.

Mr. Gerrard: I just want to clarify: Is it the normal process that the department would make these sorts of stipulations in mediation cases of this sort?

Mr. Lathlin: Mr. Chairperson, it is not a normal practice, but I understand also that when we were dealing with the people from Virden, we had referred the dispute, or the issue, to the Clean Environment Commission, and those people were also, I believe, asked not to report to the media as to the discussions that were being held during the mediation process. I think that is being done because when you set up a mediation process, it is not particularly helpful if one party goes out and talks about it in public. It tends to, I think, impede the process. Otherwise, what could result in dispute resolution is that sometimes it gets lost when people start talking about it in the public.

Mr. Gerrard: Just to follow that up. It is my understanding that in this case the individual concerned was not at all happy about these clauses and, in fact, was not willing to have the mediation if that was what was required. I would ask the minister whether the minister would continue some sort of mediation process, or what will happen under these circumstances?

Mr. Lathlin: Mr. Chairperson, I can respond to the member this way. I have reviewed the file. I have had discussions with staff and it would seem to me that, thus far, our staff have been doing the proper thing. In fact, a mediation process was recommended and so now I am waiting for the mediator to give me a report so that we can make the next move.

Mr. Gerrard: I would like to move on to another area of Fisheries. It is my understanding, from studies that have been done at the experimental lakes area, for example, that one of the big concerns is the level of phosphorus in lakes, because of the association of phosphorus with things like algal blooms. There are, I think, cooperative studies undergoing, supported in part by the Department of Conservation and perhaps by the federal Department of Fisheries, in looking at Lake Winnipeg in terms of

phosphorus levels. I wonder if the minister could provide us an update on the situation with regard to phosphorus and algal blooms on Lake Winnipeg.

Mr. Lathlin: Mr. Chairperson, before I answer that question, I wonder if I can ask for a short five-minute break?

Mr. Chairperson: Is it the will of the committee to have a five-minute break? [*Agreed*]

The committee recessed at 4:30 p.m.

The committee resumed at 4:42 p.m.

Mr. Chairperson: Order, please. I believe the minister had the floor.

Mr. Lathlin: Mr. Chairperson, I can indicate to the member that we are participating in a research consortium on Lake Winnipeg for the third year in a row. Research is tending to indicate that phosphorus may not be the limiting or the controlling factor for vitrification in the south basin of Lake Winnipeg. It seems to indicate that it is probably nitrogen. We have completed an analysis of 30 years of data on nutrients in rivers and lakes in Manitoba and we have a report that we can provide the member. It does show that on some water bodies, levels are going up, in others it seems to be going down, and yet in others, the nutrient levels are stable. In general terms, though, nutrient levels in southern Manitoba are going up. It is interesting to note that our water quality guideline for phosphorus has succeeded 100 percent of the time at the Saskatchewan border and that levels have been stable over the last 30 years.

The research on Lake Winnipeg involves several partners including the federal Department of Fisheries and Oceans, the University of Manitoba and others. It uses the old coast guard cutter that became available when Canada withdrew the Coast Guard services from Lake Winnipeg, whenever it was, several years ago. That is what is happening with respect to the research on Lake Winnipeg.

Mr. Gerrard: Can you give us more details on the south basin, what the trends are for

phosphorous and nitrogen in the south basin, for example?

Mr. Lathlin: Again, I want to apologize to the member. I just do not have that level of detail of the information that he is seeking, but I know we have it in other papers. I want to comment to him that I will make those available.

Mr. Gerrard: I would just further explore the comments of the minister that the results indicate that it seems to be nitrogen and not phosphorous which is the critical limiting component in the south basin. What is the basis or what is the evidence for saying that it is the nitrogen which is causing the problem eutrophication in the south basin of Lake Winnipeg?

* (16:50)

Mr. Lathlin: I can indicate to the member that the study, the information that we have, is not so far conclusive, but it is based on research results that have been determined to date. The complicating factor, I understand, is the size of the lake. Results vary from place to place apparently. I believe the reports we will be providing to the member will detail the methods that the scientists are using in those studies.

Mr. Gerrard: Just to sort of complete the questioning on Lake Winnipeg, perhaps the minister can provide me the recent walleye production on Lake Winnipeg and also, if possible, the sort of target levels of production that the management plans are trying to achieve.

Mr. Lathlin: I have that information somewhere, but in the interests of time perhaps I can promise the member we will give him the detailed information with respect to the walleye numbers.

Mr. Leonard Derkach (Russell): I want to begin with a few questions as relates to an area that I have some fairly deep concern about. That is the whole area of fish stocks in some of our sporting lakes. Specifically my interest lies in the west side of the province where we have some small and medium-size sport fishing lakes which have been threatened by the fact that First Nations people have used nets on the lakes to take fish far in excess of what one might

reasonably consider to be sustenance levels of take.

I know that the treaty does allow for those kinds of activities but to a reasonable level. I have talked to a lot of Aboriginal or First Nations people who have told me quite directly that they do not support that kind of activity, and, certainly, if it can be stopped, they would applaud the stopping of that because they believe that, as one individual put it to me just a week ago, he said, if I catch three fish a day, I can feed my family. I do not need to catch 300 fish a day to feed my family.

Mr. Chair, my understanding also is that the minister has now agreed or is working on a memorandum of understanding for the licensing and management of the resource on these sport fishing lakes, I guess with the West Region Tribal Council I believe it is, and I would just like the minister, if he would for my sake, perhaps elaborate on exactly the status of his discussions or any agreements or agreements in waiting that he has embarked on with respect to trying to address the issue of the resource on the sport fishing lakes.

Mr. Chairperson: Excuse me. We are now on Fish Culture and the question about sport and commercial fishing management. Is it okay if we skip ahead at the will of the committee? Is that the will of the committee, to skip ahead for a moment? *[Agreed]*

Mr. Lathlin: Well, Mr. Chairperson, it is fortunate that the member was not present when we went through this in what I thought was quite a detailed response from me. Without wanting to be facetious, one of the things I can suggest to the member is maybe review Hansard for one thing, but I also want to indicate to him that just from the way he is asking the question, again I am not trying to be negative here, but right now the discussions that we have had so far with the West Region Tribal Council is that we have signed a memorandum of understanding, and that memorandum of understanding will result in a framework that will set the parameters of negotiations.

Now, all kinds of items have been thrown around in these discussions, and I mentioned

some of them here the other day. Nothing has been completed. There has been no agreement made yet with respect to anything that can be implemented. Discussions are ongoing. Hopefully, those discussions will be completed so and so, that we can get into the next phase of the negotiations that are going on.

Like the other day, I gave an example of what could be contained in these agreements. I gave the example because we had done it or it was being contemplated at OCN with the Fisheries people there in The Pas, and that is to devolve that responsibility, although the ultimate responsibility of Fisheries lies with the provincial government.

However, you know, if negotiations lead to the devolution of some responsibilities to the sponsoring agencies, in this case it is the West Region Tribal Council, there could be a scenario where the tribal council will issue those permits or licences for domestic fishing just so that they can track the data that is needed for determining fish stocks and so forth.

So that is one, very briefly, example of what could be contained in those agreements. The Member for Lakeside (Mr. Enns) was saying—

Mr. Chairperson: Order, please. The hour being five o'clock, committee rise.

FINANCE

* (14:50)

Madam Chairperson (Bonnie Korzeniowski): Good afternoon. Would the 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. Consideration of these Estimates left off on page 86 of the Estimates book, Resolution 7.4, Taxation. The floor is now open for questions.

Hon. Greg Selinger (Minister of Finance): I would just like to apologize for being a little late. I was actually here earlier, but the door was locked. So I went and did some work.

Mr. Jim Penner (Steinbach): I would say better late than never. Madam Chairperson, I

want to come back again today, briefly, on the problems being created by the new PST on labour involving plumbing and mechanical.

I had a delegation in the Legislature yesterday and a new delegation of other people on the same issue in the Legislature today, and they both agreed that one of the purposes of change was to simplify the accounting procedures. After studying the bulletins, they both believe that the accounting procedures are more complex.

The question they had was in regard to the regulations involving the application of the tax, and they felt that it was confusing and unclear. I cannot put my hands on that bulletin right now. Do you have a bulletin that illustrates the information for contractors? I have it here.

Mr. Selinger: Does the Member for Steinbach have a copy of the bulletin now?

Mr. Jim Penner: I think so. It is the Retail Sales Tax Information for Contractors. But that is year 2000, is it not?

Mr. Selinger: The document I am working off of is Bulletin No. 031, issued May 2002, The Retail Sales Act, Mechanical And Electrical Contractors.

Mr. Jim Penner: Thank you. Yes, I do have that.

Mr. Selinger: This is a draft bulletin. My officials are consulting the industry advisory group on this for clarity, and any changes that are needed to be made to ensure that it is understood by everybody will be made.

Mr. Jim Penner: Thank you, Mr. Minister. Is there a possibility that the dates of implementation could be adjusted to be a little more user-friendly?

Mr. Selinger: When my officials presented me with this suggestion, to solve this problem about the unlevel playing field, I recommended that they work with the industry to look at what the possibilities were for implementation. I think my officials are willing to consult and work out something that is reasonable. We do have a

revenue estimate in the Budget, of course, and like all good ministers of Finance, we like to meet our revenue targets. But, if there is some way to accommodate some of their concerns and be flexible on the implementation date, I have given instructions that we should be willing to consider that. It was May 2 that we started talking to them, and from day one, I am willing to be flexible on that.

Mr. Jim Penner: I am sure that will come as very, very good news. The contractors do not seemingly know how to handle the April 22nd, 23rd dates in regard to certain issues where they have a standing agreement maybe made as late as the fall of last year. The other thing was that for small contractors the home builders were in today. They have 272 members and they do about 80 percent of the residential work. Their concern is, that of the at least \$5 million that they expect to contribute in PST on wages, small contractors find it confusing as to how to acquire a tax number and how to do the bookkeeping necessary when very often it is mom or a cousin or somebody who does the books and one or two of the family who does the work. Is there going to be a difference in how the reporting procedure will be designed as to the size of the contractor?

Mr. Selinger: The short answer to that is no. They will all be required to have a provincial sales tax registration number, and then the paper work will be essentially the same. But I am aware that you were talking to the mechanical and electrical contractors yesterday. I know you had a visit from, I believe, the executive director of the Home Builders' Association today, because I tried to reach him, and his secretary informed me he was meeting with you. So what can I say? I knew that he was out there, and I did try to reach him. He called me back just as I had to go to something else, so I just have not been able to connect.

But we will take the time to educate people how to fill these forms out properly and to register and get everything covered off. The tax is not effective April 22. We never brought it in the date of the Budget. The implementation date was probably no sooner than July. For this period of April, May and June, we are not planning to bring the tax into effect. The earliest possible date would be July 1. If we need a little

more time off of that, we are certainly willing to consider it, and we will consult with the organizations to ensure that they have adequate time to get up to speed on the, we think, pretty straight forward administrative requirements for this. If you are talking to them you can tell them that. But I will phone, I believe it is George Fraser, and I will communicate that to him if that will help. Hopefully, that will help.

Mr. Jim Penner: One of the concerns brought in was also the software changes necessary for doing the calculating in some of the companies that are computerized. It was my experience as a retailer when some of the taxes were brought in either federally or provincially that there was an allowance for write-off purposes, that if I had to spend money to update my equipment to collect taxes for the Government, that the money I spent that year would be a 100% write-off in the year I spent it. Was that a consideration for people who have to upgrade their software and hardware?

Mr. Selinger: We believe this accounting process is exactly what they already have to do for the GST so that the changes should be quite minor in terms of the programming that they have to do on the software. It will not be unfamiliar to them, that is for sure.

All we are really doing here is we are adding the PST on the labour and the materials, whereas before, we just levied it on the materials. They already have to levy the GST on labour and materials under the existing regime. So it should not be that difficult for them to do that.

As you know, we already have increased our small business tax reductions and our corporate tax reductions and our thresholds for the small business tax reduction. So we are providing some tax relief already, and we already have I think capital depreciation write-down provisions in our existing tax legislation at the federal level for sure. Under The Income Tax Act we have federal and provincial co-operation on capital depreciation or capital investment write-downs. There is already some pretty good provisions there.

But I honestly do not believe we need a special tax abatement here. I think because it is so parallel to the GST, it should be readily accommodated by their software programs.

* (15:00)

Mr. Jim Penner: That is what I thought too. I am just reflecting their concerns, and I thought, too, that it would be just a small adjustment to their systems. Yet they have brought this forward as one of their concerns as to software changes. The write-off of software, is that one year?

Mr. Selinger: We will check on that, but that does not sound unfamiliar to my tax officials. It is a federal write-off.

Mr. Jim Penner: I think it is 100 percent in the first year. The hardware write-down, is that a five-year straight line?

Mr. Selinger: Yeah, and, you know, if that is the case, if you can write off any software in one year, how can you do better than that?

Mr. Jim Penner: That did not come up. They probably were not aware of that. That would help them.

Mr. Selinger: I will ask my officials to prepare a briefing note on those points, and I will communicate that to Mr. Fraser. Just as a matter of interest, I used to serve on City Council with Mr. Fraser, and I am well aware of how excited he can get about some things. I am quite happy to provide him with as much information as necessary.

I do not mean that in an disparaging way, but, I mean, I had two officials attend the home builders' meeting, I believe it was last week, the Winnipeg Construction Association where the home builders were in attendance, and they offered full and complete co-operation in helping people understand the implications of this.

Mr. Jim Penner: This is one of the things that has been denied. I am not denying it. I am just the messenger in this case. They said that the consultation process had not been with all of the contracting organizations, for one, and the one group that I met with yesterday, called MCAM or something, they have documented 17 communiqués between government employees

and themselves, but they said they had no warning that the tax would hit.

Still they agree with the purpose. Our goal is to reduce the complexity for all parties. That is the purpose stated by the Government, consistent tax administration and interpretation. We are aiming for a solution that all parties will agree with and commit to.

That was the approach that was taken which sounds really good, but when the Budget came down, they did not expect it, that they had come that far, that they were ready for it. I think that is part of one of the reasons why they have gone to opposition and raised—their hackles are up.

I would just kind of leave that with you. I know that you consulted with the Winnipeg Construction Association, the Construction Association of Rural Manitoba, the Mechanical Contractors Association of Manitoba and the Manitoba Electrical League. I have talked to groups that did feel they were consulted, and then I have talked to groups that felt they did not receive an opportunity to be consulted. So I did not realize that there were so many people involved in this industry, so many small people who are concerned because they do want to comply and they do not understand exactly what is happening.

The other issue on this tax is that various organizations have calculated the amount of money that will be collected, and everyone is over \$10 million. In fact, we have one at \$20 million, one at \$27 million, one at \$30 million, and one at \$75 million. Now, you have put an example, Mr. Minister, in the Budget book, which is a selling document, of \$400 possibly per hundred-thousand-dollar home. That could result in a \$10-million windfall to the Government, an additional tax by the taxpayers to the Government.

However, I could read into that statement that you had not estimated the funds that would come in, let us say, from various projects that are multimillion-dollar projects and from various projects that are involved with renovations, where the tax rate is much higher. That \$10 million, how was that calculated?

Madam Chairperson: I want to just take a moment to remind all members to address questions through the Chair to the minister.

Mr. Selinger: Madam Chairperson, through you back to the member from Steinbach, our officials took a look at the permitted work in the past and estimated the revenue they would receive by adding the PST to the labour component of that permitted work, both for new projects and renovation projects, and they made estimates. There are some differences there, as you have identified, where renovation work can be even more labour intensive in some cases. So they did their best job in trying to estimate what they thought the revenue would be.

Now, they are going to be sitting down with these associations which we have just identified, the Winnipeg Construction Association, the Construction Association of Rural Manitoba, the Mechanical Contractors Association of Manitoba, and the Manitoba Electrical League. They will look at how they have come to their numbers and we will look at how we have come to our numbers and try to find some resolution.

One of the obvious errors that could be made by some people is they might be putting the PST on the materials and components part, which is already levied, and might, in effect, be increasing the number more than it should be. There is the possibility too that they might be double-counting by counting subs and generals twice, some contractors and general contractors twice, when in fact you could only count the PST once, say, if you are going to do it at the subcontractor's level, you do not do it at the contractor's level or vice versa. Some of these calculations are done quickly on the back of an envelope when people are concerned. But we will sort that through and try to establish a firm number. If there is some way to clarify that I think it will be achieved by their getting together.

On the consultation component, these people, you will have to remember, approached Finance officials and myself in the letter originally and asked for this review of this process. We thought and still believe they represent the vast majority of people involved in this kind of activity.

Now, you mentioned another group. Was the group you were referring to the Mechanical Contractors Association of Manitoba, because that is one of the groups—

An Honourable Member: That was yesterday. You did consult with them.

Mr. Selinger: Yes, exactly.

Madam Chairperson: Who is talking? Mr. Minister?

Mr. Selinger: Thank you, Madam Chairperson. What can I say? It is such an informal society.

Madam Chairperson: I know. It is just lovely to see this ambience.

Mr. Selinger: As a social worker, you like it, but, as a Chair, you hate it, right? Gotcha.

The mechanical contractors were consulted. I do not know who you met with. If there is somebody from that group, very clearly they were consulted and involved. The Home Builders' Association, I understand, are a member of the Winnipeg Construction Association as well.

I believe I tabled correspondence with you early on. I think it was a set of minutes, the first set of minutes of the first meeting that was had with my officials, where the Winnipeg Construction Association indicated that they would contact the Home Builders' Association to make sure that they were involved in the process, so we took them at their word on that. Now, perhaps the executive director did not get contacted or perhaps he did get contacted and did not think it was important at the time, but there was an undertaking by the Winnipeg Construction Association to contact the Home Builders' Association, and that was at that meeting of January 11, 2000. I think I provided a copy to you of that.

Ron Hambley will contact the Home Builders' Association to obtain information on the value of housing construction. So we thought that was done. Clearly the groups that are directly involved in the work, the contractors, the electrical workers, they are at the table, and

they are the ones asking for the improvements in the regime.

I have to emphasize, once again, I think there is a benefit for legitimate businesspeople. The Member for Fort Garry (Mrs. Smith) pursued this line of questioning, where the way this is going to work now, with this number, they are going to be able to buy materials tax out, carry them in inventory with less taxation, no taxation on them. It gives them more working capital. Those companies that do not have that sales tax number will have to buy the materials tax in, and that will create a difference for our officials to get an audit trail on those that may be buying materials tax in and then not charging it on the other end.

So this should allow for underground or black market activity to be identified and be surfaced and make it a more level playing field for the legitimate business operations. I think that will be good for everybody, including us in collecting revenue, but it will be good for the industry as well.

* (15:10)

Mr. Jim Penner: I recall, Madam Chairperson, when I was critic for Consumer and Corporate Affairs two years ago, that the renovation contractors wanted to form their own association, but I found out this morning that the Manitoba Home Builders' Association has amalgamated with the home renovation association, so that apparently there is one group. They, of course, are looking for clarification on some of these things.

The calculations, and I am sorry I did not bring them with me, but as I remember them, the PST on the final price will include the equipment, plus the markup for profits. It will include expenses. Let us say there are miles, mileage, or meals or hotel, it will include that. It will include the wages and overhead and supervision and accounting. All those costs that form the final price, it is not simply the water tank and the man who installs it. There are a whole bunch of costs which have to be covered because, in the end, the person running a business has to come out with a profit and then groceries. Our target was 2 percent. If we got that, we felt very fortunate.

In this case, the reason, I think, that maybe some of the officials did not have the opportunity to calculate in mileage, overhead, wage benefits to staff, administration costs, accounting costs. All these costs would be added in to the contract and then, as I understand it, and correct me if I am wrong, the PST is applied to the final price.

Mr. Selinger: Yes, that is correct. When a service provider or a contractor does provide a service, they have to, as you say, make a profit off it, so they have to include all of those costs anyway. We think the advantage of this system now, as requested by the industry, is that they will put that tax on at the end once they know all of their costs and have apportioned them to that particular project and pass it right to the consumer then. They will not have carried that cost.

My officials also believe that it should reduce some of their internal administrative costs, because under the current system they are doing a lot of time tracking all those administrative costs and deciding whether they should or should not be included on a specific project, whereas with this system they will know that it all goes on at the end of the project as the bill is given to the consumer. They will not have to worry about tracking it project by project and personal property versus other kinds of projects that they do. One of the reasons I believe the industry approached us in the first place was to get rid of some of this confusion in terms of internal tracking, et cetera.

Mr. Jim Penner: I am pleased that the minister and/or his staff will be communicating these thoughts to the industry. I was surprised at the almost like an uprising. I think I brought most of their concerns to the table so that probably I have done my duty as an Opposition member.

Mr. Selinger: I think you have identified all the concerns they have. My undertaking back to you as the Opposition critic is my officials will continue to work with the associations involved. They will stay flexible on the implementation date. They certainly will not make the implementation date April 22 or May 22 or June 22 or 30, whatever. They will do something July or later that makes sense. They will undertake

workshops to make sure people are up to speed on how this works and answer any particular enquiries from anybody and make sure that people have every opportunity to understand and do this properly. Hopefully, then we will get the efficiency benefits that were originally intended and a level playing field for how business is done in this particular sector.

Mr. Jim Penner: I also had the opportunity of meeting yesterday with Manitoba Chamber of Commerce and Winnipeg Chamber of Commerce. We had speakers there involved either as auditors, CAs, or people in the financial realm. They drew a number of things to our attention where they feel—I know we do not compete that well with Alberta, a little better with Ontario, right now B.C. is struggling and Saskatchewan is still ahead of us, but the speakers from those four provinces brought forward some suggestions. One of the things they found to be the case in Canada, on average, 7 percent of the single-income people over \$75,000 pay 35 percent of all the taxes; 7 percent pay over a third of all the taxes. That makes me think that we should be very concerned as a province about keeping those 7 percent. I think we want to keep those people in the province so that we do not have a brain drain or a loss of productivity or a loss of tax revenue. Whichever party is in government in the future, we need these people here. We need them here right now.

I was sitting with a chap who had graduated from the business courses in Brandon University, a four-year course, and he said he was part of a class of 60 students, and that, on average, the Government had spent \$60,000 on each of them. What is that? It is \$360,000, 60 times, no, that is \$3.6 million that was spent on those 60 students by the taxpayers. Then he said to me something that I just can hardly believe: he said that, out of the 60 students, 56 had plans to leave the province. You know, our taxpayers are paying for that education bill, and these people are walking out of the province. It is putting a pretty big drain on our cost of education. I know we have put more money into education, I think, this year than ever before.

I am just wondering at that point, you know, this is a cost of taxes and a cost to taxpayers. I

know it is education, but has the minister given this situation in our province some thought?

* (15:20)

Mr. Selinger: The short answer is: yes, I have given it lots of thought. I do not know who the individual was, but we have some evidence, and I wish I could find it, that, I think, challenges the point he made with respect to people leaving the province.

In a survey that was done by Looking West, the Canada West Foundation, in June 2001—and this is a bit of a challenging bit of English I am going to use here, but it was the way they structured the questions—Manitoba was second only to Alberta in a survey asking western Canadians, aged 18 to 24, if they were unlikely to live in their current province in five years; 19.6 percent of Manitobans said it would be very somewhat unlikely.

In other words, only 19.6 percent said that they would think they would be elsewhere; a more positive rate than both Saskatchewan, which had a 40% rate, that said they would be unlikely to live in their home province, and British Columbia, where the rate was 25 percent who said they would be unlikely to live in their province. The Alberta rate was 11.5 percent.

So this is a little bit more of a statistically valid sample of the intentions of young people, with respect to whether they are going to stay in their home province or not, and I think a broader sample than the anecdotal evidence he received. I would hope that was not the case, the information that person gave you. But when we have a little bit broader database by an independent institute, we are doing relatively well in retaining young people in Manitoba.

The only other thing I can say is that, as you know, mobility rights are guaranteed by our Charter of Rights and Freedoms. In this country, we do not—and never have, even before the Charter, with some exceptions to people on social assistance—require people to stay in their own communities. Only the Elizabethan poor laws required people to stay in the community of their origin when they got a benefit, but everybody else has been able to move, to find

work, or to find a lifestyle of their choice, and I do not think we would ever want to hamper that.

Education provided by any province, there is always a risk that the education you provide anybody, in any province, will export itself through that individual's graduation and moving somewhere else.

We see this as a public good for the whole country. We see that educated people from B.C. that move to Manitoba benefit us. Manitobans that move to B.C. benefit B.C., if they have an education. That creates a country that has more efficient deployment of human capital and a benefit to all our communities when people move.

Now we also take people that are very well educated from outside of the country. You will know that we have a lot of doctors here, for example, from South Africa, and I do not think we send many people back to South Africa that are educated in Canada. So certainly, within Canada, the benefits of educating people accrue to us as a nation as a whole. When we get people from other countries, we are our net beneficiary for the most part, particularly in countries where they have a shortage of the people that are leaving, such as doctors in South Africa. If there is a surplus of those people in another country and they have met their needs, there is an efficiency gain when they come to our country, because they are getting to deploy their skills here where they could not deploy them in their home jurisdiction.

So it is an important question. We do want to retain young people here. That is why we have made reductions in personal income taxes. But it is also why we have tried to create some interesting and exciting opportunities for people to work here because, I do not know about the Member for Steinbach (Mr. Jim Penner), but when I was a young person, I never thought about the tax rate as a decision that decided where I was going to live. I decided to live where I was going to live based on the kind of work that I was going to do, whether I thought it was worthwhile and important, attachments to family, attachments to spouses, the kind of community you wanted to live in. The taxation decision was not really on the radar screen at the

age I made a decision to locate where I was going. Now that I am more aware of it, I am still not interested in moving because I look at the cost-of-living advantage in Manitoba as being significant.

I have friends who live in Vancouver and Edmonton and Calgary and Toronto and Montreal, and I do not see any of them being particularly better off than me even though some of them earn substantially more income. I have friends, for example, in the legal profession in the private bar that make substantially more money than I am making here, I can tell you that. They admit privately that they do not think they are better off living in those communities. They think Manitoba still looks pretty darn good. I think we have to bear that in mind. These accusations that marginal rates of taxation are the prime criteria under which people make a decision to locate, I do not really believe that is the case. I think people make decisions on a wide array of factors such as the ones I have mentioned.

Mr. Jim Penner: I would like to ask the minister to give me a little bit more detail on the sampling of that survey. Was it by age group or was it by income?

Mr. Selinger: I will take that as notice and try to get the information for the member. I do not have a lot more of that in front of me at the moment, but I will try to find out about that. But it is certainly more than a sample of one. We will try to find out the details and share them with the Member for Steinbach. I would not mind knowing myself.

Mr. Jim Penner: I certainly agree that money is not everything. You do not just move around because of money. I have some charts in regard to which policies are the most important and No. 1 is corporate income tax, No. 2 is personal tax, No. 3 is corporate or capital tax, No. 4 is capital gains tax, and so on. Those, of course, are done in the business environment. These are people whom we really want to keep in the province.

Then I have an interesting situation I heard about yesterday where 16 high-rollers, I imagine that to be high income people, were interviewed who had left Saskatchewan and presented their

cases to the government as examples. All 16 said high tax rates were the reason they left, costing the public treasury \$1.5 million a year in lost personal income tax. The Saskatchewan government subsequently slashed income taxes over a three-year period, leaving Manitoba behind in the dust.

My question is: Would it not be better to be competitive on the tax rates, since people do not include the price of a house in their considerations because the selling price of a house and the buying price of a house offset each other in the long run? So whether you buy your house for \$100,000 or \$150,000, it is not really a long-term consideration because housing markets are that way. We just happen to have a housing market where the houses are cheaper, but it does not mean that you have a long-term benefit. You might just have a short-term benefit.

When it comes down to cost of living and so on, what these high-rollers did was, before December 31, moved to a different jurisdiction where they got lower taxes on capital tax, lower taxes on income tax, and they did not care about the price of a house. Now, if we lose those people in Manitoba, if people like that in Manitoba move out of here, we lose all of their taxes, whereas, if we give them the same tax as other jurisdictions, we only lose a little bit of the tax. You know, I am a Manitoban. I would fight for Manitoba, and I would like to see us be so competitive that the so-called 7 percent that produce 37 percent of our revenue do not feel that they have to be living in Calgary on December 31, 2002, in order to escape filing taxes in Manitoba.

Mr. Selinger: Could you just summarize the question?

* (15:30)

Mr. Jim Penner: My question is: Would the province not be further ahead on the long run if we just competed with the average—we do not have to be lower and we do not necessarily have to be the absolutely lowest if we were competitive with B.C., Alberta, to some extent, Saskatchewan and Ontario, so that we did not lose these taxpayers, as Saskatchewan found out? Would it not be better off if we were

competitive? Instead of losing everything, losing 100 percent of the tax, we would probably lose 15 percent of the tax, or whatever, just to be competitive. Would we not be further ahead?

Mr. Selinger: If under the member from Steinbach's scenario it was the case that people moved strictly because they thought their taxes would be lower in another jurisdiction, if that was their sole motivation for moving, then obviously dramatic adjustments in the tax rate might retain some of those people. But, as I have explained earlier, I think the reasons why people locate are more complex than that. I think we agree on that—even for high-income earners.

Now our marginal tax rate at the top is the fourth lowest in the country. It is lower in Saskatchewan, B.C. and Alberta, but it is higher in Ontario and all provinces to the east of us. We deliberately kept it in the top four in our policy making in the last couple of years.

Now in those other jurisdictions, we heard some testimony in the House today, and I think I can mention it here as well, a lot of the user fees and the costs of doing business are higher: workers compensation costs are higher; automobile insurance costs are higher; utility costs are higher; land and building costs are higher. That is why in our Budget book we have done, and this was done by the previous government—I have just carried on the tradition; I did not invent this.

The Department of Finance has a model that they look at. I am focussing on businesses. I will come back to individuals in a second. But on businesses we look at the total cost of doing business as measured by the internal rate of return. When we did that and it is on page 14 in the *Manitoba Advantage*, I do not know if you are interested, but it is actually helpful.

Once again, this is a model developed under the previous Progressive Conservative government where they looked at the internal rates of return for large and small manufacturing firms, in large and small centres.

In internal rate of return, we are No. 1 in cities of comparable size across the country and

even including some American cities like Chicago and Minneapolis, and we are No. 1 for a larger manufacturing firm. We are in the top half when you look at internal rates of return across a broad sample of cities, including smaller ones like Brandon and Fargo, et cetera. So we are very competitive when it comes to business investment decisions.

The member has run a business a lot longer than I have, but I suspect the businesspeople I talk to make a decision based on the total cost of doing business; they do not just cherry-pick one rate or another. So that is there.

On the personal side again, we kept our marginal rate low. We have other benefits of staying here that I have shown, and the cost-of-living tables, which are in here, and we have given several examples of that. It is very interesting, there is some text that supports this. Actually my officials gave me several pages of the text, but we just cut it down because we thought the tables spoke for themselves.

The cost-of-living gap between our jurisdiction and other jurisdictions has grown. In other words, our cost of living is more of an advantage than it was in previous years, and I think that is commented on on page 24 in that *Manitoba Advantage* book. *[interjection]* No? Where is that? There was some text—*[interjection]* It is in the front? It is on page 15. Just at the third last paragraph: The following charts show that Manitoba remains one of the most affordable provinces to live in in Canada. The *Manitoba Advantage* includes moderate overall taxation levels, affordable housing, low child care, electricity and automobile insurance costs.

I talk to people who have decided to stay in Manitoba. They have come from other places in Canada, other provinces, and they tell me that it is one of the best kept secrets in the country, living here, in terms of the cost of living and the quality of life. They have no political reason to say that to me, and they are not necessarily New Democrats or anything like that. They are people who have made a locational decision to work here because they like the kind of community they live in for their kids and their families. They like the kinds of job opportunities they

have, and Winnipeg provides opportunities to work on a national basis out of Winnipeg, whether it is in the media or in business, et cetera.

We are fortunate in that we have some pretty interesting work locations in this province, Great-West Life, Investors Syndicate, CanWest Global, Palliser Furniture—the Department of Finance, my deputy minister says—where you can be living and working in Manitoba and have an opportunity to get a national view or a national perspective or, in some cases, an international perspective on what it is like to live somewhere else. I do not really believe the fields are that green. I mean, I have looked at other opportunities and other locations, and we have decided to stay here. Sure, you could get higher salaries somewhere else if you wanted, no doubt about it.

So these people have a right to make that case. It always pains me to see people leave Saskatchewan or any other province strictly for a tax advantage. It pains me even more when they leave for a tax advantage, but they still carry on their business activities in our jurisdiction and get all the advantages of the cost of doing business here but pay their taxes somewhere else. There are apparently some instances of that, although I have never met anybody who has admitted that to me. But that does happen from time to time, and I think 98 percent of citizens stay here, live here and work here because they like the total package of what it means to be a citizen in Manitoba, including the cost of living and the tax rates.

You have to remember that in our first Budget we eliminated the net tax. We eliminated the surtax, something that was not eliminated for the 12 previous years. We simplified the tax structure by going to a tax-on-income structure where we have basically three rates of taxation instead of multiple rates that apply across every tax filer. We laid out a three-year program of tax reductions on the personal income tax side. We increased by about 40 percent the non-refundable tax credits that people can claim before they pay their taxation, before they come to their taxable income line. We also improved dramatically the family tax reduction which gives a special tax break for people who have the

responsibility of raising children or who have decided they are going to raise children in Manitoba.

We did all of those things deliberately to make Manitoba an affordable place for people to live on the taxation side while ensuring we have the resources to provide key services that they want. I know that I have said that a lot of times, but, boy, it sure bears repeating from time to time when you have people who deliberately select one item out of an array of costs that people pay and go to town on it and say that that is the reason we are going to leave Manitoba, because if you do not give me that exact tax break I want tomorrow, I am leaving Manitoba, and sometimes it appears like they are making a threat. I just ask them to consider the whole array of costs that they have to pay, plus the intangibles of living in Manitoba.

I have to tell you I know a lot of professional people who have chosen to come back here because they were not happy living in other jurisdictions. They have gone to Ottawa, they have gone to Toronto, they have gone to Montreal, they have gone to Vancouver, and some of them are staying there because that is where their work opportunities are. But I just happened to attend the 50th anniversary of my high school, and a lot of the people I met there that lived out of province would have liked to have stayed in Manitoba, or are planning to move back at their earliest opportunity. Those are middle-income people.

* (15:40)

Mr. Jim Penner: I understand some of what has been said. I know that there is a relatively small group of taxpayers that pay the bulk of the tax, and sometimes they refer to that as the 20-80 rule. That is the people I was just visiting with yesterday. It was people from four provinces, plus Manitobans, and some of them were quite wealthy. One gentleman came up to me and this is what he said. He said, I bought a house—he is a resident right now in Manitoba—in Alberta. I have sold my business, but I will not pay these rates that you charge here. He says, I am going to be living in Alberta on December 31, but he did not mean that he would not come back. We do like Manitoba, and I have no argument with

what the minister has said. I like to live here. I am hoping I can keep my kids here, and that is part of the concern I have.

I sold my business in '98 and I paid a lot of taxes. I did not think about trying to move to escape it. But on the other hand, people are doing this and they do end up the year that they sell their business living in the lowest tax jurisdiction. We lose a heck of a lot of dollars, and my argument is that, would we not be better off having the same tax rate and getting some money, than getting nothing? Your officials and your Department of Finance would have to calculate that out and find out what was best for the province, but the people who are leaving to pay taxes elsewhere are very important, I think, when you look at the bottom line of our revenue stream in the province, and this also leads to questions about succession.

But my read on what was happening in the other provinces, from what I could hear yesterday, and I listened for five hours, I felt that clearly we could benefit by being competitive with the other provinces so we would not lose. Let us say this man is going to pay a million and a quarter taxes if he stays in Manitoba, a million dollars in Calgary. So he is going to go to Calgary for a year, and this is a true case. My numbers are fictitious, but it is a true example of what is actually going to happen this fall and I am ticked off with it. I would like to see us at least get the rate out of that Saskatchewan, Alberta, B.C. average that rate out, let us say, and then come to a conclusion, I should not be telling the minister what to do, but, I think, instead of losing all of it, we should be happy to collect some of it.

Mr. Selinger: I understand the argument that the member from Steinbach is making. He is arguing that, if we had the same or roughly the same, or something quite close in terms of a tax rate for the very wealthy individuals, they would not shift their tax personality to another jurisdiction to get that advantage when they decide to sell their businesses or pay their taxes. There is, undoubtedly, a small number of people who do do that in this country, and then there is another group of people in this country that move their tax personalities into international

jurisdictions to get tax advantages, too—and we are aware of those people, as well—and still want to have access to universal health care and high-quality public education and well-funded and staffed and resourced universities. They want all of those things, but they do not want to pay taxes here.

I do not know that we can structure our tax system to cater to that kind of mentality and that kind of attitude, because I think the member from Steinbach, his anger, I think, is, in part, a frustration with people sort of wanting to have it both ways. They want the advantages of living here and the taxes of somewhere else. They are not paying health premiums in Alberta, but they are paying taxes there because they get their health care in Manitoba. It is really not fair. It is really not fair that people play it that way, and because we live in a federation, and we do not have a universal centralized tax system all across the country, some of those opportunities are going to be available to some people. Unfortunately, there are some experts in taxation that encourage their clients to take advantage of those kinds of loopholes. Where we see those loopholes are being unfairly and improperly used, we plug them, but what we do try to show people, and we have structured our taxes, as I have indicated, we have given substantial improvements in top marginal rates of taxation in this province in the last three years.

We have eliminated the net tax. We have eliminated the surtax. We have brought down the marginal rate of taxation. We have kept all the other costs of living in Manitoba very affordable. Most fair-minded people, even wealthy ones, and I think I am including you in this category, are prepared to stay and live in Manitoba and pay their taxes here and not play the game. I think they take the attitude that, if they are earning their living here and making a good living here, they have an obligation to contribute to this community as well.

If they are not happy with the taxes they are paying, they will deal with that in terms of their political representation and participation in the community, but they will not look for a loophole so they can have it both ways. I do not think we can cater to the loophole searchers in our taxation regime. I think what we have to do is

make sure that our taxation system is structured in a way that it is fair to people that make a lot of money but also fair to people that do not and middle-income people. I think we have to have a tax regime that is perceived as being fair across the social and economic spectrum within this province.

If we just cater to one group, that means other groups could disproportionately suffer. Do we really want to bring health care premiums back into Manitoba for core health services? We could do that and lower the marginal taxation rate. Alberta and British Columbia have very high health care premiums, which they have increased dramatically.

These are choices that we have to make as a community, and I think they are a legitimate focus for public debate. I really do not have any problem answering questions and trying to be sensitive to that, but, at the end of the day, the principle of progressive taxation has been well enshrined within our system of taxation since the Carter Commission in, I think it was, the late sixties, early '70, '72 that it came up, late sixties. It was the Carter Commission that said a buck is a buck, and it should be taxed the same regardless of its source. We do not do that anymore. We have very differential rates of taxation. That is the other thing I do not think I put on the record. Our taxation rate for capital gains has gone down dramatically in the last two budgets. When I first came into office, I think it was in the order of 75 percent of a capital gain had to be included for taxation purposes. It is now down to 50 percent in the last two budgets. Nobody gives us credit for that from the Opposition benches, but that is 33 percent lower than it was before we came into office.

It is a huge improvement for people to have large capital gains. We have done that in concert with the federal government to make Manitoba a more attractive place for people to keep their capital and to invest it. So, yes, we have to have a fair taxation system for all Manitobans regardless of their income and regardless of their socio-economic status, but it has to be one that also provides the services that Manitobans want too.

Mr. Jim Penner: Madam Chairperson, 50 percent of the earnings of capital gains has to be

taxation purposes. Is that the same in other provinces?

Mr. Selinger: Yes, pretty much. There have been improvements across Canada in that regard. I do not know if the member will remember this, but one of the big drivers of this was the head of Nortel, Mr. Roth, who at the time was flying high. Shares were about 125 bucks a share. He demanded that the federal government reduce capital gains to keep high-tech workers. Then, a year after that, two-thirds of the value of that company had evaporated, and he took early retirement for a small amount. I think it was a \$40-million golden parachute, and stopped being the prophet of the new Canada. Took his \$40 million, and went home, and watched the company—what are the shares now? A couple of bucks a share? Nortel, \$4.50? Are they that high still?

Some of these prophets of what the new Canada should be are quite aggressive on what they think public policy should be. I will tell you, if any finance minister or premier, or anybody in this Legislature, lost two-thirds of the value of the assets in this province, they would not be the government very long. When I see guys like that telling the public what is best for the public, and then destroying the companies that they are running, and being arrogant about it to boot, I take it with a grain of salt. I think we have to have a tax regime that is fair to everybody, not just to the John Roths of the world. He got his \$40 million. He got his high tax breaks. He left the company in tatters, and hundreds of people, including friends of mine, that have lost their jobs who lived in Ottawa, worked in that company for over 20 years.

Our job is to rebuild the economy in a fair way and a sustainable way with fair rates of taxation for the John Roths of the world, but also for the people that draw a paycheque and raise a family.

Mr. Jim Penner: I know that there is a huge difference in what some people earn, and what others earn. Sometimes that is viewed as unethical or illegitimate. On the other hand, my background and training was that I was supposed to do the best job I could do in whatever I was

doing every day. If that worked out for you, that was fine. We always treated money as something that we would not take with us. It was a matter of stewardship, not ownership. I also feel this way about taxpayers' money. We are stewards. We do not own the money. When we give money to a cause, it is their own money that we are giving them. We are trying to be fair with the taxpayers. I respect that the Minister of Finance has his integrity intact, and that we just may be looking at things from a little different angle from time to time.

One of the angles that I noticed the other day was a family of four earning \$60,000 in Manitoba pays \$5,600 tax; Saskatchewan, \$4,800; Alberta, \$3,079; B.C., \$3,455; and Ontario, \$3,488. If you add on the health care premium of B.C., at just under \$1,300, and Alberta at under \$1,000, you are still nowhere close to, even with those health care premiums, you are still nowhere close to Manitoba's tax of \$5,600.

I know how the system works in the U.S. My wife's family lives down there. Yes, they pay for health care, but their income tax is grossly different. It is two-thirds of ours. When you add on the health care, it is not a significant cost. I still think that I would have to stay with my statement that we need to become more competitive, and I would like to know if there is a plan to do that.

Mr. Selinger: What is the question? Is there a plan to reduce taxes further?

Mr. Jim Penner: Yes. We need to reduce our taxes to be competitive with other provinces, so that people will not be inclined to take their toys and leave.

* (15:50)

Mr. Selinger: I just think the member should put in perspective what has been accomplished in the last three budgets. Without trying to be partisan about it, it is considerably more than was accomplished in the 12 years previous to that in terms of tax reductions. The empirical evidence is absolutely black and white on that. That is not a political statement. It is a statement

of fact. I will put anybody's analysis on that point to the test.

That individual, the family of four, \$60,000 single earner—the first thing we have to recognize is that over 63 percent of all families are two-income-earner families now. So, the more representative sample of taxes for a family of \$60,000 would be the two-earner family of four at \$60,000 on page 22. When you look at that family, we are quite competitive all across the board. I will just ask you to just direct your attention to page 22. When you look at the subtotal of PIT and premiums, we are in pretty healthy shape there.

Now, just going back to that one, because I do not want to try and divert attention from the example he picked. He picked the toughest example for me to address. We have reduced the taxes for that single-earner family of four from the year we took office, where they were, I think, in ninth or tenth place down to the middle of the pack now across the country, just on the taxes alone. I am not trying to pad that with any other costs. So we have made dramatic improvements there. In addition, we have not brought up health care premiums, which have gone up in other jurisdictions. We have, among the family of four, among the best day-care systems in the country and among the most affordable, second only to Québec. When you get to the bottom line and you compare this year to last year with the provinces to the west of us, our cost of living advantage has increased for that family of four with a single earner. We will continue to answer the question directly, to make improvements in taxation rates as we go forward while, at the same time, trying to provide stability in terms of services and programs and quality of life for people.

We are going to take a balanced approach. We are not going to give up on debt repayment. We are going to strive to have balanced budgets; we are going to work towards more affordable taxes and, at the same time, have the kinds of services that ensure quality of life for people. It is always a more difficult challenge to have multiple objectives that you are trying to meet.

Now, the government of British Columbia came in this summer, and I am not personally

attacking the Minister of Finance there, whom I have had the opportunity to meet on three or four occasions. He is a pretty level-headed guy, probably because he was born and raised in Saskatchewan. So was I. The reality is that he reduced his taxes 25 percent within the first two months of coming into office. Then he had a deficit in the order of \$3-\$3.5 million. He has got some contingency in there, some cushion. He is projecting a deficit this year at about \$4.5 billion, but I think it will come in less than that. He decided to deficit-finance his tax cuts.

Now, I do not think that is an approach that would be acceptable in Manitoba. I do not think Manitobans would be happy with that and I am sure the Opposition critics would be wailing at me if I did that about how I would be putting everybody at risk and was not paying down the debt and this deficit was going to add to our debt costs, and I might even have to agree with them if it went too far too long.

So, we are taking a more sustainable approach, and let us always remember that the turtle beat the hare when it came into the race at the end of the race. It is the slow and steady approach that gets the best long-term sustainable results. I think we have done a lot in the last three years on the tax and the affordability side.

We have had to do a lot on the program investment side as well. We have continued our debt repayment and we have continued to balance the books. We have reduced our costs for paying down the debt through some aggressive debt management, which was discussed earlier. On the whole, I think we have done a reasonable job.

Mr. Jim Penner: Madam Chairperson, just on that B.C. example. When the election took place, there was a forecast by the previous government that there was a surplus of \$1.1 billion. That surplus, it was later discovered, was a change in accounting procedure which amounted to \$1.4 billion. So that is what the new Government took over. Their deficit for the first year will be probably \$2 billion. The second year will be \$4 billion, probably. The third year, less than \$2 billion and in the fourth year, they expect to break even. This is a cost of reworking the province and, yes, we would probably get

violently concerned if this happened in Manitoba. I guess one of the things we want to do is treat our taxpayers in such a way that this does not happen in Manitoba. That is why I keep encouraging us to look at what is happening in the other provinces, and Ontario, we dealt with them yesterday, but they have not brought down their budget yet.

An Honourable Member: Right.

Mr. Jim Penner: So we are using fictional figures there and do not really want to go into that.

One of the things that B.C. also did and some of the other provinces, I guess according to my chart, capital tax is only charged in Saskatchewan, Manitoba and, not likely, in Ontario after the budget comes down. Saskatchewan has a 0.6 and Manitoba 0.3 capital tax. The other provinces have all eliminated it. Ontario, it is expected, will eliminate it in their budget whenever that comes down.

It rates quite high in the concern list of our surveys. I have the surveys here which were both pre-budget and post-budget surveys from the Canadian Taxpayers Association, from the Manitoba Chambers of Commerce, and from, oh, various research groups. That is why I have these piles of paper here. I wanted to get into some of those surveys. I do not know if we will get that far, but what I would like to suggest is that the capital tax has been eliminated in most provinces and probably in a year we will be the only one with a capital tax. Is there some consideration to shifting that part of the tax burden?

You know, if we tax capital, that is like killing the goose that laid the golden egg. That is like taking away investment money. Those dollars, the capital dollars, are money that makes money, and then there is tax payable, but if you take away the money that makes money, then there is no tax payable. It is a hurtful thing I think to business to apply a capital tax. The reason I say that with such assuredness is that the other provinces have agreed with what I just said. This Province is still endorsing a capital tax. Is there consideration being given? I guess that is a hypothetical question. I believe we should get rid of it, do you not?

* (16:00)

Mr. Selinger: Just in answering that question, I will ask the member to turn to the *Budget Papers* book, D12 and 13, and just correct the record. There is a capital tax paid in Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia. So that is six provinces that still have a capital tax. They are the majority. Only a minority of provinces do not pay a capital tax, so I just want that to be absolutely clear. The rates vary from a high of 0.64 in Québec to a low of, well, zero, I guess, in provinces that do not levy it at all.

I am aware that there is some thinking starting to focus on capital taxes as having some negative effects. I have seen some correspondence. I am aware there is a group that has formed across the country to attack capital taxes. I do not want to exaggerate, but, you know, we have to ask ourselves what quantum of public taxation we need to support public programs and the programs and infrastructures that we want in this province. I can take you to places in the world that have zero taxation, but they are not necessarily desirable places to live. They might be a good place to have a bank account or to reside on the day the taxation is due, but they are not necessarily places you want to raise a family.

I think it was Chief Justice Holmes in the United States, Wendell Holmes, who, I think, had argued at one point, and I am not paraphrasing him exactly, but he indicated that a certain level of taxation is necessary for civilization to flourish. Which particular mix of taxes we use in any jurisdiction really is a product of what we think is going to be accepted as fair by the citizens and as effective in terms of taxation and efficient in terms of the ability to levy and collect that tax and responds to the concerns that the public has.

For several years, the CFIBs of the world have made it very clear that they thought personal income tax is the one that had to be addressed, but then they come and focus on all the other taxes. You lower the personal income tax and they complain about the other tax you did not lower, or if you lower the small business tax, then they complain about the other tax that

you did not lower. If you do something on (a), they complain about something on (b). I guess, as a professional lobby group, they always have to have something to be complaining about, otherwise they would be out of business. The reality is we have made significant reductions in personal income tax, significant reductions in small business taxation, 37.5% reduction in small business taxation, an increase of the threshold by 50 percent from \$200,000 to \$300,000, with another rollout up to \$400,000, so there would be a 100% increase in the threshold.

Mr. Jim Rondeau, Acting Chairperson, in the Chair

We have the first corporate tax reduction since the Second World War four-year program, going from 17 to 15 percent. I did not do the percentage on that, but it is probably in the order of about 11.5% reduction. I am sure we can crunch that quickly.

We have reduced the education support levy for Manitobans by 10 percent, \$10 million this year, I believe. So we have probably been more assertive on addressing tax affordability issues; 11.7 percent when we are finished on the corporate tax reductions. We have been more assertive on reducing taxes in our first three budgets than was done in the previous 11 budgets, and some people still want more.

I mean, in this business, one thing you learn very quickly is that, once you jump over the bar, then they want to raise the bar again, and then they want you to jump over it again. When you jump over it again, then they raise the bar again, and they want you to jump over it again. We have done that in all three budgets. We keep jumping over the bar and addressing the concerns and priorities of Manitobans. I fully expect the bar to keep getting raised, and we will do our best to find a way to address those concerns.

The logical extension of some of these arguments is that there should be no taxation on capital, there should be no personal income tax, there should be no sales tax. Every tax has a positive and a negative attached to it.

I guess my question back to the member would be: Is there any form of taxation that you find acceptable, and if so, what is it?

Mr. Jim Penner: I do not want to be facetious, but I did not mind, as a businessperson, paying tax. Even when I sold my business, I did not mind paying tax. My concern came with how money was spent, and that is probably one of the reasons why I am here today.

Some people have never seen a tax they did not like, and I can tell you right off that we need to be competitive. The figures I got, I am sorry, obviously I am wrong about capital tax being only in three provinces. It is four provinces that do not have any and probably soon going to be five or six. Capital tax has been identified as an item that does not have a long-term good effect on producing tax dollars, so I still think it needs to be addressed, but if the logical extension is that we have been getting all of these tax breaks in the last two years, has the total revenue and the total spending gone down?

Mr. Selinger: No, it has not. Well, we saw a dip in revenues, or very modest, last year because of the economic slowdown. This Budget shows a 60% reduction in corporate taxes occurring to the province of Manitoba, and it shows a reduction in personal income tax in the order of about 11 percent in terms of revenues occurring to Manitoba, but, you know, the argument that the member from Steinbach was making to me was that, if you reduce taxes, then the economy grows more strongly. So that has happened. *[interjection]*

We can talk about Ireland quite a bit. I am somewhat familiar, and I have listened very carefully to the people that talk about the Irish miracle. We can have a discussion on that if you wish, but the reality is that taxation, in absolute terms, is reduced on the corporate tax side, it is reduced on the PIT side this year, but the trend over the last three years has seen a reasonable growth in overall revenues in this province as the economy has grown. So the rate of taxation has dropped, and the absolute quantum of taxes has gone up somewhat. Of course, we have made some key investments in this province, too. I am sure the member does not oppose

investments in education and infrastructure and health care, in principle.

Mr. Jim Penner: Mr. Chair, no, I do not oppose us investing in health and education, but I would bring to the minister's attention the fact that the R.M. of Hanover, which is called the constituency of Steinbach, gets the least amount of money on a per capita basis for health in the province, gets the least amount of money on a per capita basis for education. I was talking to hog producers this morning at a meeting of hog producers, and they feel that we contribute way above average per person in the province. I really wonder if someday I could get that figure as to what each constituency or each riding contributes, but maybe we would have to do that by rural municipality or by municipality.

I am impressed with any good management of funds and careful taxation, and I do not think there is a possibility that we cannot adjust it from year to year. I am not opposing everything that has been done. I am not just totally ideologically-based in that regard. But if you look at the balanced budgets that came out in '94 and '95 and if you look at the reduced taxes—I am looking at a speech from 1990 which indicates a number of exemptions in areas like aviation fuel tax being reduced, railway diesel fuel being reduced, the corporation capital tax exemption being increased.

In 1996, we introduced the learning tax credit for post-secondary students in Manitoba. In '97, another innovative tax credit that was introduced by our Government was a 35% film and video production credit. In '97, we increased the threshold for the payroll. Again, we increased the threshold for the corporation capital tax. We get to 1998 and the basic personal income tax rate again was reduced another 2 percentage points down to 50, and then in '99, once again, the basic personal income tax was reduced from 50 down to 47 percent. The small business corporate tax was reduced, and a number of other initiatives were reduced.

If you take all those reductions over the period of time that balanced budget legislation came in in about '95 until the year '99, the annualized basis of the amount is some \$250 million per year, average. That does not include

the many one-time initiatives which total another \$140 million, and all of those reductions were passed on to Manitobans to spend and invest as they see fit. That was after balanced budget legislation was introduced.

Also in the eighties, the taxes that were increased. There was probably 25 to 30 taxes that were increased during the 1980s which was the previous NDP government's administration. They increased the retail sales tax from 5 to 7. They introduced and increased the payroll tax. They introduced the net income tax. They increased the corporation capital tax. They increased the diesel fuel tax. They increased the gasoline tax. They increased the railway fuel tax. They introduced the land transfer tax. *[interjection]* That was the Pawley government. They increased the tobacco tax. They did not see a tax that they did not like or that they did not want to increase during that period of time.

So there were an awful lot of issues that had to be addressed and had to be fixed in the nineties, so some of the things that had to be done in the nineties were distasteful, but the fear is that if we do not address each of the taxes as to how they affect the population, my kids will not stay here. I still think that the bottom line is we are spending more money than we have ever spent before. We are taking in more money than we have ever taken in before, and the economy is not bad. I do not think it is unsightly that our province is doing quite well. On the other hand, I think that there are disincentives because we are not competitive with other jurisdictions.

So, with that, I would like to turn over to my colleagues to add their remarks, unless you want to reply to something.

Mr. Selinger: I understand the perspective that the Member for Steinbach (Mr. Jim Penner) is coming from. We are all moved to enter political life for various reasons, and I think those perspectives are healthy ones to have debated in the Legislature.

I disagree with the member profoundly about whether or not we are competitive. I think I have shown him ample evidence today, both on the business side in terms of our *Manitoba Advantage* tables, and on the personal income

tax side where we have made dramatic improvements. I am not going to restate them all just for the sake of hearing myself talk, but we have reduced taxation on the property base, on the personal income tax base, on the small business base, on the corporate tax rate base, all across the board. We have probably done more in three years than was done in the 12 years prior to that.

* (16:10)

The member mentioned all the tax reductions there. You also have to mention the increases that were done during that period as well. I heard nothing of that. I know Opposition always points out to us any increase we have made. If we are going to balance the ledger, what was done in the nineties, I think you have to talk about all the dramatic increases in user fees, tuition fees, school taxes, property taxes, because of downloads that occurred. The other thing that we came out of the nineties with was a fairly large infrastructure deficit both in our public institutions, hospitals, schools and other public assets, but also in our roadways and transportation system as well. To be quite blunt about it, there were parts of this province that were completely ignored and left out in the nineties. They saw nothing. I know of neighbourhoods in this city of Winnipeg that were decimated during the nineties through ignorance and neglect.

It is not an accident that the gang culture took root in this community during the nineties. There was dramatic neglect of significant portions of Manitoba population, which resulted in some deviancy that we are now trying to root out and redirect these individuals back into constructive ways of life. So, once again, any government can be successful if they focus on one criterion only, but no government does the job for the citizens of its province unless it is able to focus on a broad array of objectives, economic objectives, tax objectives, social and cultural objectives as well. We have to be able to walk and talk and chew gum and do a variety of these things at once to make for a total community that is sustainable, healthy, affordable and one that people want to live in whether it is your children or my children. Our children may move to other jurisdictions and

decide to see what life is like there and for particular reasons may decide to stay there, but we also want to make sure that Manitoba is a community that people want to come to and live in in the future. It still is a very desirable community in any relative context and will get more desirable as we go forward.

One of the things that we have not talked about is that we had a very good appendix in the Budget this year on our R & D investments in Manitoba. Our R & D investments are investments that generate long-term prosperity. We have seen some significant investments in the Food Development Centre in the constituency of the Member for Portage la Prairie (Mr. Faurshou). We have made a significant investment there. We have seen a significant investment in the nutraceutical centre at the University of Manitoba. St. Boniface Hospital is moving ahead with an initiative that they have taken to build a clinical research tower. We have helped them form a venture capital fund, the Western Life Sciences Fund, in partnership with the Government of Saskatchewan and other independent organizations, that will commercialize research and development activity. So these research and development elements of what we are doing in the province are extremely important to the ability to grow the economy and provide opportunity and a prosperous future.

I think we have to focus on a variety of objectives at the same time and find the right mix of policies that will grow a prosperous, healthy community. I am always open to ideas on how we can do that, but to say that the only issue that matters is the rate of taxation without looking at all these other important factors, I think, is a mistake.

Mr. David Faurshou (Portage la Prairie): I appreciate the minister's dialogue there. In fact, he added about four more lines to my line of questioning for this afternoon. But I do appreciate the challenges that the Minister of Finance is faced with and the demands upon requirements for services where there are the needs and desires of Manitobans. But the balance and the key to fairness, I think, is what has to be prominent in any decision making.

I want to ask the minister as to whether there is any consideration in regard to addressing the significant inequity of school taxes paid through

the special levy formula directly by municipal taxpayers to local school boards. I think he is aware, I think you are aware, Mr. Minister, that on average right now, a farming family pays eight times the amount that a residential urban family pays, and that is clearly documented. It is an inequity that dialogue in the Legislature has focussed on a great deal this week on the duress that will be coming. For some time now, we have been dealing with foreign policies, but that is going to be significantly emphasized by the recent passage of the U.S. farm bill. So this is vitally important to an industry here in Manitoba, of which all of us require each and every day to sustain ourselves.

Mr. Selinger: I think I have shown from the beginning of these Estimates a willingness to range widely to answer questions, even though they are not directly on the topic we are dealing with. This really is off topic. I am not trying to be difficult, but I am pointing out to you that we have a Taxation Division here. School taxes really do not come under this line in the Budget. I am willing to answer your question, but I guess I would like some comfort from the official critic of whether we are going to move forward on the Estimates of this department.

I have officials sitting here that make healthy salaries. They have talents that need to be deployed for the benefit of Manitobans. I do not mind answering questions, but if I am going to tie up the time of my officials on an ongoing basis answering wide-ranging questions, I may have to become less co-operative. I want to get some indication from the official critic whether we are going to move forward and deal with the matters at hand, or whether I am going to be dealing with these wide-ranging topics.

You can come back to those topics under the ministerial salary line, if you wish, when my officials are not here, and I will deal with them as best I can. But we have some people here right now that are here to answer questions on taxation-related activity in the Department of Finance, and I guess I need to know whether there are other questions that bear on that topic now, or we are moving to the ministerial salary line.

Could the official critic or the member from Portage la Prairie give me some idea of where they are going here?

Mr. Faurshou: I would not have brought up that particular question had it not been the minister in his dialogue in response to the official Finance critic. I was right on the mark when responding to your line that was addressing the Official Opposition critic. I can be very specific, and let us get down to tax situations here that are very, very specific and, hopefully, the personnel that are here can answer them.

In regard to an announcement made April of 2001, it pertains to the international registration program specific to the licensing and taxation through sales tax, carriers of products and providers of services based to their home provinces where their head offices are. How has this affected the revenue line of the Province?

Mr. Selinger: That question, the sales tax with regard to motor vehicles, that is directly on point. I thank the member for that. I just want to clarify, what specifically did you want to know about that?

Mr. Faurshou: Effectively, we have had one year under that agreement. How has it affected Manitoba with the licensing and purchase of vehicles here in the province with effectively the sales tax paid elsewhere because of the registration being required to take place at head offices out of province?

* (16:20)

Mr. Selinger: The question, once again I thank the member, because it is on point. As you know, on this new regime that we have set up for trucking, it is a North America-wide regime. It is not just specific to Manitoba or Canada. We now get a portion of registration fees and sales tax related to trucking activities that emanate in other jurisdictions. We get money from all the other jurisdictions in North America where this activity goes on in proportion to the amount of time and mileage they put into Manitoba.

If we got trucking companies coming up here from Alabama and driving through Manitoba, we get a portion of their sales taxes and registration fees and fuel taxes to the extent that their activity occurs in this jurisdiction. It goes the other way as well. They get a portion of

our activity when our trucking companies in Manitoba operate in their jurisdiction.

This has had the effect of giving us a wider base from which we draw revenue. In effect, we have created almost like a common market for the trucking industry or the transportation industry where everybody shares revenues in proportion to the activity that occurs within their backyard.

That has allowed us to be much more competitive in terms of our trucking industry in other jurisdictions. That is to our benefit. It also has allowed us to have a revenue source outside of Manitoba that was not available to us in the past. When those American companies or other provincial trucking companies came into Manitoba, we got nothing off that, even if they were doing all their activity here. They could be just across the border and any one of the borders on the American side or to the east or to the west of us and run their entire operation in Manitoba, or the majority of it, and we would not get any benefit from that. Now we do. If they run 90 percent of their operation here, we get 90 percent of the taxes that accrue through those activities.

It works the other way, though, as well. If we have a trucking company here that is doing the lion's share of its activity in another, say, Michigan or going into the Chicago market, then those jurisdictions are going to get a chunk of that revenue as well. Overall we believe we are all better off because we have leveled the playing field for everybody and created a common regime that everybody supports and benefits from. We have put the technical apparatus and software into place to handle all of that and to ensure that we can track those revenues and get that to which we are entitled.

There have been a couple of advantages. This software and this administrative regime has reduced administrative costs for trucking companies. They are not filing multiple papers and tax returns in a number of jurisdictions, but it has also made it somewhat simpler for us to identify our properly deserved revenues from those trucking company activities. We see it as a win-win. It cost us some money on the capital side to put the software in place and to work out the kinks in that, but it is going to pay long-term dividends, we believe.

Mr. Faurshou: So the bottom line is positive or negative as far as the trucking industry here and the Finance Minister's Treasury?

Mr. Selinger: Particularly from the sales tax point of view, it is positive because we are now getting, for the first time ever, revenues from sales tax activity in other jurisdictions where those trucks—I guess, fuel taxes as well, where those activities are now happening in Manitoba.

Mr. Faurshou: So, basically, as far as Manitoba-based trucking companies, it is a cost advantage, then, to seven of the thirteen major national trucking companies that are based here in Winnipeg. That can be attributed in the *Manitoba Advantage* with this international agreement?

Mr. Selinger: My information is that these large trucking companies that are headquartered in Manitoba are very pleased with this regime of taxation that has been brought in place. They have avoided significant costs by being able to register and do all their administrative work in the Manitoba jurisdiction where they have good service delivery from that Crown corporation, MPIC, and our Vehicle Licencing operation. And then through the software and the ability to share information with other jurisdictions, we are portioning out what properly belongs to other jurisdictions where the activity is occurring. Apparently, they are more pleased with the program that has been put in place: the regime, the taxation regime that is put in place and the administration that goes along to make sure that taxation regime is properly managed.

Mr. Faurshou: So, dealing with, then, the international and interprovincial trucking companies, they are pleased with that particular move. What of the trucking company that is solely based in Manitoba, and carries on their activity exclusively within the boundaries of Manitoba? What effect has it had on their ability to compete with a company based in Calgary?

Mr. Selinger: For a company solely operating in Manitoba, the cost structure remains absolutely the same because they are paying all their fees and fuel taxes in Manitoba. But there is in a competitive advantage now. The company that comes in, say, from Calgary to compete against

them, now has to pay taxes on that activity: sales tax, fuel tax and any other kind of taxes for which they are eligible for their activity in Manitoba. That is where the playing field gets levelled. You do not have just an external competitor coming in avoiding local taxation but scooping up the business. They have to pay their proportionate share related to their activity in Manitoba.

Mr. Faurchou: I think this line of questioning has answered or provided an understanding as to what this international agreement means to individuals. I do, though, believe that persons in Manitoba are less than understanding of this particular program. When the milk truck arrives with Saskatchewan licence plates, or your fuel gets delivered by an Alberta licence-plated vehicle, the questions are asked as to whether or not the revenues generated by that activity, in fact, should be taxed to go towards our infrastructure, our roads; and make certain that they are contributing as Manitoba-based companies are. Can you provide, on the record, assurances that that is, in fact, the case?

Mr. Selinger: I take it the member has had some questions raised with him by some of his constituents where they have seen this type of activity. If a company is operating interjurisdictionally, moving from one province into another to provide service, they have to be registered. If they are registered, that activity can now be tracked, and they will pay their proportionate share of fuel taxes, for example, in Manitoba, even if they purchased the gas outside of Manitoba. In Alberta, for example, where it is cheaper. You have to remember, our fuel taxes are—what is it? The second or third lowest? *[interjection]* Second lowest in the country.

So there is really only one other place where they are going to be having a competitive advantage, and that is Alberta. Everywhere else, we are the best you can do. But, if it is an Alberta company, which it would have to be to have a competitive advantage, they will pay their sales tax to us or fuel tax to us for the activity that they conduct within our jurisdiction.

* (16:30)

Mr. Faurchou: Moving then to specifically the provincial sales taxes, as we have begun to discuss pertaining to the vehicle registrations

here in the province, the tax collected, what amount is it annually, averaged annually, that we can attribute to vehicle registration and provincial sales tax in the line Provincial Sales Tax?

Mr. Selinger: The system has changed. In the old days, we used to collect all the sales tax on, say, a big rig purchased in Manitoba. We used to collect it all up front. Now the system is that the sales tax is collected on a declining basis over a period of time at the point of registration of that vehicle.

So, if it is registered each year in Manitoba, the sales tax is collected over a time horizon of about six years on a declining basis, so more up front and then each year a little bit less. Then that sales tax is portioned out to the jurisdictions where that rig is operating in proportion to the amount of activity that they conduct in that specific jurisdiction.

Madam Chairperson in the Chair

Mr. Faurchou: I thank the minister for the answer as far as large trucks are concerned. Let us just talk about the automobiles and light trucks registration that takes place here in Manitoba upon acquisition of a vehicle, regardless. What portion or dollar amount can be attributed to the retail sales tax to effectively automotive, like the vehicles that travel our highways within the province?

Mr. Selinger: On a normal vehicle sale, a non-commercial rig, like a car that you and I would drive, all the sales tax is paid at the point of registration, right up front.

Mr. Faurchou: Yes, I understand that. So how much annually—like you are projecting this coming year retail sales tax to top a billion dollars. What dollar value or what percentage can be attributable to automobile and truck registrations here in the province?

Mr. Selinger: We do not have that breakout in front of us. We would have to do some work on that. I will take it as notice and see if we can do that without diverting my staff's entire attention to that matter. I mean, if it is easily done or if it

is reasonable to be done, we will get back to you. If we think it is too onerous and difficult, I will let you know that, as well.

Mr. Faursehou: I understand that it could very well take a little work to achieve a dollar value. The line of questioning is pretty transparent here as to where I am going, being the Transportation critic.

It was mentioned by the minister earlier about the crumbling infrastructure. Our highways and roadways of the province are significantly in need of repair. The depreciation, the Transportation Minister has more than a billion dollars' worth of vital projects already on the books. It is projected that they will be over \$4 billion on there in the next three years because of the increased depreciation that one will see if we are not keeping up with the maintenance. They are depreciating at an accelerated rate, and instead of just being repaired, they are going to have to be effectively replaced.

So, effectively, I would like the minister to be fully aware of the contributions that the transportation industry and those of us that travel the roadways of Manitoba contribute to the Treasury, and, on that premise, to recognize that the Department of Transportation is in vital need of additional dollars.

I am certain that the Manitoba Heavy Construction Association will assist in defining the needs if the minister would like to meet with that organization, but, as it stands, in very clear figures that are in your Estimates of revenue here, it is easily added, approximately \$314 million is going to be directly taken from the traveling public this year in fees, licences, registrations, motor fuels, gasoline tax. The total program expenditure is \$263 million, which has been loudly heralded by the Transportation Minister as a significant increase, when in fact it is not even keeping up the same percentage as was a few years ago of revenue versus expenditure within the category of transportation.

So, with a deficit of \$50 million in clear black and white provided by your department, I am asking the minister of his thoughts in this

regard, being as he already alluded to it earlier today.

Mr. Selinger: You are starting to wander off the topic at hand here, the Member for Portage la Prairie (Mr. Faursehou). We are talking Taxation here, but I see you are going to have some fun when the Transportation Estimates come up, and they cannot come too soon in my humble opinion.

You will know that in the Budget we did announce a \$600-million, \$120-million-a-year program over five years. That is the largest level probably ever on a five-year basis for the resources being dedicated to infrastructure. It is an issue, and I did say to the Member for Steinbach (Mr. Jim Penner) that it was an issue that grew during the nineties, and we do have to address it. We also have some parts of Manitoba that, as you know, have roads that are really just winter roads. They have no permanent roads whatsoever. So it is an important issue.

For Manitobans, generally, the money they pay for fuel taxes is pretty much reinvested in the infrastructure. It is about a match. Now, I think you are trying to stretch the argument a little bit and argue that the retail sales tax paid on vehicles could also arguably be earmarked for infrastructure. I mean, you could, we could take every revenue on every product we get or every line of activity we get and say it has to be connected back to that line of activity, but the reality is that there are some programs that have benefits for all of us. Infrastructure could arguably be one of them, but health care, education have universal benefits for all of us, and they have to be sourced from somewhere. We are not going to have user fees to cover the cost of health care out of health care, nor are we ever going to have user fees to cover the cost of education out of education. So there is always going to have to be money that comes from somewhere else to pay for those programs which are widely acknowledged as being beneficial to us all. So you are never going to get a corresponding match a hundred percent in any area.

We do better, and I know the member will agree with me on this, than the federal government when it comes to allocating fuel

taxes equivalent to the amount we raise to infrastructure. The federal government raises way more, substantially more, maybe at 10 to 1, maybe at 20. I do not have the ratio here, but the amount of fuel taxes they raise versus the amount they contribute back to transportation infrastructure is significantly disproportionate to the amount they raise. I know the member is aware of that. So I do not think we can take these arguments to an extreme when we have universal public goods that we all value and want to see funded.

The member from Portage la Prairie knows as well as I do that every day on Mondays and Wednesday in Question Period it is why are we not spending more on these activities, and Tuesdays and Thursdays is why are we not keeping taxes lower. We try to square that circle on an ongoing basis. But there is always going to be some element of reallocation of tax revenue from the source from which they are derived to priorities that people have told us are significant and require funding. There is a distributional element inherent in being a government, regardless of the political stripe of the people involved in the governing process.

* (16:40)

Mr. Faurshou: I know we could probably debate this topic until the cows come home, but I really hate to hold myself up as a litmus test with the federal government because their recognition of this important industry and required infrastructure is dismal and an extreme disappointment to most people.

I would like to say to the minister's department staff we will very quickly recognize that the dollar value today does not purchase half as much as it did 25 years ago based upon reduced through inflation and as well as our international competitiveness being recognized in devaluation of our currency, as well. When you are purchasing road equipment that effectively is manufactured in the states, and we are paying now \$1.60-some Canadian for a dollar of U.S. product, that all plays into the infrastructure expenditures. So, even though we may be current-day historical levels, the activity is nowhere near the levels of activity in past years because of that effect.

I would like to also state that health care, education, every good, every service that the Government recognizes in the expenditures comes to us via the roadways here in the province or the airports or by ship. Without the infrastructure, we have no services. It does not matter what one considers, but it is there. So I cannot emphasize strongly enough the importance of recognizing the deficit that exists in this particular area and that more dollars need be expended.

Mr. Selinger: A couple of points, one, there are productivity improvements in the way we construct roads, so I do not think we can say absolutely that the dollars purchase us less. There is inflationary costs that reduce the value of those dollars, but there is also productivity improvements that increase the value of those dollars. We get more value for the money.

The industry itself, I mean, I asked this question, but the industry itself, and the minister will explain this to you in his Estimates in much better detail than I can, they do have standards that they constantly are refining and improving for the quality of work that is done for the dollars invested in this infrastructure. We have to be vigilant that we are getting improvements because, like you, I do not believe, and I think the member from Steinbach would agree, we have to continue to be innovative and get better value for the dollars that we spend. You do not want to build roads that require a complete overall every five years; you want them to last 10 years, 15 years, 20 years, even though we have some quite harsh weather conditions.

Secondly, if the member is going to advance the argument that those dollars purchased less, I think you are going to have to talk to your colleagues who continually tell us that we spending a billion dollars more, because we have not discounted that billion dollars for inflationary increases and cost pressure increases. We cannot have it both ways here, right? So, if you are going to give me a discount all across the board and let me use constant dollars, then our increased investments in health care and education and infrastructure are going to look a lot more reasonable compared to what I hear across the floor all the time, right? So, you know, I am tweaking you a little bit here on this

one because you are talking about the reduced purchasing power of those dollars, but that carries across the board. I mean, we have increased costs of living and inflationary dollars built in, you know, modest amounts for Canada, I mean, 1, 2 percent, 2.8 percent. If we keep it within that band of 1 to 3 percent our inflation rates through the Bank of Canada's interventions, but we do have cost inflation increases every year and we still manage to find a way to improve services, even though those pressures are built in. Those are not unique to just infrastructure, they are in other sectors of government-supported activity as well. So I just thought I would get you on that one.

Mr. Faurchou: On another topic, the cows are going to be coming home before we have done the debating.

Moving on to the tax credits which the minister responded to in regards to the education and the overall effect of that removal, to the parents of Manitoba students that are now not going to have the benefit of that tax credit, what is the dollar value that this tax credit is—

Mr. Selinger: Well, first of all, my officials inform me that these education tax credits are actually cross-referenced to the Department of Education, so if I wanted to be a real nitpicker, I would say you have to go to those Estimates because they do show there.

However, in the spirit of continuing generosity and on the assumption that we are going to eventually pass these Estimates and get them done, I will try to find the answer for you. Okay, the number is in the Estimates book, that is on page 66. That is not maybe quite the right page. We have the Property Tax Credit on page 66 and the Pensioners' School Tax Assistance credit—okay, the learning tax credit is on page 89 and that is in the Department of Finance—recovered from education, so we show it the other way. The cost of eliminating the learning tax credit this year was \$10.8 million.

The other part of that is, as you know, we have had a tuition fee reduction off the '99 base of 10 percent a year for the last three years, and in our consultations with students, they asked us, they said: We like the tuition fee reduction up

front as opposed to the learning tax credit. That was their preferred method of getting additional support to attend post-secondary education.

Mr. Faurchou: Then the dollar amount attributed to the 10% reduction is equal to what?

Mr. Selinger: They are roughly the same this year. The tuition fee reductions are valued about equivalent to the learning tax credit. I will try to get a little more precision on that for you, but it is roughly equivalent.

Mr. Faurchou: There are a number of things that I would like to pursue, but I would like to yield to my honourable—

Mr. Selinger: I just want to add one more point there. I did mention this in my Budget Address, that we have also through the tax system increased the amount of deductions from \$200 to \$400 per month for a student in attendance at a post-secondary institution, so on their tax form a student can deduct \$400 a month living expenses. That has been doubled in the last couple of years. So there has been an increased benefit there, the tuition fee reduction. We have taken away the learning tax credit on the other side thinking that those two features I have just mentioned have more than compensated for that.

Mr. Jack Reimer (Southdale): I am not too sure whether my question is even on—it is not on this topic. Maybe we already covered the Treasury Board. I had a question in regard to Treasury Board. I think that you had sent them home the other day.

* (16:50)

Mr. Selinger: No. Are you talking about the Treasury Division or Treasury Board?

Mr. Reimer: Actually what I wanted to ask a question on was Manitoba Measures.

Mr. Selinger: Yes. That is Treasury Board, which we have not actually gotten to yet.

Mr. Reimer: Oh, you have not?

Mr. Selinger: No.

Mr. Reimer: Okay. I can wait till that time.

Mr. Selinger: We are not quite there yet. I do not know if—

Madam Chairperson: Could I remind all members to please speak through the Chair.

Mr. Reimer: That is where I was wanting to ask questions, on Manitoba Measures. We are not at that point in the book yet.

Mr. Selinger: We will entertain a question if you wish, but I am going to ask the official critic at some point to—we have to pass some of these lines and get this process moving at some stage, but if you want to move to Treasury Board and your critic is comfortable with that, I am okay with that. My deputy minister may not be happy.

Mr. Reimer: I can wait until we get to that, because it may take more than one or two questions. It was just in regard to that part of the Treasury Board.

Mr. Selinger: We are focussing on the Taxation Division right now.

Mr. Faurchou: Madam Chairperson, in regard to the bottom line that it costs for an education here in the province, I am certain that the Finance people have worked through what effectively the measures that have been announced in this year's Budget, the bottom line, mean to the Treasury here in the province.

Very specifically what we have changed through this Budget is a focus on the student, the student who is a relatively low-earning individual at the present time because of dedicated time to studies versus employment. The parents that are paying for the student's education, which are full-time employment, you have alluded to 60 percent, or dual-income earning families providing, are being penalized by the changes that have been announced in this year's Budget.

I would venture to say that when the end of the day comes forward, the Treasury is significantly better off than they would have been prior to the changes this year. Effectively, an education here in the province is costing more dollars, because the Treasury is ahead at the end of the day.

Mr. Selinger: I am glad you raised the question, because it is important to clarify that in both the case of the tuition fee costs as a deduction and in the monthly \$400 a month education living costs, both of those amounts are transferable to a parent if the student does not have an income that will allow them to be deducted against it. So I do not think the families are worse off. They get additional benefits on both counts. Those are transferable.

Mr. Faurchou: Well, I will beg to differ based upon personal experiences but, in any event, we will leave that.

Specifically to the sales tax then once again, in regard to the changes made to federal revenue tax act. It is specific to succession and division of properties owned by a family. This plays into the situation that the Minister Wowchuk in Agriculture has recognized, being that there is going to be a lot of farm transfers in the next little while.

The federal government has acted upon this and effectively has provided section 55, sub-section 3, where a corporation can be divided upon the division of shares provided they are equal in three categories, so that you are not all getting all cash for one shareholder, all active assets for another one and then all investment equity. So you just have to make certain that you are equal, taking equal cash or liquid assets, equal hard assets and investment assets.

When we come to the hard assets, we are talking about vehicles. All properties can be transferred without tax, incurring tax, because the federal government recognizes that ownership is being maintained at the same level. You are getting equity for share ownerships so, effectively, you are 25% owner equity, then receiving 25 percent of the hard assets, and you will not pay any tax at the federal level.

The Province does not recognize that insofar as if there is a transfer of a truck, a car, anything that is registered transfers ownership from one corporation to another, even though it is being split along family succession lines as federal government has detailed in their Income Tax Act.

The Province says there is an ownership change, and therefore tax must be paid,

provincial sales tax must be paid, on that vehicle. So the federal government says ownership did not change, but the Province said ownership did change because of the change in registered name.

I want to ask the minister: Is he, first off, aware that the provincial government is no longer in harmony with the federal government? Secondly, is the minister prepared to consider change to this specific anomaly within the sales tax?

Mr. Selinger: If we understand the member from Portage la Prairie's question properly, first of all, in Manitoba a vehicle transferred from a parent to a son or a parent to a daughter is not taxed. So you can make vertical transfers that way in or outside a corporation tax free. *[interjection]*

Okay, fine. If there is a transfer of a vehicle between two legal entities, even a vertical transfer, there is exposure to taxation at fair market value at the time of the transfer. Now were you suggesting that the federal government does not do that on the GST? Our understanding is, and we need to be corrected, but we think you are reading an income tax provision, not a GST tax provision, sort of apples and oranges.

So we are not sure that we are on the same page here. In Manitoba, if there is a subsidiary corporation and a holding company or a wholly owned subsidiary, you can transfer assets between those without taxation exposure. You can also move shares back and forth between a wholly owned subsidiary and its owner without tax exposure.

I am not sure your reading of the income tax provision allows us to compare that to a sales tax provision.

I think we are getting into apples and oranges there. My officials believe that the GST would stick on a transfer between corporations, as it would with the PST.

Madam Chairperson: The hour being 5 p.m., it is time for Private Members' Business. Committee rise.

EXECUTIVE COUNCIL

* (14:40)

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 on a line-by-line basis. Shall the item pass?

Mr. Stuart Murray (Leader of the Official Opposition): I have some questions for the Premier, Mr. Chair. I wonder if the Premier can tell the committee if there is a Cabinet office in Westman or in Brandon.

Hon. Gary Doer (Premier): There is an office in Brandon, yes. I think it is administered out of the Intergovernmental Affairs Department, as it was with the Rural Development in the past.

Mr. Murray: Can you tell the committee who staffs that office?

Mr. Doer: The staffing positions are under Intergovernmental Affairs.

Mr. Murray: Does the Premier not know who staffs that office?

Mr. Doer: The Estimates are in Intergovernmental Affairs.

Mr. Murray: Does the Premier know what the costs associated with running that office are?

Mr. Doer: It will be in the Estimates of Intergovernmental Affairs.

Mr. Murray: So the Premier does not know what the costs of running that office are?

Mr. Doer: It is not my intent to replicate all the Estimates questions in every other department.

Mr. Murray: I know that the Premier has been quoted as saying that he is responsible for all financial decisions, so that is the basis of which the questions are coming forward. I just asked the Premier if he is aware of the costs of running the office in Brandon.

Mr. Doer: It is in the Department of Intergovernmental Affairs. The Estimates for the Executive Council are down from last year. I am responsible for those in these Estimates, and if the Leader of the Opposition wants to ask those questions in the Intergovernmental Affairs Department, he is welcome to do so. These are the Estimates of the Executive Council office, and I will answer those.

Mr. Murray: I wonder if the Premier could indicate how the staff for this office were appointed by his Government.

Mr. Doer: The member could ask that in Intergovernmental Affairs.

Mr. Murray: So the Premier is unaware of how they were appointed by his Government?

Mr. Doer: I gave the member opposite a reduction of the five deputy ministers that are under my direct scope last time we were doing Estimates. I am accountable for the staffing decisions in the Estimates of the Executive Council, and I am dealing with the Executive Council Estimates, not the Intergovernmental Affairs Department.

We have a system of government where we have ministerial responsibility for Estimates, and we do not have one set of Estimates in this Chamber of the Executive Council. We have a number of others, and those questions could be appropriately asked in the right Estimates.

Mr. Murray: I wonder if the Premier could indicate if there is currently an office in Thompson, a Cabinet office in Thompson.

Mr. Doer: Yes, there is.

Mr. Murray: Could the Premier indicate who staffs that office?

Mr. Doer: That also, I believe, is in the Intergovernmental Affairs, or is it in the Northern—I should double-check it. I believe it is in the Intergovernmental Affairs Department or Aboriginal and Northern Affairs.

Mr. Murray: Could the First Minister clarify which Estimates it is? Is it Intergovernmental Affairs or Aboriginal Affairs?

Mr. Doer: Aboriginal and Northern Affairs, and that was an election promise we made.

Mr. Murray: I wonder if the—

Mr. Doer: Sorry. I had to respond to the former Minister of Rural Development who probably created all of these offices and probably has more knowledge of all these questions of how people get hired than I do. I think he does, actually. *[interjection]*

Yes, he does, the little devil. Okay, I thank you. He and non-partisan Jim Downey, I am sure, had something to do with it.

Mr. Murray: I wonder, could the Premier let the committee know if it was his idea to do away with the Department of Rural Development?

Mr. Doer: It was an election promise. The former head of communications for the 50-50 plan would have been aware of that in a debate in Brandon in September 1999.

Mr. Murray: Could the Premier explain—it may have been an election promise, but, of course, a lot of election promises he made he has not come close to fulfilling—what was his rationale for ignoring rural development in Manitoba by doing away with that department?

Mr. Doer: Well, I would encourage the member to go back and look at the tape of the Chamber of Commerce debate. He might find that even the advice for that recommendation—and the candidate at that time, now the MLA for Arthur-Virden, is here—it was a recommendation coming from a broader section than just us. But you will notice that last week we reduced the number of deputies by five and you want to increase the number of deputies. The public will decide that.

That is not an issue for Estimates; it is an election issue.

Mr. Murray: Well, I take it that it is an Estimates decision or question, Mr. Chair, primarily because we have seen that rural development, in particular in agriculture, is clearly being ignored under the Doer government.

We see that there are fewer Manitobans farming. There seems to be no opportunity or hope being discussed, or at least any plans being presented by the Doer government. So, when you look at the fact that they have closed a hospital in Emerson, and you look at some of the struggling rural people in Manitoba that are trying to make a go of some of the hardships of living in rural Manitoba, to do away with the department that was specifically put in by the former government to do some good things—and I will take a moment and applaud both the First Minister and the Deputy Premier, who is the Minister of Intergovernmental Affairs (Ms. Friesen), who, rightly so, on the 10th anniversary of Rural Forum in Brandon, took time to acknowledge the member from Russell, who, at that time, was the minister that started Rural Forum.

Clearly, Rural Forum at that time gave a great sort of sense of pride to all those members that are out in rural Manitoba who are doing great things. This was an opportunity for them to showcase what it is that they could do, to talk about how they could compete with, if it was people in an urban market, or if, in fact, it was people in other provinces. So there was obviously a sense of putting attention on the 10th anniversary of the Rural Forum and it was generous of both the Premier and the Minister of Intergovernmental Affairs (Ms. Friesen) to recognize the importance that was put on by the member of Russell who championed that cause. But the emphasis was clearly from the previous government to have a voice at the Cabinet table that Rural Development would have the opportunity to bring ideas forward to the Minister of Rural Development who would then champion that cause at the Cabinet table. Doing away with that department, unfortunately, that voice is silent. Why did the Premier do away with allowing a voice for rural Manitoba at the Cabinet table?

* (14:50)

Mr. Doer: We have lots of voices from rural Manitoba at the Cabinet table. I think that the only difference at the Cabinet table now is that there is actually representatives from rural, northern and Winnipeg. We took Mr. Kinnear and Mr. Hodgins under the former government, and we reduced Mr. Kinnear. If he thought that that was a blow to rural Manitoba, we kept Mr. Hodgins, who was head of the Water Commission and when Mr. Hodgins went over to Lotteries Corporation, Marie Elliot, another person who would, I think, have credibility with members opposite with her knowledge of some of the rural issues. So, when we reduced the urban and rural components to one Intergovernmental Affairs Department, we actually kept the Rural Development management system, which I think the member from Russell would understand. We eliminated the urban deputy, not the rural deputy.

Mr. Murray: Just by the very nature of the Premier's doing away with the department that clearly was focused on what it said, which is development of rural Manitoba, rural development, I believe sends a signal that there is not that much attention being focused on rural Manitoba. To make that switch, I think, has had a less than positive impact on rural Manitoba. Certainly, I can tell you that, as I have gone to Brandon for Ag Days or any of the agriculture fairs that are there, there is a great concern that there is not the representation that you should have in rural Manitoba.

I believe that what the First Minister is saying is that we did away with it but that, somehow, there is better representation. I think that the First Minister is mistaken, because I do think that there are some very specific and unique things that happen in rural Manitoba, whether it is because of distances or whether it is because of a smaller population base. But there are some very unique things that happen in that marketplace, and not having the opportunity to have representation at the Cabinet table that is specific to rural development, I think, has been a step backwards for the people of rural Manitoba.

I think that regardless of what the Premier says about the two deputy ministers and keeping

the one from Rural Development, the former deputy minister from Rural Development, I do not think it has done anything to help rural Manitobans or given them the sense that, ah, we have an issue, we have a problem, we have an opportunity, we know who we can go to, we know that there is an opportunity for somebody in the Ministry, or the Minister, of Rural Development to champion our cause. Mr. Chairperson, I said very clearly, and I have made it in a number of speeches, that it is clearly a department that, we believe, should be there and that it is something that, as Premier of this province, I would bring back, because there is an opportunity for somebody to have a specific voice at the Cabinet table that deals with rural Manitoba. My comment to the Premier is that, I believe, he has left those people out of the process, and I think that is unfortunate.

Mr. Doer: Well, anybody that does not ask an agricultural question after Stats Canada comes out with those numbers yesterday and does not lead with it yesterday, I will be a little reticent to take their lectures on rural Manitoba. You left it out of Question Period yesterday, which I found shocking and our whole caucus found shocking, and I would suggest that your caucus would, probably, if they had the fortitude to speak up in caucus, find it shocking as well.

Secondly, if the member is going to campaign on reinstating five more departments and five deputy ministers more, he wants to campaign on a bigger government, I will let him go. We decreased the number of deputies by five. The Tories had five more deputies than we did. I am pleased to have that debate. If fixing rural Manitoba is another deputy minister, I think this is what put Brian Mulroney into so much trouble with the deficits he ran.

Mr. Murray: Whenever the First Minister makes a comment to do with federal politics whether it is the federal Liberal Party or the federal Progressive Conservative Party as he is trying to make a comment about the former Prime Minister, I am always fascinated by that because the New Democratic Party has never experienced what it is like to run a country, nor do I think, under the kinds of narrow-minded focussed attacks that they have, that they will ever occupy the office of the Prime Minister. So

I am delighted that the member opposite likes to take strips off of those that have gone before, who have been successful, as they have campaigned across this country and have clearly sent a message to Canadians of where they want to go, versus the narrow-minded focus that his New Democratic Party federally continually finds themselves wanting to be in.

So, when he wants to talk about lecturing, I would also caution him on the same point of lecturing, because I do not think anybody that has run for the leadership and has, in fact, been successful to become the prime minister of this great nation regardless of what party they occupy. Again, I know that there has never been a New Democrat prime minister of Canada, but I caution him on those kinds of lectures as well. So I would like to continue and ask the question on agriculture and I am sure there is a reason, and I would be interested in the reason, as to why the Minister of Agriculture (Ms. Wowchuk) was not present in the House yesterday.

Mr. Chairperson: It is unparliamentary to refer to an absence of members whether ministers or members of the House.

A point of order being raised.

Point of Order

Mr. Marcel Laurendeau (Official Opposition House Leader): On a point of order, Mr. Chair, I think it is important that the question be asked. The First Minister was quite clear about us not asking questions of the Minister of Agriculture yesterday on agricultural issues. Some of us were aware that the minister was not going to be here yesterday, and that is why those questions were not posed. So, maybe, the First Minister could let us know why the minister was not available for questioning then yesterday.

Mr. Chairperson: On the same point of order, the First Minister.

Mr. Doer: The members opposite today did ask those questions and the members opposite have the pair-request so they know where she is and—

An Honourable Member: Oh. Oh. So we should have asked the question anyway—

Mr. Doer: Well, I think it was a lead question. That is my view. It is a leader's question, not a critic's question. I am just giving you my opinion and I am glad to see the member opposite is supporting the deficits of Brian Mulroney. I do not.

Mr. Chairperson: It is remotely related to the question. Still, there are rules that we have to observe.

There is no point of order. It is a dispute of the facts.

An Honourable Member: I thought you had already ruled in my favour, actually.

Mr. Chairperson: I thank the member for clarification. Sometimes you may have other alternative ways of imparting the same information without referring to the absence of the members.

* * *

Mr. Murray: Could the Premier indicate whether the Government of Manitoba still retains an office in Ottawa?

Mr. Doer: Dramatically scaled down, yes.

Mr. Murray: Could the Premier indicate who currently staffs that office?

Mr. Doer: That is in the Department of Industry, Trade and Mines, and the minister will be able to provide those specifics in the Estimates.

Mr. Murray: I would ask: Is the Premier aware of the costs of the so-called dramatically down-scaled office in Ottawa?

Mr. Doer: The member can ask the question in the Estimates. It includes a redeployment of an existing staff here from I, T and M to there, and a reduction of other staff, but you can ask that question in the appropriate Estimates if you want.

* (15:00)

Mr. Murray: Well, I appreciate that the First Minister talks about asking the questions in the

other areas, and that is interesting. He is responsible for federal-provincial relations, so I am a bit surprised that he is unaware of those facts. I think he is very, very apparently quick to point out how scaled down they are. I do not know how he can say that if he does not know what the facts are. Either he knows that there is a savings or cost, as he wants to refer to, or he does not.

Can I ask again, to the First Minister who is responsible for federal-provincial relations: Does he have any idea what the costs of running that office are?

Mr. Doer: This office was established by the previous administration. It was established in the Department of Industry and Trade, and it is still contained there. It is not under Federal-Provincial Relations. It was set up as a "trade" office.

Mr. Murray: What reference do you mean that it is so dramatically scaled down? Do they have less pens, or what is your term for dramatically scaled down if you do not know the answer?

Mr. Doer: The questions can be asked in the Department of Industry, Trade and Mines, and I think you will find that it is scaled down from the time that we took office.

Mr. Murray: I just would like to know what you refer to when you say it is scaled down. I will ask the other numbers that you do not know and I will ask those in other Estimates, but what do you mean by scaled down?

Mr. Doer: Less professional staff and smaller quarters.

Mr. Murray: If there is less professional staff, could the First Minister say how many less professional staff there are?

Mr. Doer: You can ask the question, but the staff is lower than when we took office, and the quarters are smaller than when we took office.

Mr. Murray: Well, I will be fascinated to see what the term "dramatically" is, because "dramatic" has a tremendous resonance. I would assume that if you have a staff of eight, if you dramatically reduce it, one would think that

maybe you are down to two. I would hope that "dramatic" does not mean that there is one less person. I am just choosing that out of the air because I do not know the answer because the First Minister, clearly, is not able to furnish the information. But I find it interesting to get a sense of what "dramatic" is, and I will certainly, when I get a chance to ask the appropriate minister, make reference to the dramatic cuts that have been made and quote the First Minister on that comment.

There have been a lot of dramatic comments that always come through the First Minister, and some, perhaps, more dramatic than others. But one thing we do know is that there has certainly been a dramatic cutback in the ability for rural Manitobans to have a sense at the Cabinet table. That is dramatic, and I certainly will ask the appropriate ministers about the dramatic cutback of the office in Ottawa. I—

Mr. Doer: Just on that, we have not reduced the staff resources in rural Manitoba, and the member can ask the question—

Mr. Chairperson: Order, please. Are you done?

Mr. Murray: I was not.

Mr. Chairperson: The honourable Leader of the Opposition.

Mr. Murray: Thank you, Mr. Chairperson. I wondered if the First Minister could share with the committee his view on free trade.

Mr. Doer: Four days after the President of the United States signed an agricultural subsidy bill—I wonder if the member opposite could define what it means under his definition of free trade, because when I heard—and we will have to find out whether there is going to be free trade with the binding panel that was established under the Canada-U.S. trade agreement and extended in NAFTA.

Mr. Murray: Could I ask the First Minister, at the time the Free Trade Agreement was being negotiated between Canada and the United States, and I know that there are all sorts of comments and quotes that I could reference, but just

for the committee, could the First Minister say at that time what was his position on free trade?

Mr. Doer: Well, I have always been in favour of fair trade and free trade across Canada and the United States in goods. I had a great deal of difficulty with the lack of definition of subsidy and, on the one hand, on the medicare side the lack of definition, and obviously now on the other side of that equation with the definition that is taking place with the unilateral decision the United States government to proceed with subsidies and say that that is consistent with free trade. I believe that Canada should have a sovereign water policy and I believe that the definitions were missing in that trade agreement and are still open to dispute. I think the greater certainty you have, the better off you are. There is a difference between a free trade agreement and free trade, and I support free trade.

I thought there were problems under the definition of subsidies and, maybe some of us were worried about those things both on the protectionist side and on the sovereignty of health-care side. I hope we are not right on our concerns because I sure hope that, at the end of the day, we win free trade under agriculture and not have these obscene subsidies.

There is a difference between a free trade agreement and free trade. The first question I ever asked in this House on free trade was the whole issue—the free trade agreement, not under free trade—of water, and the first chance we had to deal with that issue we dealt with bulk water exports. So some of the things that you will find that we said before have, hopefully, dealt with decisions we have made. When you ask the question of "free trade," there is a difference between free trade and free trade agreements.

Mr. Murray: I understand the First Minister talking about fair trade and, certainly, when he makes comments and references, as he did particularly to the U.S. farm bill that was passed. I think we all agree that the subsidies are very unfair, very unfortunate for our producers here in western Canada, particularly, of course, our concern of Manitoba. I think that it is unfortunate that you have a president of the United States who, really, has, for all reports I would

think, has labelled himself a free trader, yet you see what is happening with steel and you see what is happening particularly with this farm trade bill. I think it begs the question as to what the President of the United States' position is with respect to the ability of free trade and NAFTA and the WTO. I wonder if the Premier could, to explain to the committee his understanding of the negotiations that took place—and he makes reference that he had some issues during the U.S.-Canada Free Trade Agreement, the FTA—just explain to the committee what his specific concerns were about some of the subsidies that he referenced or comments that he referenced, just in his last comments.

* (15:10)

Mr. Doer: Well, to repeat, I mentioned water and medicare on one hand and subsidies for the Americans. The member mentioned a couple of examples. He might want to think of softwood lumber as another example. He might want to think of Buy American that has had an impact, definitely on Flyer Industries, and any number of other measures as well. So the debate, I think, is going to be interesting, quite fascinating to see what happens with the U.S. trade panel that was purported to be a "binding body that no other country had" and would solve all the trade disputes against, and cushion Canada against, congressional, senatorial and presidential protectionism. If this person is in favour of free trade, this Republican President, maybe this is a pretty abstract debate we are having right now, because I think I am more in favour of "free trade" than the President of the United States is.

Mr. Murray: I would certainly concur that it is abstract when that appears to be the position.

I wonder if the Premier could indicate to the committee, and he did reference this in his opening remarks about Kyoto, I wonder if you could just give updates to where you believe the federal government is going to ultimately go with the Kyoto agreement, and then I will ask how that would have an impact on Manitoba as you see it.

Mr. Doer: Well, if the member had followed the four-option document that was released yesterday by the federal Environment Minister, which

is going to be discussed next week at the Environment ministers' meeting, I do not think they have decided where they are going and whether they are going to have public consultations right through until September. I think one of the concerns the premiers had was that there would be a political signing of the Kyoto agreement without some work before the G-8 meeting or the September Rio 2002 meeting in South Africa. But we generally support Kyoto and the objectives. We are one of probably two provinces in Canada that are most supportive of Kyoto and the objectives. We thought that the sinkhole credits for agriculture were positive. We think the reforestation objectives are positive. We thought Canada should get some credit for renewable energy exports. We are proceeding on our own, though.

The member opposite will know that we just got an award yesterday on the new Red River community college building. Thirty-nine percent of the emissions that are negative are from buildings, both in the construction of buildings and the operation of energy. We have got one of the more positive examples yesterday, and we have made some statements about ethanol. The member opposite will know that gasoline and gasoline products, if he has read the Climate Change Task Force, contribute to greenhouse gases, and I personally believe it is a real threat. I do not think there is any political mileage in supporting Kyoto, but 30 years from now, hopefully, our kids will have a world that has a little balance between the emissions of today and the impact on the world. I support the goal to have a reduction.

It is unfortunate that the United States now will not have a reduction. This is one of the other criticisms we had, or concerns we had, under a Canada-U.S.-Mexican trade agreement. Unlike the European Common Union that has a standard for environmental measures and a standard for labour measures, this is not in place in the so-called agreement, and I say "so-called," given what has happened in agriculture this last week.

But the federal government, I think, has got four options out there, and I think that is an indication that they are not sure where to go. That is how I read it.

Mr. Murray: Mr. Chair, what national programs would the Premier like to see supported to keep free trade open in agriculture with our U.S. neighbours?

Mr. Doer: Like the elimination of U.S. subsidies.

Mr. Murray: I do not think anybody would disagree with that. My question was: What programs would the Premier like to see supported to keep free trade open in agriculture with our U.S. neighbours?

Mr. Doer: The elimination of subsidies.

Mr. Murray: Are there any specific programs that the Premier would like to see supported to keep free trade open with our American neighbours?

Mr. Doer: It is almost a question that is premised by an oxymoron. You have a subsidy and a free trade in the same sentence. There is no free trade in Agriculture. So you asked me to answer a question about a strategy to deal with free trade when there is not any. *[interjection]* No, we have got subsidies. We do not have fair trade and we do not have free trade with subsidies. We do not have, in my view, free trade with massive subsidies. It is protectionist, period.

Mr. Murray: I wonder if the Premier—we had a discussion in the Chamber during Question Period specifically about Grade 3 testing—could tell the committee what his plan is to deal specifically with the Grade 3 boys and girls in Manitoba, that six of ten of the Grade 3 students in Manitoba that were tested are unable to add or subtract up to ten?

Mr. Doer: Well, the member keeps misinterpreting this. The results were broken down into "needs help maintaining an acceptable level," "needs some help" and "needs no help." I am glad that they have put this information out to parents. The protocols now require, as of a year ago, work with parents.

Secondly, I am glad superintendents now are getting this information because, obviously, the goal of the Department of Education is to get

this information into the school divisions, which they have done, to get some thinking on what is going on, hopefully, in the Grade 2 curriculum to produce some positive results and some results that are below expectations.

The categories are broken into three, and they are public and they are on the net and on the web, and they are available to parents; parents are getting these results. My own child will get these tests and I, as a parent, look forward to getting the results in the beginning of September, so I know, along with the teachers, what the plan is, to take the results from X and move it positively to Y.

Mr. Murray: Well, I do not know how you possibly could say that there is a misinterpretation. I mean, either children in Grade 3 know how to add or subtract, or they do not. And their own numbers indicate that six of ten children in Grade 3 are unable to add or subtract to ten. Now, you can talk about some form of misinterpretation or you can talk about, I mean there is this whole notion, well you know, the previous government had testing at the end of the year. Their Government under the Premier decided that they would bring it in at the beginning. You know that gets into some kind of a political debate.

* (15:20)

The fact of life is that you have got six of ten children that are unable to add or subtract to ten, and so we have been asking, and it was very evident the day that we raised it, that neither the Premier nor the Minister of Education, (Mr. Caldwell) were at all aware of this. So the question then becomes: Why is that, and what is being done about it? Because this is the future of Manitoba, our young men and women, they should be given a chance to communicate, to feel comfortable that when they are in Grade 3, they have an opportunity to learn and grow and participate with the child sitting beside them. But, when six of ten cannot add or subtract, chances are the child sitting beside you, or the child sitting on the other side, or behind you, or in front of you, cannot add or subtract either.

So it is irrelevant when you drill down to it; it is irrelevant whether it is at the beginning or

the end. The fact is that 60 percent, six of ten of our children, cannot add or subtract in Grade 3. So I ask the First Minister: Could he please tell the committee what is the plan to address that?

Mr. Doer: I just answered the question.

Mr. Murray: You know, it is stunning that he either does not know, has not got a plan and is prepared to abandon many of our kids in Grade 3. He makes reference that he is a father and he has a daughter in Grade 2. I also am a parent and have kids in school. I just find it absolutely unconscionable that the First Minister, when asked a simple question about what your plan is to assist young men and women, kids in Grade 3, what the plan is to ensure that we do not have six of ten children that are unable to add or subtract to ten. I just find it incredible that there apparently is no plan to do anything about it. I, personally, find that unacceptable, and I hope that the Premier would feel the same.

Mr. Doer: Well, the only people that the former government supported for public education, the only people the public were supported in education by the former government were private schools. We are supporting both private and public schools, and I did answer the question. If he wants to politicize my answer about what we are doing with the results, he can go ahead and do so. But I did answer the question and I suggest instead of reading his research notes, he listen to the answers.

Mr. Murray: Well, you know, for a Premier that gets into an election campaign and talks about a Grade 3 guarantee, that talks about an area that clearly is, you know, things like knowledge-based economy, all sorts of issues that he believes that he stands for, I find it incredibly hollow that when asked about our children's future in this Chamber, that his comments are, you know, making reference to me reading some notes and not listening. I am just absolutely—I just find it incredible—that this is not about politics. It cannot be. It has got to be about young men and women. It has got to be about providing an opportunity for children in Grade 3, so that, if a teacher turns to a child and says what do you think the sum of three plus four is, that child does not sit and say please, do not ask me, because I do not know. That is 60

percent of those children, and so to say, well, I have answered the question, you know, he is reading his notes, I find it unbelievable that that is the kind of attitude that you would like to leave for Grade 3 children.

I do not think there is anything wrong, frankly, to say: You know, we have a problem, and here is what we are going to do about it. Nobody is asking for perfection; they are asking for some kind of direction and, hopefully, somebody that cares about the future of those kids that are in Grade 3.

Mr. Doer: Those of us who went through the days of private schools getting 13 percent while public schools were getting minus two, and minus two needs no lectures from the member opposite. I talked about the strategy on curriculums, working with superintendents and parents, and I find it incredible the way that the Tories treated the public education system.

Talking about a learning society, I just talked to a former member of the Conservative administration on post-secondary, and he actually complimented me at an event, about how we put more support into post-secondary community colleges and universities in three budgets than they did in 11 years. That is why we are starting to fix the leaky roof on the engineering faculty. The results speak for themselves. The OECD tests—Manitoba was fourth in math, fourth in English, Canada was second in the world. My bottom line is that improvement has to be made because the goal should be to be first in Canada and, I think, it should be the goal of everybody here. I have answered the question on the specifics.

Mr. Murray: Well, I am always interested when the First Minister wants to go on record with a former Tory sort of congratulating his Government. I guess that he likes to maybe read that in Hansard. The fact of life is that, well, you know, there is some good night reading for you, I guess. The fact of life is that you have children in Grade 3 that—how are they expected to have the opportunity to even dream about becoming an engineer, for example?

The First Minister likes to reference what great things he likes to say they are doing for

post-secondary education. I think that if you ask people today in post-secondary education, I think it is a fair place to ask questions about what you believe your future is in this province, where the hope and opportunity is. I think those people that are getting ready to graduate, that is a fair group of people to get a sense of where they believe this province is going. I daresay that their sense is not all that enthusiastic, Mr. Chair.

The point remains that it is all about building a foundation and, surely, that foundation starts in the early years; surely, that foundation is built in levels such as Grade 3; and, surely, when you have an opportunity to recognize that there are all sorts of issues—we are talking right now about the fact that six of ten students cannot add or subtract in Grade 3. There were all sorts of other numbers on that Web site that we pulled off, Mr. Chairperson, that went on and had a number of percentages, whether it was 40 percent that was unacceptable, or 43 percent or 48 percent, or even 35 percent.

At what point does the Premier admit that there is a problem, that there is an issue? At what point does he say: Here is what we are going to do to ensure that Manitobans, at all ages, at all levels, have the opportunity to compete with the best in the world?

Mr. Doer: The best of the world, the OECD countries, we just had a test, and I am surprised the member is so pessimistic. The test indicated that Canada was second and Manitoba was fourth on math. So that is the comparison of the world. So I have answered the question and I have answered the previous question.

Mr. Murray: Well, the fact is that, I believe, there was a national math test that was done nationally and Manitoba was below the average. You know, the First Minister likes to make comments about pessimistic comments.

Well, I would much rather, at least, be realistic and say that six of ten children in Grade 3 that cannot add or subtract up to 10 is a problem and should be dealt with. You know, and again, those are their numbers from their Web site and I am delighted that he makes comments about the OECD.

* (15:30)

I am talking about young men and women here in Manitoba that clearly are being ignored or are being left behind, or are not being given an opportunity to get a sense of confidence and self-esteem. To say that he has answered the question, I just find it incredible. I just think that to try to put rose-coloured glasses on and say: Well, let us cherry-pick two lines from these eight or ten, and just concentrate on the fact that, maybe, there is an acceptance rate that is somewhere at 65 percent, Mr. Chair. Again, 65 percent—you know, to say that is positive and that is great—

Look, that might have been positive for me when I was in school. My parents would have begged to differ. But, I just think that the standard, I mean, this sense that we can be below average and somehow say that that is okay, it really begs the question that maybe below average is okay for the Government. I would certainly argue with that. But to say that where our children are going and the results that we get are below average, I find that very, very, very short-sighted on behalf of the Premier.

Mr. Doer: It is not short-sighted, it is identifying at the beginning of the year those students starting the year in terms of Grade 3 work that have acceptable levels, there are three categories, and the member opposite is taking it into black and white terms: those students that need some assistance in Grade 3, and those students that need a considerable amount of assistance in Grade 3. I think the bottom line is identifying those who need a lot of assistance at an earlier point in Grade 3; it is not short-sighted, it is long-sighted, because if those kids do not get the assistance all throughout Grade 3, the chances of being further behind at the end of Grade 3 are greater, and the member knows that, but he is going to play politics with these results.

You know, this is the fifth time, so we are just going around in other department Estimates circles here.

Mr. Leonard Derkach (Russell): I beg the indulgence of the Premier in some questions that I would like to pose with regard to this whole area of quality education for our youth. I guess I

speaking from my former experiences in education and being minister of that department for four years, and I probably share the same concern that many Manitobans have about ensuring that our youth have every possible opportunity to succeed and compete with, not only other Manitobans but, indeed, students across Canada, the United States and, indeed, around the world as this globe becomes smaller by the day.

The Premier, on many occasions, stands and assures Manitobans about his concern and his emphasis on education for economic development in our province, for positive climate in our province and, indeed, for opportunities for youth, and I applaud those things. Not everything the Government does is negative.

Although our job here in the Legislature is to hold the Government accountable and, perhaps, to even be critical of things that we see need to be criticized, it is not to be taken personally or meant as an affront to either the Premier or any of his other ministers.

This is a process where we seek information and where we hold the Government accountable to the people of Manitoba and to this Legislature. So the questions we ask here are of a genuine and pure nature, in my view, and sometimes we slide from that and become a little political, but that is the nature of democracy and the process in this Legislature.

Coming specifically to quality education and specifically to testing, and I know how anti-testing the Premier—now was when he was in opposition, his members of his then-opposition were—and it was anti-testing because, I guess, I am the one who introduced the first standards test in the province of Manitoba. The reason that I did that was because during my experience as the chair of the Council of Ministers of Canada, one of the very hot issues of the day was the standard of education in Canada.

Then, every provincial education minister was concerned about the standard of education in his or her province. At that time, this is back in 1988, and 1989, Manitoba stood as being one of the provinces whose students were least competitive, as compared to the rest of Canada. Then, when we compared ourselves to the other

countries that we usually compete with on the global scale, Manitoba did not measure up very well, either. But all provinces were concerned, because we were falling behind Japan, Europe, and so we needed to improve the quality of education.

Mr. Tom Nevakshonoff, Acting Chairperson, in the Chair

Now, this was not meant to slight any teachers, any educational authorities, the department, or anybody else. We could have blamed it very much on the funding shortages that were prevalent during the Pawley years, and I vividly remember, because I was chair of a school board when revenues in this province were in excess of 16 percent, the school divisions were getting something like 1 and 2 percent. We were living in days when revenues to this province were in excess of 10 percent and school divisions were receiving a miniscule 1 and 2 percent in those days. But we have moved on from those days and today, we are talking about, we are arguing about whether we should have testing at the beginning of Grade 3 to ascertain the quality of education, or at the end of Grade 4 or Grade 3 or, whatever grade it might be, to ascertain how students have done in that period of time.

When this Government took office, they scrapped all the standard tests. Yet, in that first standards test that was conducted in Grade 12 math, the results were not published. Rather, the results were used to correct the deficiencies. I think I put this on the record before, that in that first exam, in that first standard test that was written, we found two schools in Manitoba where every student in the classroom failed that standard test. Now, we did not go out and publish those results. We did not go out and chastise the educators. We wanted to find out what really had happened. We found that in those two classrooms where every student failed, we had two teachers who had come from the United States and who had implemented an American curriculum in math in Grade 12 in their classrooms. So those students could not compete with any other student in Manitoba at a Grade 12 math level.

That is why our universities were complaining about the language skills of our students

who were coming in to universities, were complaining about the math skills of our students who were coming in to universities. This was a response to try to make sure that every student was on the same page and received the same curriculum throughout our province. We worked very hard at that. Through the course of time, Mr. Chair, the evidence shows that our students, as a matter of fact, began to excel very rapidly and were at a point where they competed extremely well.

Now this Grade 3 test that we have just received the results from is, again, another red flag. Does it mean that we should go out there and begin to chastise all of our educators? I do not think so, but, in those results, there are signals which point to how we should, in fact, address the deficiencies of our system. Yes, the Government has a responsibility to address those and respond to them, but I think it is not responsible for either the Minister of Education (Mr. Caldwell) or the Premier of Manitoba to say that we are satisfied that our students are doing well, except in one little area where we might show improvement.

* (15:40)

Yes, I know that the Premier has to say things publicly which might be of a positive nature, which do not alarm Manitobans and which do not cause chaos in our province. On the other hand, I think it is incumbent upon the Premier of our province to put in place, or ask his Minister of Education to put in place, measures that are going to address those deficiencies. Now, those deficiencies are not just ones that are picked out by us. They are picked out by very highly educated people in this province who have spent years in the education field and who should be listened to. So, instead of making platitudes about how well we fared as a province, I think the Premier has to address the issue by giving directive in terms of what his expectations are of his Department of Education, and also of results that he expects as a result of the money that is being invested in education.

So I want to ask the Premier, and I know he has been on this topic for a little while, but I genuinely want to ask the Premier, on behalf of the citizens of Manitoba, and, more specifically

in my case, of the citizens in a rural school division, what kinds of measures or what instructions he is giving his Minister of Education to ensure that by the time the next round of national or provincial tests which are used as indicators are given, that our students will be given every opportunity to indeed improve on the deficiencies that were so evident in this past series of tests.

Mr. Doer: I challenge the member opposite to table Hansard that would support his position that I am anti-test. He will not be able to do that from my days in opposition, point 1. Point 2, we have not changed the Grade 12 standard tests. Point 3, the 6 and 9 test policy that is in place was put in place by one Mr. Carlyle. I could table the letter for him. I will send him a copy of the letter. He knows that. Grade 3 was the only departure in terms of the timing of the test. I answered the question 20 minutes ago about what we are doing with it.

Mr. Derkach: No, Mr. Chair, I want to ask the Premier, and I want him to listen carefully because I am asking the question what directives he has given his Minister of Education.

This is the Premier of our province. As Premier of our province, in charge of Executive Council, the minister sits at his Executive Council table. I want to ask him what measures he has asked his minister to undertake in the next short term and long term to ensure that Grade 3 students, and also students who are coming into the system in the next three or four years, because this also impacts on children who are in the very infant ages now.

I will tell the Premier I will support him all the way, provided there is a signal from him that demonstrates he has given instructions to his Minister of Education to address the shortcomings that were identified. Let the Premier not express the fact there were no shortcomings because those are evident. I will find him specialists in education who will identify those shortcomings for him, if he can not.

That test should be used, Mr. Chair, not for political reasons to stand up and say: Oh, how well we did. I read the articles in the newspaper, I read the Premier's comments in the newspaper,

but what I do not know right now is what directive this Premier is giving his Minister of Education to ensure those shortcomings are addressed in a given period of time so that our children coming into the classroom are going to have every opportunity of success, to be able to compete with any student in Canada, in the United States, or indeed in the world.

Mr. Doer: I mentioned before, about 20 minutes ago, or 25 minutes ago now, that there is follow-up work now going on between the Department of Education and the superintendents of all the school divisions dealing with the material, how many are working at an acceptable level, how many people need some help and how many need a great deal of help on the various topics. That work obviously has to start earlier than Grade 3 now.

There is also work with the parents. There are instructions already been made by the department on following up with parents from the results of the tests. When one talks about room for improvement, at every grade, during every government, unless every child gets 100 percent in every subject, there is always room for improvement.

Mr. Derkach: Mr. Chair, I do not find those answers acceptable from the Premier because he is the head of government. He has responsibility for the members around his Executive Council. *[interjection]*

I heard the Premier. He said this is a waste of time.

Mr. Doer: No, no, I did not say that. Staff are here to answer questions on Estimates. I am worried about them wasting their time, because we are not talking about the Executive Council Estimates.

Mr. Derkach: Mr. Chair, I want to respond to that. I am going to respond to that. I am going to digress from my question, but I am going to respond to that, because, Mr. Chair, I have been here for 17 years, as long as this minister has been here.

I know that during the Department of Education Estimates when I was minister something like 60 hours were spent on Estimates without a complaint from the minister. When the member

from Fort Garry was Minister of Justice, she was kept in Estimates for 70 hours without a complaint.

This minister has been in this Chamber for a week and he is already complaining about the fact he is kept here for so long and the questions being asked are not relevant. I find that objectionable. I find that objectionable as an MLA. I find that objectionable as a member who represents a constituency in this province that wants some answers. I am asking legitimate questions. I am not asking silly questions that can be thrown out the window.

I am sorry the taxpayers of this province are paying for staff to sit in this Chamber, but that is part of the democratic process, as I understand it, and if it is not, then let the Premier be bold enough to say so, that we are going to depart from the traditional democracy in this province and move in another direction.

An Honourable Member: I will answer the question.

Mr. Derkach: That is not the question, Mr. Chair. That is a statement from me, and I hope the Premier takes it seriously because my questions are of a serious nature.

I am concerned about these areas. I want to support the Premier and I have told him that before. Take an action that is positive and I will support you all the way, as we did with the firefighters. We support the Government with the firefighters. I will support the Premier in actions that he takes that are supportable, but I also have the right, as duly elected as he is, to be able to pose some questions, and if they are of a trivial nature, then I will try to behave myself somewhat better, Mr. Chair, but I am serious about the questions that I am posing. I have not heard the answers that I think we should be hearing with respect to Education.

So, therefore, I will just progress a little further if, I may, Mr. Chair, and I am sorry for digressing in the way that I have.

Point of Order

Mr. Doer: On a point of order, Mr. Chairperson, I expect to be treated with the same courtesy as I

treated my predecessor. I always respected the Office in terms of the time requirements in place, and you can go back over 10 years and find a record of respect. It did not mean that I was not a competitor, but I did not have critics coming in and asking questions that were asked in other Estimates or were going to be asked in other Estimates. Maybe I just had a different style when I was Leader of the Opposition and responsible for the Estimates of the Executive Council.

There have been questions I have been asked that have already been asked in other Estimates. I have every responsibility of being accountable, but if I am dealing with every estimate in government, then so be it. But that is just not the way I operated with my predecessor, even though he was as democratically accountable. The issue of democratic accountability, I have no difficulty with.

If this is going to be politicized to the degree it is, then fair enough, I can handle that. I will just cancel all my meetings and let people know the reason. I just operated in a different way, and maybe I was wrong, but we are already over the maximum time I spent with my predecessor. I do not mind doing that but, you know, just to have questions repeated or questions that were asked in other Estimates come in here because somebody else is not organized, I regret that.

That is my point of order.

Mr. Chairperson: The Member for Russell, on the same point of order.

Mr. Derkach: Mr. Chair, I will respect this Premier and his Office, but I think he had better know a few things. One of them is this: He has at his Executive Council table a Minister of Education who will not answer a question. Whether it is in the House or whether it is in Estimates, he will not answer a question.

Now, either he takes the responsibility as Premier of this province to direct his minister to answer those questions, or he is going to be expected to answer them here. That is the democratic process, Mr. Chair.

* (15:50)

Mr. Chair, I am sorry that the Premier finds himself in Estimates longer than he would like and that his appointments have to be cancelled. We had to cancel lots of appointments during the time that we were in government to accommodate the opposition.

Mr. Chair, if he has an appointment where he has to be away, then the House Leaders can accommodate that. As a matter of fact, I believe that the Premier was granted a pair for today, and that pair was granted on the basis that we respect the Office and we respect the Premier, but for him to come into this House and object to the fact that I, as an elected member, because I am in opposition, ask a question he takes great objection to, I am sorry. I cannot tolerate that in terms of the democratic process that this province has always had. So, on his point of order, I will try to keep my questions as brief as possible and then we will try to move on as quickly as we can.

Mr. Chairperson: Okay, there is no point of order. It is a dispute over the facts.

* * *

Mr. Chairperson: I understand that the member has put his question. It is to the First Minister to respond.

Mr. Doer: His question, I answered the question a period of time ago. The member says it is unacceptable. That is a subjective issue. I said that if every kid does not get 100 percent on every test it means that there is room for improvement and therefore there is room for improvement.

Mr. Derkach: It is obvious that we are not going to get any specific answers from this Premier with respect to this area and maybe it is an area that he does not understand and therefore we will let it go at that.

I would like to move into one other area. It was the Premier's comments about us asking questions with respect to agriculture in the last two days. Yes, we did not ask a question on agriculture yesterday, but there was not, in our view, a question that we would have had this Government responsible for in terms of the

numbers of farmers that have left agriculture, in terms of this Government's policies on agriculture and so the question was not asked.

Now I know the Premier wanted to stand up desperately and make all kinds of political statements about agriculture and how his party supports it and that is fine. But there are some questions that I do have with respect to the current situation as it exists with the Free Trade Agreement with the United States and also with some of the actions that the Premier has involved himself in in the past. That has to do with the negotiations that were ongoing with MCI, when we had something like 1200 workers I believe who were threatening to strike and the company was threatening to move its manufacturing out of Winnipeg, which would have had a very serious impact on the economy of our province.

The Premier did involve himself in those negotiations directly and did in fact take credit for saving an industry in our province, and we congratulated him for that. That is his responsibility as Premier of our province. Yes, I think it cost the Treasury of our province something like \$30 million, or \$24 million, was it, to keep the workers and the plant in the province of Manitoba. The Premier may correct my number, because I do not have that figure in front of me, and I would welcome his correction. But I relate that to the agricultural situations as we have it here. The American position with regard to subsidies is threatening the livelihoods of some 23 000 farmers that we have in the province of Manitoba but, more importantly, those who are most vulnerable to this kind of change and those are the small farmers. The large farmers, barring a disaster, may survive another year, but the smaller farmers are the ones who are really quite threatened. I do not expect this Premier to be throwing bundles of money at this problem and to be taking the lead on this because this is a federal issue, and we understand that.

My question is, with respect to as minister responsible for interprovincial and federal relations, to ask this Premier what future steps he has in mind to be able to stand up for the agricultural producers in our province, specifically in the grains and oilseed sector, in the pulse crops and what future actions he has

discussed with other premiers as it relates to this issue and whether he can give us any more information than what we have to date on this very important and critical issue in our province, especially in the rural part of our province. I might say that this has a significant impact on downtown Winnipeg and specifically many of the offices at the corner of Portage and Main. This will be felt not only in rural and also in urban Manitoba as well.

Mr. Doer: I said in my speech on Monday, which is in Hansard, talked about this having an impact all across Manitoba, point 1. Point 2, the last discussion I had with premiers or their representatives, the Leader of the Opposition (Mr. Murray) was there at that meeting. I am sure he has debriefed the caucus. Three, we talked about free trade earlier, about 45 minutes ago, when the member from Arthur-Virden and the Leader of the Opposition were here. They asked me a number of similar questions. Four, the issue of MCI; the numbers are wrong. They will be fully disclosed when there is an agreement, and there is not one yet, but the member opposite would know the conditions of MIOP loans are quite different than cash. It is quite a bit less than the North Dakota amount of money of \$16 million U.S. and it has been reported with high numbers in the media, but those are not our numbers. We will not reveal any numbers until we get agreement. Six, I did not "take any credit." Some people thought I got too involved, some people thought I did not get involved. I would do the same for any other industry. My first effort to Ottawa with an all-party group was on agriculture, and it continues to be a priority for all of us in this House, and I am glad the Leader of the Opposition joined us.

Mr. Derkach: Mr. Chair, I thank the member for that answer. I am not suggesting that, and I am not asking for information that is not public at this time. I am simply using numbers that were quoted in the press, I believe.

An Honourable Member: Yes.

Mr. Derkach: The Premier certainly has every right to not disclose those until negotiations are complete. I do not fault him for taking steps to keep the industry in Manitoba. It is an important industry to us. We have done the same when we

were in government to protect our workers, protect the people of our province. That is not unprecedented.

At the same time, Mr. Chair, we see another industry that is really threatened. I guess the reason that I am a little bit concerned is that we saw earlier when there was a payment requirement required because of disaster situation, the finger pointing went back and forth between the Province and Ottawa, and at the end of the day it was the farmer who suffered and did not receive a dime for any compensation for a disaster that had taken place across our grain-growing area.

* (16:00)

It is unfortunate that grain growers are vulnerable to the havocs of nature, but that is the nature of the industry, Mr. Chair. I know that the Premier has said: Well, we put this much money into crop insurance and so much money into other support programs, whether it is nutraceuticals or whether it is to the food lab. The real help in Agriculture that I think the Province can be instrumental in is in the assistance to diversify into other enterprises in agriculture. One of the most successful stories that I think we can boast about in this province is how we have expanded the livestock industry. I think our largest livestock industry right now is hogs.

The Premier in the House today talked about us wanting to become No. 1 in potato production. It was our government that started the whole process of expanding the potato production. The Premier can shake his head; I was directly involved in that, so I know where we were and I know where we came from in that whole industry. It was a major initiative, but it was an initiative that we embarked on carefully because the environmental issues, the supply of water, the impacts on the environment were all very important. So I simply want to applaud the Government for continuing to put emphasis on diversification into the potato industry, because it does take acres out of wheat and out of some of the cereals that are having trouble in the marketplace.

I think there are people that are concerned about the livestock industry, specifically the hog industry. I guess I am living in an area where

there is a lot of controversy right now about the expansion of the hog industry. We have on one side the people who would dearly like to diversify. Whether it is through their families or when they cannot build a barn on their own, what they do is they partner with perhaps somebody like Puratone, or Purina, or Premium Pork, or Elite to build those barns, but they become partners in those barns, whether through their labour or whether through an investment in direct money, or whether it is through an investment in kind by land, or other ways, where they become meaningful participants in that enterprise. That is diversification.

I can tell you the only way my sons, any one of my sons, can stay on the farm is if there is an opportunity for diversification. Mr. Chair, that comes down to government policy. That government policy has to be led by the Premier, where either we have an availability of capital for those kinds of enterprises to be developed on the family farm, or whether there are environmental issues that can be addressed so that one department is not fighting another. By that, I mean when we look at manure management, for example, we are now moving down from the 400 animal units down to the 300, and yet there has really not been a lot of discussion with the people who have these small animal units on their farms, and 300 animal units is not a large farm anymore. It is the family farm that is being impacted by this.

So I ask the Premier whether or not he has had any discussions with the farm leader organizations with respect to how his Government can become a meaningful developer and diversifier in the ag sector.

Mr. Doer: Mr. Chair, my ministers advise me, the Intergovernmental Affairs Minister (Ms. Friesen) advises me that municipalities want to maintain input into the decisions. They want local control. We have almost all the municipalities with a plan now, or zoning by-laws and planning by-laws, save three, I believe. Three, we have technical reviews now available for the municipalities, so science can be used against some of the emotion and sometimes misinformation in those discussions. Four, we have a 17% increase in livestock growth last year, in the 2001 agricultural year.

I think, as I say, the municipalities want to keep local control on this issue. It is not a universal view, but the majority, the organization that speaks for municipalities wants to have control of this issue. That, by definition, creates the situation where we have very emotional debates on the issue.

I am not aware of the major agricultural organizations being opposed to some of the recommendations. I will double-check on the animal unit issue. I think there has been input, I know, on the livestock stewardship report. The ministers constantly are meeting with the agricultural organizations and the municipalities and their leadership.

Mr. Derkach: Mr. Chair, I want to pursue this, because this is an issue I think is pertinent to the Premier's responsibilities as Premier. I know the organizations do expect him to have an understanding of these issues, because they are so important to the economy of this province.

We met this morning with the Pork Council of Manitoba. The work they have done with respect to environmental issues, with respect to dealing with the anti-hog development lobby and dealing with issues such as odour mitigation and spacing these barns in areas where they are not going to be infringing upon large residential areas is commendable.

One of the shortcomings, and this may be something the Premier may direct me to ask the Minister of Intergovernmental Affairs (Ms. Friesen), but I think he should be aware of it as well. We have municipal elections coming up this fall. What is happening, and I know this from a personal experience, in the rural areas, is the activists who are against hog barns have now begun a campaign to unseat legitimately elected councillors who are struggling desperately with trying to do the right thing for their residents as far as hog production is concerned, and hog production is the hot button right now. But I can tell the First Minister that I live in an area where we have had lobbyists and activists actually take up residence in our communities. They are there for one purpose, and that purpose is to lobby against the development of hog barns. They are now positioning vulnerable residents to run against legitimately elected councillors. This is

not happening just in one municipality; it is happening right through.

Now whether we like Alberta or not is irrelevant. I think the same thing was happening in Alberta. What we were seeing was the pro-development municipalities and municipalities that had been taken over by non-resident activists that became non-development areas. There was not a consistent approach to how we develop the diversified livestock industry in the province, and it will happen here as well.

So I ask the Premier, who says that there needs to be local control, whether or not, through the planning process that they have embarked on, there has been any discussion around the Cabinet table to put in a process for an appeal mechanism that is removed from the municipality for the location of intensive livestock units where science is used, as he says, rather than emotion, and if in fact all of the criteria are met that have been established to date. We probably are a province that has the stiffest criteria in North America, and that is fine, but when the criteria have been met that a development indeed can go ahead rather than having neighbour against neighbour because of the emotions, because of local politics, because of activists who are coming from outside of the region and also because of the activities of Hog Watch, I can tell the Premier that I have watched very carefully the activities of Hog Watch. I can tell him that it is not an organization that is doing his Government any favours nor is it doing the agricultural community any favours.

So I am wondering if the Premier could respond to whether or not he is prepared to take a look at this whole area of permitting or licensing an appeal mechanism which will allow science to be applied rather than simply emotion.

Mr. Doer: Well, the members opposite set up a system of local control, and we have consulted with AMM about this issue of municipal decision making. Is the member suggesting that we now remove the right of the municipality to make that decision?

* (16:10)

Mr. Derkach: Mr. Chair, that is a decision that Government has to make, but the Government

made a decision with regard to drainage. That, too, was an issue that was in the hands of local municipalities. Actually, that is a decision better left in the hands of local municipalities because it is the local councillor who knows the direction that water runs in.

I can tell the Premier (Mr. Doer) it was under watch when we were still in government that we had department staff who were trying to tell local people that the water ran in a different direction than it actually did. It took surveys and levels to point out to department staff that water indeed moved in the opposite direction from what they were showing local people that it ran to.

So, Mr. Chair, when you come to water, I think local people are in a better position to decide how to manage water issues, but yet Government was not afraid to take over the responsibility for drainage in all of the province. So I asked the Premier, if we were bold enough to do it for drainage, why are we not bold enough then to perhaps set up a process where we do not necessarily take away the control of municipalities, but where we set up an appeal system which will make the municipal process accountable, because if they are not accountable and do not use the criteria that have been established, then the proponent can always move to an appeal body to have his case heard again. At the appeal body, if the science is applied, then indeed the decision that is rendered will be accurate nine times out of ten.

Mr. Doer: The member used some qualifying words on his comments, but it comes down to a basic issue of local control and local decision making. AMM does not want to lose that local control. So, yes, you get some decisions that might be. We are providing the technical review information, scientific information at the earliest possible moment. Obviously, the licensing of the manure management takes place separate from that, but the talk about Alberta, there is no more local decision making. That is what is gone. That is not the system members opposite set up, and that is not the system we have maintained. That is not the system that has been recommended to the Minister of Intergovernmental Affairs (Ms. Friesen).

So, if he is talking about removing local control, if that is the new policy of the Conservative Party, that is a departure from where you were. You can dress it up, but there is a fundamental issue of local control versus government being able to come in and override it for whatever reasons and, therefore, de facto making all the decisions, yes, on the basis of science, of course. What if a local community does not want, what if the project is scientific, but the local community does not like some of the other aspects of it, should then the Government here on Broadway decide, well, those local officials are not properly elected? It is not a simple issue, and I am sure he wrestled with it as well. So far the AMM has recommended to us that local control be maintained, so we have maintained it.

Mr. Derkach: Well, Mr. Chair, the R.M. of Hamiota put in a drainage ditch to allow a farmer access to his property because the road was inundated by water. It was access to his yard. A government-appointed staff came out and ordered the council to close the ditch that drained that land because somebody did not like it downstream. The water was draining into a creek. It was not an intermittent stream; it was a municipal creek that ran through the property.

Now it was not hard for the Government to make a decision from Broadway on an issue like that, where locally elected people had actually made a decision to drain an area because it was impacting on a resident's ability to get in and out of his property. As a matter of fact, his children had to walk through the water to get to the school bus because it was too dangerous for the school bus to cross the water, and yet the department came along and said you cannot drain that. You can spend another \$100,000 and put more dirt on this road and raise it higher, but you cannot drain it. So it was not hard for the people from the department to come out and say, no, you cannot do this. I am not suggesting that the department be the appeal process or that the Government be the appeal process, but an appeal process be established by the Government which could include people from AMM, yes, experts from Government or experts appointed by Government who would act as an appeal tribunal, if you like, for decisions perhaps that are made on the basis of emotion and not on

science. We always have an appeal process. You know, the minister is always the last recourse of appeal, if you like, on many issues as they relate to us as residents in Manitoba.

So I want to ask the Premier whether or not he does not see this by establishing an appeal process to help alleviate the stresses of municipalities. The Premier, if he travelled in rural Manitoba right now and talked to municipal groups, would find that the stress level of councillors is extremely high because of the emotion that is so rampant in some of these municipalities as it relates to livestock expansion. Now, do we bury our heads in the sand and think the problem will go away, or do we find solutions for this?

I am not quoting any kind of policy by the members on this side of the House. All I am asking the Premier to do is to take a look at this situation because of its importance to agriculture diversity, to take a look at whether or not an appeal mechanism can be established, and whether or not he is prepared to at least entertain the possibility of having an appeal mechanism for hog production and for livestock expansion in the province of Manitoba.

Mr. Doer: Well, I am curious to hear whether the leader of the party is supporting the Alberta view, as opposed to local control, and secondly, the appeal process, there is already a long period of time to do the scientific work and this would lengthen it. Can the appeal body overturn a municipality that said no or said yes? Therefore, the municipalities lost the local control. I am surprised the members opposite are proposing to go to the Alberta model. I am not sure whether that is the position of the leader, but AMM has told us do not go there. You cannot have an appeal body that can overrule a local municipality and still have local control.

Mr. Derkach: You know, this is one of those stalemates where you agree to disagree and you never get anywhere. Mr. Chair, the Premier is putting words in my mouth. I am not suggesting that we go to the Alberta model. I am saying that Alberta moved in a direction which tried to alleviate the emotional problems that were occurring at their county and municipal levels.

What I am asking the Premier to do in Manitoba—now he has intervened in dispute resolution before, so this is not sort of breaking new ground. The Premier took away the authority from municipalities to drain. He said: We are elected to make decisions. This is a decision we make: Municipalities, you have no more say in where you drain or where your people drain. The Minister of Conservation (Mr. Lathlin) is going to decide from Broadway. As a matter of fact, the directives that came out, you cannot even drain a puddle of water without having a licence for it. That is the kind of dictate that came from the Department of Conservation.

That was okay in that instance, but what about an instance where a neighbour is pitted against neighbour, where people are almost at war with one another, where families are fighting with one another because of what, because there are some activists like Hog Watch who are moving into an area taking over the agenda, finding out who the vulnerable peoples are and using them as pawns and creating all kinds of havoc. Mr. Chair, I saw that at a meeting I was just at, 400 people. The activists took over the meeting, led by whom? Led by Hog Watch. You know, Hog Watch has a very interesting way of doing things. They actually have a script, an agenda on questions that you would ask that would raise the emotion of local residents. They go on the Internet, and whether the information is valid or not, they pluck out information off the Internet. They say: Now this has got to be legitimate because we got this off the Internet, and pretty soon residents of the area are fighting one another because they do not understand. They do not have the other perspective.

* (16:20)

Yes, I have to give credit to some of the departmental staff that came out. They tried desperately to alleviate the concern and the hostility, but that cannot happen when people are at a certain level of emotion. If a municipality had the comfort of saying we have questions about this project, and so they were going to deny it, but you as a proponent who have invested thousands of dollars can take this to an appeal tribunal or an appeal mechanism to have your case heard there, and if they agree with it, we will issue the licence.

Now I do not want to get into personalities, but, Mr. Chair, you know there is an article in the newspaper that points to an individual who is the head of Hog Watch, who has also been very involved in spearheading the lobby against such things as the expansion of the potato industry and other issues. I can read some of this into the record in terms of who this individual is, but if we are serious about diversifying our rural agricultural economy, then I want to ask the Premier (Mr. Doer) if he is prepared to do half as much as he was prepared to do with drainage and ask his minister to put in place an appeal mechanism.

This is a discussion that takes place at the Cabinet table. I know that. The decision to put an appeal mechanism in place is a discussion that will take place at Cabinet. Usually, the Premier has a significant influence on whether or not something like that occurs. So I want to ask the Premier whether he, as the chair of Cabinet, is prepared to at least allow a discussion for the putting in place of an appeal mechanism for projects that will expand the livestock industry in our province in especially those areas where there is not a significant amount of hog production in this province at this time, which raises, of course, all kinds of alarm bells because they are not used to that kind of an industry.

Mr. Doer: Well, the Minister of Intergovernmental Affairs (Ms. Friesen) does get advice from the AMM. They have recommended against the Alberta model, which I guess the member is now recommending. Maybe the leader will tell us what his position is on the Alberta model because there is a fundamental difference between local control and the ability to override local control.

We make scientific information available through the technical review committees for the public, and do you know what? In my view, we should never underestimate the intelligence of the public. Yes, there are challenging decisions for communities to make, but so far, we have sided with the local control.

The member mentions MCI. Yes, there were lots of emotions there too, and lots of people said this and that. I am never afraid of a debate, and I am never afraid of debates and the public's

ability at the end of the day to make the right decisions. The Minister of Intergovernmental Affairs has talked to the AMM, and they want local control, and that is what we have done. You put an appeal body in that overrides a local control, you do not have local control anymore.

Mr. Derkach: Well, again, Mr. Chair, the Premier is trying to put words in my mouth. I did not say that we support the Alberta model. I used it as an example of a response from a government where it saw that its municipalities and its local politicians were actually being harassed by activists who did not come from the area, by people who were putting half-truths on the record, by emotion that was running rampant in communities, where communities were tearing each other apart on the basis of decisions that were made by municipal councillors on recommendations that came from such organizations as technical review committees and such.

But, Mr. Chair, the Premier did not have any problem in moving in on municipalities on drainage. He had no qualms about that. That was one of first orders of business when they took government, to move in on municipalities and say, you will have no rights anymore with respect to drainage. We are taking control.

He did not have any trouble in his minister taking control of a school division. I mean, what say do the people of Morris-Macdonald have today? Not in their budget. Not in the amount of money they have to pay. He did not have any trouble with that.

All of a sudden the Premier has become sensitive. Oh, my God, local control. How are we going to ever overcome that? My minister, the Minister of Intergovernmental Affairs, is going to have to struggle. Well, this wimpy attitude is new for the Premier who did not have any trouble in making some pretty bold decisions, because he said: We were elected to make decisions.

With Manitoba Hydro, did he go to the Public Utilities Board? No. He made the decision. I am responsible for all financial decisions, he said. I mean, what about local people

here? What about the Public Utilities Board? Do they not have any say anymore?

But when it comes to an issue like agricultural diversification, we cannot intervene. I am not asking him to take away the local control of municipal councillors. Not at all. All we are asking for is that a mechanism be put in place so that councillors do not have to bear the harassment, so that neighbours are not pitted against one another, so that at arm's-length a decision-making body can look at the facts rather than the emotion and make the decision based on fact, on science.

You know, Mr. Chair, I think our province can grow quite handsomely in the livestock industry if we take that approach. So I do not understand the reluctance. He says he is not getting the signal from AMM that local control should be taken away. Well, AMM want the local control, but if you talk to the councillors today, they would tell you overwhelmingly that they would support an arm's-length organization having an appeal process which would allow the proponent the opportunity to go before that appeal tribunal, state his case and then the decision can be made on the basis of science.

Mr. Chair, I said I was reluctant to put the individual's name on record, but I think he is very high up in Hog Watch, and I think his name is Kyrlyuk, if I am not mistaken. He has a fairly significant role to play in Hog Watch and he has also had a significant role to play on other projects. Unfortunately, they are not pro-development; they are anti-development.

I want to ask the Premier if he is aware that, in fact, significant dollars from the provincial Treasury are going to fund Hog Watch and, in essence, the individual who is running Hog Watch.

Mr. Doer: Well, there is no money in these Estimates on that. As I say, the industry has grown by 17 percent last year. There are people that have been opposed to different projects from different political parties for years, and that is fair ball.

I am surprised that members opposite want an appeal body that can override municipalities.

Well, the member says that the majority of municipal councilors want to remove themselves of that responsibility. We talked to the representative body, AMM, and they say no. If we are wimpy, you know, we are following Harry Enns's policy. I have called Harry a lot of things, but not wimpy—the Member for Lakeside (Mr. Enns), I should say, I refer. I apologize and bow three times to the Member for Lakeside.

* (16:30)

Mr. Chairperson: Shall the item pass?

Some Honourable Members: No.

Mr. Murray: I wondered if I could ask the First Minister if he could update the committee on the cost of the downtown Red River campus.

Mr. Doer: It was in a press release yesterday. We have added \$1.9 million in environmental measures, which we are being paid back at \$300,000 a year, and then the announcement of \$31.5 million. The cost of the building is \$31.5 million, the capital cost, plus the 1.9, which we have done a due diligence study of the energy return. We will have the building for 30 years. We calculate the energy return will come in within six years. We also have a tremendous benefit from the heritage tax, a consideration from the City that we negotiated from 10 to 20 years.

I am sure the Minister of Government Services (Mr. Ashton) can provide that in detail, the impact of the heritage tax on the cost comparisons.

Mr. Murray: Mr. Chair, I just want to make sure that I have the numbers correct. I think the First Minister said that the capital cost was \$31.5 million, and on top of that there was a \$1.9-million announcement that he references from yesterday. Is that the total exposure for the province of Manitoba?

Mr. Doer: Well, there is obviously going to be ongoing operating budgets, but the capital cost, the member can ask the specific questions in the Department of Government Services.

Mr. Murray: I appreciate the ongoing operating costs. I was not referring to that. My question

was specific to the capital costs, and I will repeat it. Is the capital cost to the taxpayers of Manitoba \$31.5 million plus the \$1.9 million that you referenced in a press conference that was yesterday?

Mr. Doer: Now, the building is not completed, but the capital costs of the building is in the numbers that we have indicated and I have just indicated.

There have been other proposals floating around about different things being added that have ended up in the media. It is like the comment about the MCI amount of money. Sometimes some of the numbers in the media are not as "accurate."

Mr. Murray: I am aware that the building is not complete. If the costs of building exceed the \$31.5 million, is that the responsibility of the taxpayers of Manitoba to pick up any capital costs that exceed the \$31.5 million?

Mr. Doer: Well, I mentioned that there is an additional \$1.9 authorized. The conditions of the contract, well, again, you can ask the Minister of Government Services. Secondly, I mean, we had some \$75 million in cost overruns in casinos when we came into office. It was the responsibility of the public, but we certainly do not expect anything like that in this project, nor would the member opposite.

Mr. Murray: With reference to the cost overruns on the casino, we have heard that numerous times from the First Minister. I do not know if that was one of the reasons that they had to put \$1 million to promote to Manitobans that live here about the fun of gambling, if that was part of the way to deal with, in his words, the cost overrun

But I just want to get an understanding, because I know that there might be some specifics that the First Minister would say that, you know, these are questions that you have to ask the Intergovernmental Affairs, or ask the Finance Minister, and I am not going to sort of quarrel back and forth on that.

But, clearly, with items that are of a large nature, such as the True North entertainment

downtown complex, of which the taxpayers of Manitoba are playing a role in, the Red River campus, which the Premier, on behalf of the taxpayers of Manitoba, is watching the bottom line, if you will, I would just ask that, if there is a cost overrun of the \$31.5 million—and I am not asking if it is a hundred thousand, or 200, or \$3 million. I mean, if the cost overrun is there, a cost overrun is a cost overrun. I am just asking: Is the taxpayer of Manitoba going to be responsible for picking up any cost overruns on the capital side of the cost of the downtown Red River campus?

Mr. Doer: Again, the Government Services manages the buildings, and they are contained within the Government Services Estimates. Their officials meet with the construction people all the time on the various decisions that are being made on the capital of the building. How do they manage the delay that took place with the court action, et cetera? Again, this is not in the Estimates of the Executive Council. The management of contracts through the Treasury Board is with the Government Services Department and the Government Services Minister.

Mr. Murray: Again, I will go back to my comments, because, you know, the Premier is kind of deflecting some of the questions to other ministers, and I can understand that if he does not have either the understanding or the information. That is fair enough.

Point of Order

Mr. Doer: A point of order, Mr. Chairman. I have not jumped in on a point of order, but these Estimates are dealing with Executive Council, and there is no sense having other critics in other departments and other ministers before the Legislature if I am going to answer the questions on every Estimates. That is certainly not the way I acted with the former premier, but so be it.

The specifics on the management of that building are within the Government Services Department that is responsible for managing those budgets.

Mr. Chairperson: Do you want to speak on the point of order?

Mr. Murray: I do, actually. I think the Premier would be the first one, I hope would be the first one, to admit and acknowledge that it was his comment he is responsible for all financial decisions. I am very, very, sort of clear, and I am trying to give him a little bit of latitude to say I am not asking for the specifics, but I am asking, I think, a very pertinent question that he, as the Premier of the province, responsible for the taxpayers' money, that if there is a capital cost overrun on the downtown Red River campus, are the taxpayers of Manitoba responsible?

If he is saying that either he is not aware of it or he is not sure, I will take him at notice and allow him to bring the information forward. I just find it incredible that he would raise a point of order on something I believe, as the Premier of the province, when there is an important downtown development like the Red River campus, that the cost overrun, if there is one, who is responsible for that? I think, presumably, that is something he should be aware of.

* (16:40)

Mr. Chairperson: On the point of order raised, as to the exchanges between questions and answers, there is a wide area of discretion. The Opposition can ask the question, the Premier can answer any way he likes. He may want to defer to the other ministers, he may not, but then it does not stop the Opposition from asking the question. This is the exchange. There are no specific requirements or limitations as to how it should be done. That is how we shall proceed.

On the point of order, I think differences of opinion are not points of order.

* * *

Mr. Doer: Continuing my answer, this is one of the problems of trying to venture forth into other departments, but the question was asked about the Peace Garden. Apparently, we have had an appointment before. I am checking on the legality of it. I indicated the boards are appointed by the Government of Canada and the United States. I have checked and I have not appointed anybody, as I indicated. Apparently, there have been precedents. I am not sure whether it is with the advice of the provincial government to the

federal government or not. I am checking that out. The Member for Carman (Mr. Rocan) had some background he provided to the Clerk of Cabinet on this.

Again, I was straying off my own Estimates, and it is probably prudent not to do that anymore.

Mr. Murray: I would say that is not necessarily acceptable, because I think when you are responsible for taxpayers' money you should have a sense of what value it is.

I mean I went through this discussion with the First Minister in the last session when I was trying to say to him that the provincial government, on behalf of the taxpayers of Manitoba, have entered into an agreement with the True North downtown entertainment complex. The initial deal the Premier talked about was \$10 million of cash, \$3-million tax relief and \$1.5 million on a maximum for 25 years on VLT revenues. I said that very day we support that. We think that is the right thing for the taxpayer of Manitoba to do, that on behalf of the taxpayers the Premier has entered into that kind of an agreement. So it was important for us to stand up and say, yes, the provincial government should take a role and steward some taxpayers' dollars into that project.

We are all aware that the Premier had to correct himself and made a mistake, and said: I said \$1.5 million maximum; I meant \$1.5 million minimum. So, at that point, I then asked the First Minister what is the maximum exposure for the taxpayer of Manitoba. At that point, he would come back and say, well, it is in the term sheet. So I raised the question, at that time, what is the maximum exposure for the taxpayer of Manitoba, because I believe that we as elected officials should stand up. As I say, we agreed with the initial deal. We agreed with the initial response that the Premier gave. He changed it. So, when you ask what the maximum exposure of the taxpayer of Manitoba is, I do not think that is an unreasonable question.

You can say, well, it should be in another department. The fact of life is that the Premier has been championing this process, and so if you are championing the process, you should know

what the numbers are. I do not think there is anything wrong with them unless the term sheet or his understanding of it is, that it is open-ended, then in which case I think you stand up and say to the taxpayers of Manitoba: I cannot tell you what your exposure is because there is an element of it that is open-ended.

So I look at where we now have a situation with the downtown Red River campus, the First Minister says that the cost is \$31.5 million and he seems to know that. I am glad he knows that, but then when the question gets asked: So then, if by chance—and most projects have a sense that there is going to be a cost overrun—there is a cost overrun, who is responsible for it? Again, if he says: I do not know, then that is his answer and that is fair enough.

But to say that you should ask some other minister or this does not fall under my jurisdiction under Executive Council, I would just challenge to say that projects of this size and of this importance, it is something that the First Minister should be aware of, so I believe when asked the question about cost overrun, particularly when it has to deal with the taxpayers of Manitoba, I believe the First Minister should take, well, to use his term, I think he should take dramatic interest in that situation.

So if I am repeating the question, so be it, but I will do it one more time. If there is a cost overrun on the downtown Red River campus, who is responsible to pick up the cost?

Mr. Doer: The member can ask. There are all kinds of conditions. Under his question, they can ask the Government Services Minister.

Mr. Murray: Could I ask the First Minister to provide to the committee, when he is able, the direction that the taxpayer of Manitoba will be on the hook for or be responsible for or not be responsible for if there are cost overruns on the Red River downtown campus?

Mr. Doer: Well, the cost per student and the number of students, I will show the member the plan that did not go to Treasury Board that was in place when we came into office. I will show them a pretty dramatic improvement, including our negotiations with the City of Winnipeg on

the historic tax provision from 10 years to 20. He will find the taxpayers in a lot better shape.

The Minister of Government Services (Mr. Ashton) has the details of this. I gave the member the macro numbers. I gave him macro numbers already.

Mr. Murray: I am not asking for a number. I am simply asking who is responsible. I mean, again, I am fascinated to know that in the answer the Premier knows a whole lot about better arrangements that were made with the City since he came to office with this project, better arrangements here, better arrangements there. I am delighted and I applaud that. I think that is great. I think what he is doing is he is doing his job, but the question I am asking is not cost per student. I am asking simply who is responsible in the event there is a cost overrun for the downtown Red River campus.

Mr. Doer: The member may or may not know that if, for example, a grader runs into a wall and that creates an extra cost, the Department of Government Services manages those costs with the contractors, with the insurance companies, with everybody else. So he would know that.

That is why we have a Department of Government Services, non-partisan civil servants who manage those contracts. The numbers we get come from civil servants. The numbers we get on an ongoing basis come from civil servants. They have an ongoing responsibility to manage the ongoing costs of projects, including delays, which we had with a court case, and they have an ongoing responsibility to report to their minister.

The answer to the question is: It is not that simple. As I say, if there is something, I am sure it is in business as well. In fact I know it is in business. Even if you build your own house, you have a certain figure, and if something else happens you have a set of discussions about responsibility. So I am not going to prejudice our Government Services Department, except to say they are managing the non-partisan civil servants.

* (16:50)

Mr. Berezuk, of whom we talked last week about how positive his quality of work is. He is responsible for managing that project, and I have confidence in him, in the Estimates he gives us and the quality of work he is doing. The member opposite said the same thing about him last week. Today he was given an award by General Henault on helping public employees be part of the military reserves. So here is an individual that got him an award from the Chief of Defence Staff today. He is responsible for managing this building. You delegate these jobs to people you trust and they are responsible for doing it. I feel quite confident Mr. Berezuk is doing, in fact, I heard from an architect yesterday, he was sharpening his pencil on another thing, when I went into the building.

The answer to your question is we probably will not know the exact final number until the exact final date, but you can ask the question. The answer to the question who is responsible, the member opposite knows more than he is pretending to know in his question because he knows there is a multiple of issues of responsibility in any building. He knows that.

Mr. Murray: Well, I hope the honourable First Minister, I hope he does not look at this as anything personal, but I do hope that the honourable First Minister, if he happens to renovate his new home, if there are cost overruns, has the ability to have the same understanding as to who is going to pay in that situation, to use his reference about if there are cost overruns in a home. I just find it interesting because the clear direction, I guess, is that it is not so much on the cost per student. He talks about Mr. Berezuk, and he is absolutely right. I think he has done a wonderful job, and I congratulate him today for his recognition that he received. I think it is excellent. It was really more on the potential costs and who might be involved in that.

I would ask the First Minister: Yesterday, no, it was the day before that, I am sorry, Mr. Chair, an official of Manitoba Hydro was quoted as saying that the low water levels that they are experiencing means that Manitoba Hydro is going to take a financial hit which will result in reduced export sales. I wonder if the Premier could comment on the management's position from Hydro.

Mr. Doer: The Minister of Finance (Mr. Selinger) was asked that question in the House, and the Hydro Estimates for this year are half as much as they were for last year. The only place we lost money last year in Hydro was Centra Gas. The members opposite will know about that.

An Honourable Member: Maybe we should not have bought it then.

Mr. Doer: I am questioning that, yes. The \$10-million loss at Centra Gas was the only loss last year Hydro made and had, and members opposite were author of that deal.

The water levels, if he even reads the *Free Press* today, he will see that the water levels are about 170 percent of normal for April-May. As I said in Question Period before, they were below normal for the winter. There is tremendous snow pack now in the mountains which does eventually, these slopes run through here. We got a lot of snow last week and a lot of rain in the whole western system, but there are dry places, dry areas. The lake is still above the natural reservoir level, but Hydro projects low. They projected 50 percent below last year, and so did we in our past Budget that was passed by this Chamber.

Mr. Murray: Mr. Chair, the First Minister was the author of going into Manitoba Hydro and raiding the profits of \$288 million knowing full well, or at least maybe he did not know full well, but the issue with senior management from Manitoba Hydro suggesting that the very area that the First Minister keeps talking about; well, what we are doing is we are taking money from export revenues, therefore apparently making it okay to do that. Then you have somebody, a spokesperson, somebody from management of Manitoba Hydro saying: Well, we are going to take a hit on our export sales.

Did the Premier take the \$288 million out of Hydro knowing full well that there was going to be, according to the Manitoba Hydro management people, a hit on export sales?

Mr. Doer: Management of Hydro budgeted \$109 million. I believe that is the number. It is in the Budget. They budgeted a comparable amount last year and they ended up with a \$230-million

surplus in the '01-02 Budget. That is obviously why the draw is higher, much higher than last year, with the revenue in already from last year's record high water levels. It is obviously a number Hydro uses.

Since the Budget we have had actually more moisture than we had previous to the Budget. I answered this question with the Member for River East (Mrs. Mitchelson) when she asked me in the House. I said the number was down from last year in terms of projections, and it is in the Budget. The draw is down from last year by 50 percent.

I just read that the investment dealers' document yesterday projected higher growth for Manitoba. I have read all the economic analysis from all the independent sources. Quite frankly, they think it is a very prudent budget, but, again, we have already had the Budget debate. Do you know what? The Budget was passed by this Chamber, so the people of Manitoba have spoken in this Chamber. I think it was May Day. So how can I possibly second-guess the people's representatives in this Chamber, in this House?

I should point out the only time there was a theft, the word "steal," the word "expropriate," the word "raid", could ever be used in this Chamber is with the sale of the Manitoba Telephone System against the election promise and the depositing of \$400 million.

Point of Order

Mr. Murray: Mr. Chair, I know we were talking about the fact that I was asking the question about whether the First Minister had acknowledged or was aware of the fact that management was talking about the drastic cut or the drastic reduction in export sales the Premier continuously talks about where the \$288 million was taken out of that Crown corporation. The Premier, at that point, rather than answering the question whether he was aware of Manitoba Hydro's position with the loss of export sales, makes reference to—I will not use the words he used, the people can read them in Hansard, but he makes reference to that with MTS.

Mr. Chair, I was under the impression, although I have never seen any comments since

he has become the Premier, but certainly there was ongoing discussion after ongoing discussion that the leader at that time of the opposition repeatedly said, whether it was to a New Democratic convention or to smaller crowds, given the opportunity, he would purchase MTS back. Elect me and I will buy it back.

Well, the Premier has won the election, so is it not an opportunity for him then to followup on that activity? I mean he said he was going to buy it back. He has the opportunity to buy it back, but instead of buying it back what we find is the First Minister is giving awards to that organization because they are the best-run business in Manitoba.

Mr. Chairperson: There is no point of order because there is no violation of the rules.

It is five o'clock, private members' hour. Call in the Speaker. Committee rise.

IN SESSION

Mr. Speaker: The hour being 5 p.m., we will go to Private Members' Business.

PRIVATE MEMBERS' BUSINESS

Mr. Speaker: Will we be dealing with second reading of Bill 200, The Elections Amendment Act today? Will we be dealing with it? Okay.

SECOND READINGS—PUBLIC BILLS

Bill 200—The Elections Amendment Act

Mr. Jack Reimer (Southdale): I move, seconded by the Member for St. Norbert (Mr. Laurendeau), that Bill 200, The Elections Amendment Act; Loi modifiant la loi électorale, be now read a second time and referred to a committee of this House.

Motion presented.

Mr. Reimer: Mr. Speaker, I just want to have a few words on the record in regards to Bill 200. As all members are aware, November 11 is Remembrance Day, a day set aside to commemorate the valour, the bravery and the service of Manitobans and Canadians who have fought

in the wars of the past and to recall the sacrifices made by these people. Every November 11, all across Canada, wreaths are laid at war memorials. The words of "In Flanders Fields" and the musical strains of the "Last Post" can be heard on Remembrance Day services, and a poppy is worn by the majority of the people to demonstrate why we do remember.

With the recent tragedy in Afghanistan, where four Canadian soldiers made the ultimate sacrifice for their country, remembering our servicemen and women has been a renewed poignancy and timeliness. Of particular significance on November 11 is 11 a.m., the hour at which the guns of the First World War were finally silenced after four years of bloodshed.

In Manitoba, the majority of restaurants, businesses and other operations are required by law to respect this sacred time by closing their doors from 9 a.m. to 1 p.m. However, during the by-elections of November 2000, the Province announced advanced polls for November 11 and November 13 and 18, with voting hours from 9 a.m. to 8 p.m. Bill 200 would amend The Elections Act so such a situation will not occur in the future. Such advance polling for an election falling on Remembrance Day, this amendment would require polling stations to be closed between 9 a.m. and 1 p.m.

While it is, of course, of importance that Manitobans be given every opportunity to vote in provincial elections, it is equally important to respect the traditions of November 11. It is true that it will only be on rare occasions that advance polling should coincide with Remem-

brance Day, but such an amendment is important for even these few occasions.

Remembrance Day is an important day of commemoration and should be taken very seriously. I am certain that some members of this Chamber know someone who has served or is currently serving in the Canadian Forces. I believe we all value and respect November 11 as a date to take time to remember all who have served to protect us and ensure that Canadians continue to all enjoy the freedoms that make our country great. I hope that all members will join me in supporting this important amendment to The Elections Act. Passing this bill will be yet another way of demonstrating our respect to Canadian fallen soldiers and the day set aside to remember them.

Mr. Doug Martindale (Burrows): I move, seconded by the Member for St. Vital (Ms. Allan), that debate be adjourned.

Motion agreed to.

* * *

Mr. Marcel Laurendeau (Official Opposition House Leader): Mr. Speaker, I think if you canvass the House, you might see a willingness to call it six o'clock.

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

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 16, 2002

CONTENTS

ROUTINE PROCEEDINGS			
Tabling of Reports		Workers Compensation	
		Derkach; Barrett	1568
		Helwer; Barrett	1570
Supplementary Information for Legislative Review 2002-2003 – Departmental Expenditure Estimates – Manitoba Justice Mackintosh	1561	Workers Compensation Investments Derkach; Barrett	1569
Supplementary Information for Legislative Review 2002-2003 – Departmental Expenditure Estimates – Manitoba Labour and Immigration Barrett	1561	Members' Statements	
Introduction of Bills		Mental Health Care Cerilli	1570
Bill 20--The Adult Learning Centres Act Caldwell	1561	Hog Watch--Funding Withdrawal Enns	1571
Oral Questions		Western Canada Aviation Museum Korzeniowski	1572
Chiropractic Care Murray; Chomiak	1561	Family Farms--Reduction Maguire	1572
Murray; Doer	1562	Chris Chatelain Rondeau	1573
Driedger; Chomiak	1562		
Family Farms Jack Penner; Doer	1563		
Manitoba Crop Insurance Jack Penner; Doer	1564		
Canadian Farm Income Program Jack Penner; Doer	1564		
Hells Angels J. Smith; Mackintosh	1565		
Manitoba Hydro Loewen; Selinger	1566		
Winnipeg Casinos Gerrard; McGifford	1567		
Sherridon Rail Line Jennissen; Ashton	1568		

ORDERS OF THE DAY

GOVERNMENT BUSINESS

Committee of Supply (Concurrent Sections)	
Conservation	1574
Finance	1590
Executive Council	1614

PRIVATE MEMBERS' BUSINESS

Second Readings--Public Bills	
Bill 200--The Elections Amendment Act Reimer	1639