



Third Session - Thirty-Seventh Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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Speaker*



MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Seventh Legislature

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ALLAN, Nancy	St. Vital	N.D.P.
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ASPER, Linda	Riel	N.D.P.
BARRETT, Becky, Hon.	Inkster	N.D.P.
CALDWELL, Drew, Hon.	Brandon East	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
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DACQUAY, Louise	Seine River	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
FRIESEN, Jean, Hon.	Wolseley	N.D.P.
GERRARD, Jon, Hon.	River Heights	Lib.
GILLESHAMMER, Harold	Minnedosa	P.C.
HAWRANIK, Gerald	Lac du Bonnet	P.C.
HELWER, Edward	Gimli	P.C.
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LAURENDEAU, Marcel	St. Norbert	P.C.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
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WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, April 30, 2002

The House met at 1:30 p.m.

PRAYERS

MATTER OF PRIVILEGE

Budget
Enabling Legislation

Mr. Harry Enns (Lakeside): Mr. Speaker, I rise on a matter of privilege. I realize that matters of privilege are serious, and I ask the Speaker's patience as I lay out a prima facie case.

My matter deals specifically with the Minister of Finance (Mr. Selinger) and the First Minister (Mr. Doer), who through their actions are in contempt of the House by providing budgetary papers and an accompanying advertising campaign to the media, members of the Legislative Assembly and the citizens of Manitoba, without including the provision that announcements made in Budget 2002 are subject to the review, debate and acceptance of enabling legislation, specific to the transfer of \$288 million from Manitoba Hydro to the general operating fund of the Province of Manitoba and that this constitutes a breach of the privileges of the members of this House, and that this matter be referred to the committee of this House.

Mr. Speaker, not only has information been presented to the public prior to the necessary enabling legislation to allow for this course of action, the Minister of Finance has issued advertising prior to the House completing its debate on the Budget and presupposing the decision that the House may very well give its consent to the direction they have proposed.

Yesterday, April 29, the First Minister, in response to the need for legislation to allow for the transfer of \$288 million from Manitoba Hydro, stated, and I quote: "It was fully disclosed as a matter that required legislation in

the Budget presentation by the Minister of Finance."

Further, Mr. Speaker, during that same Question Period, the Minister of Finance stated, and I quote: "The Budget Address clearly said that we would amend The Manitoba Hydro Act in order to access some of the \$371 million of extra revenue."

I wish to table, Mr. Speaker, for your edification, the appropriate documents with respect to what I have just indicated.

Subsequent to this, Mr. Speaker, I and my staff have had the opportunity to review the comments of the First Minister (Mr. Doer) and the Finance Minister (Mr. Selinger), to review all documents related to Budget 2002, including *Estimates of Revenue, Estimates of Expenditure, Budget Speech, Budget Papers, Manitoba Advantage*, and the Budget brief, 10 separate Manitoba government news releases dated April 22, 2002, as well as a transcript from the ongoing Budget 2002 advertising campaign on television and radio. In direct contradiction to the statements offered yesterday by both the First Minister and the Minister of Finance indicating that the Budget Address clearly said that the Government would amend The Manitoba Hydro Act to raid the \$288 million, no such reference could be found.

* (13:35)

Mr. Speaker, I further wish to table some additional material that supports the statements I have just made. Not only is no such reference to be found, the Government has the audacity to include the \$288-million raid on Manitoba Hydro in its estimates of revenue and medium term fiscal forecasts. Such actions constitute a breach of the rights and privileges of all members. To use the words of Speaker Fraser, I quote: We are a parliamentary democracy, not a so-called executive democracy, not a so-called administrative democracy.

I refer the Speaker to a similar situation that occurred on September 25, 1989, during the debate in the House of Commons. The Leader of the Opposition, the then-Right Honourable John Turner, rose on a question of privilege related to ads that the government had put out on the GST prior to the passage of the necessary legislation as if the legislation had indeed been passed. Today's situation, I argue, Mr. Speaker, is no different. We have Budget documents and related advertising put up by the Government, paid for by the taxpayers, which talk as if legislation dealing with significant Crown restructuring and an unprecedented \$288-million raid on Manitoba Hydro, including a \$150-million raid to balance last year's books, has indeed been passed or at least is not even required.

I refer to a further ruling by Speaker Stockwell of the Ontario Legislature dated January 22, 1997. In his ruling, Speaker Stockwell states that similar actions that occurred in Ontario, and I quote: Convey the impression that the passage of the requisite legislation was not necessary, or was a foregone conclusion, or that the Assembly and the Legislature had a pro forma tangential role, even inferior role, in the legislative lawmaking process, and in doing so they appear to diminish the respect that is due this House.

Mr. Speaker, let me remind the First Minister, as painful as it may be to him, about the 1988 Budget. That previous NDP government, of which the First Minister was part, took the role of the members of this House for granted, including their own. That Budget was defeated. That government was defeated. The previous NDP government saw the Legislative Assembly as a rubber stamp, a mere formality and of no true consequence. They were wrong then. They are wrong now.

I would like to refer back to the ruling by Speaker Stockwell: The actions taken by the First Minister, by the first Minister of Finance, convey the impression that the passage of the requisite legislation was not necessary, or was a foregone conclusion, or that the Assembly and the Legislature had a pro forma tangential, even inferior role in the legislative lawmaking pro-

cess. In doing so, they appear to diminish the respect that is due this House.

I move, seconded by the Leader of the Opposition (Mr. Murray), that this House censure the Minister of Finance (Mr. Selinger) and the Premier (Mr. Doer) for their disregard for the traditions and practices of the Legislative Assembly of Manitoba and their contempt for the people of Manitoba.

* (13:40)

Mr. Speaker: Before recognizing any other member to speak, I would remind the House that contributions at this time by honourable members are to be limited to strictly relevant comments as to whether the alleged matter of privilege has been raised at the earliest opportunity and whether a prima facie case has been established.

Hon. Gord Mackintosh (Government House Leader): It will not take long on my part, Mr. Speaker, to deal with the two issues that have to be dealt with. First of all, in terms of timing, members opposite know full well that the Budget was introduced and that there have been public statements made on this Budget now for going on nine days. This has not been raised at the earliest opportunity. What they are doing is of course looking somehow to lift some issue from the Budget, a budget that is being received very well by the people of Manitoba.

Mr. Speaker, just to deal with the second issue to cover that off, there was a ruling given in this House just last week by yourself citing the decisions of earlier Speakers. It is absolutely clear. It is not a question now in this House that statements made outside the House by a member may not be used as the basis for a question of privilege. I just refer to Hansard, page 771, and there you go on citing earlier Speakers reiterating that very fundamental principle.

I just want to add that what has taken place in terms of the pronouncements and the public relations with respect to this Budget is in fact a tradition that has been followed. There has been nothing different that has been done in terms of announcing to Manitobans that a budget has been introduced. I am confident that people who

watch these matters know full well that budgets have to be approved by the Legislative Assembly in several ways, and the first approval is a motion that is before this House that the House approve in general the budgetary policy of the Government. The reason Manitobans generally know that that approval is necessary is because there have been instances in this country where there has been a defeat of that motion, and, therefore, a matter of confidence has been declared by governments and there have been governments defeated, including not more than I think about 13 years ago in this province.

Further, and I think it has been said many times to my recollection—I stand to be corrected, but as I recall it has been said several times that the issue of the use of Hydro dollars from export sales would be the subject of legislation before this House. Of course, it is well known that the Budget is accompanied by legislation which goes through the Estimates process that takes up at least 240 hours of this Legislature's time. This is trite information for members opposite, and for them to suggest that something extraordinary was done here in terms of information to the public is just unbelievable.

The Budget is a proposal to the members of this House. We do expect nonetheless that given the strength of that Budget proposal, it will be soundly supported by the members of this Chamber. Thank you.

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, I rise on a point of privilege to support my honourable member from Lakeside with the same point of privilege.

I find it interesting that what we are finding ourselves—the honourable minister mentioned that we have been debating the Budget for some nine days. Well, the fact of life is that we are raising a point of privilege on the basis of questions that were raised in this Chamber yesterday, a very serious issue. This is not about hiding behind the skirts out in the hallway. This is about what is said in this Chamber.

This is about a very serious issue, and I find it interesting that what was advertised and said

out in the public, is that, and it said right here that profits from U.S. hydro exports will partly offset economic uncertainty in the federal accounting error. This is advertising that is put out into the public. Well, clearly, the question asked: What is the parliamentary democratic process all about? If the members opposite are taking the approach that this is an issue that has already been determined, it is pretty clear that the Doer government is not listening to anybody.

* (13:45)

For example, the Minister of Finance (Mr. Selinger) said in this Chamber, that the members of management of Manitoba Hydro found out about this raid on the Crown corporation the same day as everybody else in Manitoba, the day that he stood in his place and read the Budget. I find that interesting, that the management of Manitoba Hydro would not have been approached about the raid of \$288 million, \$150 million which was used to balance the books from last year. Yet, apparently, according to the Doer government's advertising, profits from U.S. hydro exports will partly offset economic uncertainty in a federal accounting error.

Mr. Speaker, that is the height of arrogance. It is the height of arrogance because they are just making an assumption that nobody cares, that nobody is going to listen, that they are not going to ask anybody that these decisions are made at the Cabinet table. We feel on this side of the House that this is a very, very serious issue.

It is unprecedented that the Doer government is going in to raid a Crown corporation, and they are doing it before the legislation has even been tabled in this House. We sat in this Chamber in the last session, we listened to a Throne Speech from the Doer government. There was no mention in that Throne Speech about we are looking at changing The Manitoba Hydro Act. There was no talk about any changes to The Manitoba Hydro Act so they could go in and raid a Crown corporation.

Well, Mr. Speaker, there are tremendous opportunities to go before the Public Utilities Board, because I remind members opposite, the Public Utilities Board is a third-party, arms-length group of experts that can hear all sides of

the argument and decide what is right, decide what is right for the people of Manitoba. But no, the Doer government says, we are not going to do that.

In fact, they appeared to show contempt for this Legislative Assembly by saying: Well, it is already passed because we are going to take the profits; not because they will not admit to Manitobans that they cannot balance their books, not that they have a spending problem, but they are going to come in and do something that is unprecedented. They are going to take something that Manitobans hold very precious: Manitoba Hydro. Something that is owned by the Manitoba Hydro ratepayers and they are going to go in, change the legislation to raid it, spend the money. It has already been spent. If you listen to what they are saying about the Budget, the cheque has been written, and we have not even seen the legislation.

Mr. Speaker, I find it very interesting, very interesting in a process that the Doer government brings in a budget and in that Budget they make no mention at all, as was asked yesterday, there was no discussion whatsoever about the full disclosure of changing any legislation of any sort.

Yet the cheque has been written for last year. I believe that if you look at what a parliamentary democracy is about, it should be about an exchange of ideas, and it should be a debate of those ideas. Nobody has any difficulty with debating different ideas. They clearly have a spending problem, and the way they go after their spending problem is to go into changed legislation to raid a Crown corporation. That is how they manage their side of the House.

We on this side of the House, Mr. Speaker, would respect what this process is all about. We have asked: Take this to the Public Utilities Board, take it in front of Manitobans. What have we been told? No, we are not going to do that.

* (13:50)

Why is that, that they are afraid to take it before Manitobans? It is the arrogance that they have already made the decision, that the cheque has been written. They have proceeded along the

lines of what they have said in their advertising, that they are going to take the profits and they are going to pay this off and that, apparently, is no big deal.

I think, when you look at what the fundamentals of democracy, and I will even quote—I am very fascinated that—one of the debates that took place over this kind of precedent in the House of Commons, and I think it is very interesting that the federal government was doing something very similar to what the Doer government is doing. The question was brought forward to the Speaker of the House of Commons in Ottawa. One of the members of the House of Commons known as Mr. Ed Broadbent, Ed Broadbent, the Leader of the New Democratic Party said, and I quote: If all of these changes that the government asserts in its advertising are going to take place with considerable detail outlined in the advertisements put in the papers, what, we ask, is the relevance of any hearings?

That was Mr. Broadbent's comment, Mr. Speaker. He simply was asking if the government has already decided that they have written the cheque, that it is a done deal, that they are going to ask tomorrow for a vote on a budget that includes legislation that this Chamber has not even seen, then that ultimately is the height of arrogance. It is high-handed manipulation. It shows absolute contempt for the Legislature. I thoroughly and wholeheartedly endorse what the member from Lakeside has said. I believe that what we have seen with this Government's approach, to take a high-handed arrogant attack on the Legislature, I think is a disdain to what this Legislature is about, and I believe is a disservice to all of Manitobans. Thank you.

Mr. Speaker: Before I recognize the next speaker, when there is more than one speaker on any matter, I have been following the Opposition, Government, Opposition, Government, to be fair to the whole House.

When I recognized the Leader of the Official Opposition (Mr. Murray), I had noticed the Member for River Heights (Mr. Gerrard) and I did not see a member on this side of the House. But to follow that normal tradition, I would have

to go from Opposition to Government and then to the Opposition. So I will recognize the honourable First Minister.

Hon. Gary Doer (Premier): Just to be brief, Mr. Speaker, every year that I have been in this Chamber, statute tax law amendment acts are brought in to incorporate and implement the decisions that were made in the Budget. We have had the experience sometimes in the past in opposition of voting against the Budget and voting for some of the tax reductions that are contained within. This is not abnormal.

Mr. Speaker, members opposite may vote for the merger of Manitoba Hydro and vote against the Budget, or may vote for a practice that has been put in place in every other province in Canada and that is contained within the Budget and then vote against something else in the Budget.

Mr. Speaker, to now pretend that this does not exist, I would refer members opposite—

An Honourable Member: Point of order.

Mr. Doer: Well, they are just interfering. They do not want to hear it.

Point of Order

Mr. Leonard Derkach (Russell): Mr. Speaker, on a point of order, this House has always accepted the word of members opposite when they make statements in this House.

On a number of occasions, questions have been asked to the Premier (Mr. Doer) about whether or not the Hydro raid was a tax on Manitobans, to which the Premier replied no. Today he is acknowledging that, in fact, it is.

* (13:55)

Mr. Speaker: Order. May I remind the House that privilege is a very, very serious matter, and before I recognize the honourable Government House Leader, I would like to remind all honourable members, when rising on a point of order, it is to point out to the Speaker a breach of the rules or a departure from normal practices of the House, not to be used for debate. This privilege is a very serious matter.

The honourable Government House Leader?
No?

On the point of order raised by the honourable Member for Russell, there was no point of order. It was a dispute over the facts.

* * *

Mr. Doer: Mr. Speaker, there have been financial measures taken before this Budget has been passed. One of the most notable ones is that we announced, I believe on March 15, that the ESL, the second tax on property tax and education, would be reduced for the first time in generations by \$10 million. Was that a breach of privilege? Was that a breach of precedence?

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. May I remind the House once more that a matter of privilege is a very, very serious matter. I would ask the co-operation of all honourable members for the members who have the floor to be heard because I have to hear the words that are spoken.

Mr. Doer: Thank you, Mr. Speaker. So there have been standard practices before contained within budgetary motions. The fundamental issue here, a budget until it is passed is a proposed budget. The Budget, if it is defeated tomorrow, is a matter of confidence, and then we will have a provincial election. Whether it was Joe Clark in 1979 or other governments, as the member opposite has pointed out, a budget is a matter of confidence. All the documents and all the materials contained within the budgetary practices of a particular government in every Legislature in Canada, whether it is with a majority or minority or in any other situation, is a document that has to be passed by a majority in the Legislature in order to proceed under the budgetary motions, and then there are other subsequent acts in a budget that must be passed under separate motions or laws.

Mr. Speaker, let me give a couple of other examples. I recall, in 1993, on May 1, members opposite, and I would have thought the Leader of the Opposition would remember this one, gas was increased by 1 cent per litre in April of 1993, and the act was passed quite a bit later.

The law was also increased to have baby supplies, safety equipment, personal hygiene supplies—by the way, we have removed that in this Budget. [*interjection*] Perhaps they can finish because I—perhaps you could let the—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

* (14:00)

Mr. Doer: Thank you, Mr. Speaker. The statute, the law amendment, was amended on July 27, 1993, to deal with budget measures which increased taxes. Of course, members opposite said that they did not increase taxes in that budget; they just added this item, that item and another item and called it a decrease, including gasoline tax.

Thirdly, Mr. Speaker, there is another precedent. In 1989, former Finance Minister Manness brought in a budget. They brought in legislation which was brought in on December 31, 1989, months after the Budget was brought in, because they wanted to go back and claw back a surplus that was left at the end of 1988. So they took the surplus of \$55 million; they did not want to show that on a former government's books. They created a deficit of \$150 million, and, with a new act of the Legislature for The Fiscal Stabilization Act, created a Fiscal Stabilization Act of \$200 million.

They do not have a point of order. This issue is not a point of order; it is a point of politics. Even on the point of politics, they are speaking out of both sides of their mouths.

Hon. Jon Gerrard (River Heights): Mr. Speaker, I wish to make some comments on the matter raised by the Member for Lakeside (Mr. Enns). There are two issues before the Legislature at this point. The first question is whether this was raised at the first opportunity. Although this is matters which derive from the Budget, it really was not until Question Period yesterday that this matter became clear. Indeed—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Gerrard: Mr. Speaker, it shows the extent to which the Government had, in fact, tried to hide this and disguise it, that it did not become clear until yesterday.

Now I think that one might argue the point as to whether it could have been raised immediately after Question Period yesterday, but in point of fact this is a very serious charge. I think in fairness to the Member for Lakeside, one must acknowledge that to be absolutely sure of the facts and to make sure that there was a *prima facie* case here, it was necessary to do substantial research overnight. So I think that this is consistent, at least, with the proposition that this was raised at the first opportunity.

The second matter that I believe we need to address, and I would like to provide you some advice on, Mr. Speaker, is the question of the seriousness of this and the precedent. I think that there is an important distinguishing factor when one is looking at budget, whether one is looking at measures which relate to last year's budget or measures which relate to the current fiscal year's budget. Quite clearly, in many instances there have been legislation and changes made which look at the coming year's budget, and that is a standard kind of legislative practice, in order to have changes introduced at budget time dealing with the coming year's budget but to have measures which deal with last year's budget and last fiscal year.

I think, Mr. Speaker, it is important to note that when the Budget was tabled, last fiscal year had already been completed. So it was not as if we still had some of last fiscal year to go, that in fact this was past history and the budget for the fiscal year which had already passed. So, when you look at precedent, it is quite important that you look at precedents which relate to the previous fiscal year.

The second aspect of this which I think is important is whether it is a minor legislative change or in fact whether the legislation which is proposed at the time of the Budget in fact reverses the direct intent of the legislation which existed. The legislation which existed during all of last fiscal year would have directly and quite clearly prohibited the actions that this Government is proposing to take. So this legislation,

which the Government has not even brought forward yet, and what is happening here is a very unusual circumstance that we are dealing with a retroactive measure after the fiscal year is completed which is necessary from the Government's point of view but has to directly counteract a measure which was designed to prevent the circumstances which were in the Budget and the type of legislation that this Government had produced.

I think we could have accepted it had it been for the coming fiscal year as a legitimate approach, but to do it in the past fiscal year, Mr. Speaker, is inappropriate and unacceptable.

I would add one more thing. If this was a small amount of money, we might, under those circumstances, be a little more tolerant, but clearly for \$150 million the proportion on the size relative to the whole Budget makes this a major issue and one which must be dealt with with great seriousness. So I would suggest, Mr. Speaker, that this was a matter which at least is consistent with being raised at the first opportunity and a matter which is clearly of great seriousness and which needs to be considered now and considered very carefully by yourself and ruled on by yourself.

Hon. Greg Selinger (Minister of Finance): On the question of timeliness, the Hansard for April 24, Question Period, clearly shows that I indicated we would take responsibility for these decisions in front of this House and we would go to the Legislature for approval of any decisions we made. That was in response to a demand from the Member for Minnedosa (Mr. Gilleshammer) to take it to the PUB. We said we would take it to the Legislature, so that was six days ago. We made our intentions extremely clear, what we would do. So that addresses the question of timeliness. Our information was on the record during Question Period and our intentions were clear.

Now, on the second matter, whether there is any kind of precedent for this kind of behaviour, in the budget of 1989, the then-Minister of Finance, Clayton Manness, said in reference to an exceptional revenue situation and a surplus in the previous budget year by a former government, he said very clearly: We could have used

all the exceptional revenue for long-term debt or deficit reduction in '88 and '89. Indeed we could have shown an overall budgetary surplus in '88-89. However, we recognized the exceptional nature of this revenue and have chosen to apply it toward longer term fiscal objectives. Therefore, today I am announcing the Government's intention to establish a fiscal stabilization fund of \$200 million of the exceptional revenue received in '88 and '89.

So he took the \$55-million surplus from the previous year, passed by legislation of a former government, he created a \$145-million deficit retroactively, and he used the 55 and the 145 to set up a fiscal stabilization fund by legislation nine months after this had occurred on a go-forward basis. That is right on point of the issue we are addressing today.

We have an example here very clearly where we are proposing legislation to address the fiscal uncertainty related to the federal accounting error that we heard about in January of 2002, information we did not have at the time that we passed the last Budget. I think that that puts the whole situation in perspective.

Also in this Budget Address we talked about some further amalgamation of RHAs, which likely will require legislation. We talked about the education support levy, which will require legislation. We talked about amalgamation of school divisions, which will require legislation, and we talked about the merger of Winnipeg Hydro into Manitoba Hydro, which will require legislation. There is clearly nothing unusual about the measures we have taken in this Budget. All of them will be dealt with before the session ends by legislation, and the Budget will go forward with the commitments made.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. John Loewen (Fort Whyte): Mr. Speaker, I do have some new information on this very serious matter.

Firstly, I would like to table with the House some further documentation that will support the argument that this is the first available

opportunity, as it clearly indicates in the responses to questions during yesterday's Question Period that both the First Minister (Mr. Doer) and the Minister of Finance (Mr. Selinger) clearly indicated that this information was fully disclosed, and I will emphasize the word "fully," as a matter that required legislation in the Budget presentation by the Minister of Finance, which, of course, you will see from the tabled documents that it does not. It has, I think, been shown and demonstrated that this is the first opportunity that the Opposition has had and the Member for Lakeside (Mr. Enns) has had to raise this matter before the House. I think enough has been said on that issue.

With regard to the prima facie case, I think this case clearly follows a pattern that has been set by this Government that started with the Minister of Education (Mr. Caldwell) when he was admonished by the Auditor for making a payment with regard to the TRAF when clearly it was ahead of the passing of the necessary legislation. That the Auditor brought to the attention of this House and to the Minister of Education in a very, very direct way. Since then, we have seen the Minister of Education deal with funds to the Agassiz School Board, which have been sent for one reason and used for another with his full knowledge. We have seen his dealings with not only the Morris-Macdonald School Division not add up to what they say they are; in addition, the Transcona-Springfield School Division is going to take him to court in the very near future to demonstrate their belief that he was not forthright.

Mr. Speaker: Order.

Point of Order

Mr. Mackintosh: On a point of order, Mr. Speaker, the member is talking about education policy issues, nothing related to the issues that were raised on the so-called matter of privilege. He should be addressing, in a very strict way, whether there is a prima facie case.

Mr. Speaker: On the point of order raised by the honourable Government House Leader (Mr. Mackintosh), when dealing with a matter of privilege, it is to bring to the Speaker's attention at the earliest possible opportunity, and whether

it is a prima facie case. So I would ask the cooperation of all honourable members that have the floor.

* * *

Mr. Loewen: Mr. Speaker, with regard to the prima facie case, it is very important for this House to recognize that the Minister of Finance (Mr. Selinger) is also the Minister responsible for Manitoba Hydro, and as his responsibility is for Manitoba Hydro, he has the responsibility of approving and signing off on their financial statements. That has to be placed alongside with this very, very real and very serious power to be the sole authority to tax people of the province of Manitoba.

I am pleased that the Premier (Mr. Doer) has indicated for the record today that in fact he is looking at this matter as a matter of taxation. In his role as the Minister responsible for Hydro, the minister some time in March signed off on the third-quarter statement of Manitoba Hydro, the statement that dealt with their financial situation up until December 31, 2001. Nowhere in that statement was there any indication that there would be a payment of \$150 million to the Government of the province of Manitoba. That was as late as his signing off on that statement in March.

This does not follow through with the Canadian Institute of Chartered Accountants' recommendations on third-quarter statements which, although they are not audited, should clearly indicate all financial activities that the corporation is involved in. So by the minister's failure to go back and restate or ask the corporation that he is responsible for to restate their third-quarter financial statements, he is also showing contempt for this Legislature and to the people of Manitoba.

So, Mr. Speaker, in addition, I will raise one further point. We have indicated clearly in this House that the minister is in a very, very difficult situation, being that he is not only the Minister of Finance but the minister responsible for Manitoba Hydro who, for the first time in the history of Manitoba, has turned the ratepayers of Manitoba Hydro directly into taxpayers. I believe all those facts point to the prima facie

case, and I thank you for the opportunity to raise those issues.

Mr. Marcel Laurendeau (Official Opposition House Leader): Mr. Speaker, as far as the first opportunity, I think our members have made that quite clear that this is the first opportunity since yesterday's Question Period when the First Minister (Mr. Doer) and the Finance Minister (Mr. Selinger) finally answered a question in this House.

As far as the *prima facie* case, I do believe my colleagues have made the case on this side, but I would like to touch on just a couple of other issues that we might have just passed over. I want to make sure we reinforce. All too often, this autocratic government seems to think that they can turn around and make the decisions without the input of the public. We have asked for this issue to go before the Public Utilities Board, but, no, this Government says they will send it before a committee of this House. Well, why are they making a farce of this House then? Why are they sending it to a committee? They have already made their decision. That is what they have said.

This Premier has sat in the House and said he has made the decision. Why do we need the legislation? Why do we need a bill? Why do we need this Legislature? Why were we elected if this Premier can stand there and just say I will pass this bill? He might be government, but governments in the past have learned, when things go to committee and bills go to committee, that sometimes there is a second thought that they could possibly make some changes. But this Government has firmly made the decision that they are going to pay for last year's spending habits. That is last year's. That is last year's spending habits, \$150 million. That is more than some departments. Agriculture is \$120 million. One hundred and fifty million dollars is what they are having Hydro pay for this year, more than the entire portfolio for Agriculture. I mean, Mr. Speaker, you can pay for how many departments of Culture, which are at \$50 million. Give me a break.

How can this Government stand there and pass legislation this year to correct their

spending habits for last year? And they have the audacity to not even mention it, not even to mention it when they are doing the release of their Budget. This First Minister has the audacity to say by passing the Budget it gives him the right to do it. He has not got that right. That right belongs to this Legislature, and the people of Manitoba have to be heard. It is about time this Government listens.

Mr. Speaker: Order. A matter of privilege is a serious concern. I am going to take this matter under advisement to consult the authorities, and I will return to the House with a ruling.

* * *

Mr. Murray: Mr. Speaker, I would like to apologize if I made some comments in the House that might have offended some, and I would like to extend that apology to all members.

Mr. Speaker: I thank the honourable member for that comment.

ROUTINE PROCEEDINGS

TABLING OF REPORTS

Hon. Greg Selinger (Minister of Finance): I would like to table the following reports, all of which have previously been distributed: A Review of the Policy Development Capacity Within Government Departments, November 2001; the Manitoba Hydro-Electric Board, Quarterly Report for the nine months ended December 31, 2001; the Office of the Provincial Auditor Report, February 2002, Value-for-Money Audits, Keewatin Community College, Investment in Information Technology; and the Audit of the Public Accounts for the year ended March 31, 2001.

As well, I would like to table these reports, all of which again have been previously distributed: Office of the Provincial Auditor, An Examination of School Board Governance in Manitoba Annual Report for the year ended March 31, 2000; Office of the Provincial Auditor, Investigation of an Adult Learning Centre Annual Report ending September 2001; Public Accounts, Volumes 1, 2 and 3 Annual Report for the year ended March 31, 2000;

Office of the Provincial Auditor, Operations of the Office Annual Report for the year ended March 31, 2000 and the year ended March 31, 2001.

Hon. Gord Mackintosh (Minister of Justice and Attorney General): Mr. Speaker, I would like to table the Estimates order for this session.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, I would like draw the attention of all honourable members to the Speaker's Gallery where we have with us today Mr. Cole Summers from the city of Winnipeg.

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

ORAL QUESTION PERIOD

Manitoba Hydro Act Amendments

Mr. Stuart Murray (Leader of the Official Opposition): Yesterday I asked the Premier to admit that he does not have the authority required to raid Manitoba Hydro to cover his deficit from last year. The Premier stated: "It was fully disclosed as a matter that required legislation in the Budget presentation by the Minister of Finance (Mr. Selinger)." Later, the Minister of Finance stood in his place and said: "The Budget Address clearly said that we would amend The Manitoba Hydro Act in order to access some of the \$371 million." I would like to ask the Premier if he could indicate what page number of the Budget Speech was this disclosure made on.

Hon. Gary Doer (Premier): We had this discussion last year in this Legislature on the issue of rate reductions. There was a similar debate on rate reductions. There was a similar request from members opposite to send it to the PUB. Eventually they not only opposed it, they opposed it and they eventually voted for it after some criticism. We believe that this is a very sensible idea.

The documents in the House, the summary documents, the information documents contain a considerable reference to the issue of Hydro surplus from U.S. sales. The documents contain

the whole impact on Hydro. The Budget contains a fuller treatment of that by saying that the practices used and utilized in other provinces, Mr. Speaker, this should not have been a big mystery for members opposite. Even groups in the business community, for example, the Business Council of Manitoba, was urging us to look at the option of a Hydro dividend in tougher times.

Rate Increase

Mr. Stuart Murray (Leader of the Official Opposition): Well, the fact is, Mr. Speaker, you can find no mention in the Budget documents of the Government bringing in legislation to raid Manitoba Hydro profits for \$288 million.

I ask the Premier if they also failed to include the fact that Hydro rates would increase because of their raid of Manitoba Hydro.

Hon. Gary Doer (Premier): Mr. Speaker, I do not know whether members opposite are aware of this, but the provincial-federal error identified by the federal government made 100 percent by—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer: Mr. Speaker, the federal error goes back to 1993. Ask us what page number that was in, in the 1999 Budget, the year 2000 Budget, the 2001 Budget. When I hear members opposite, some members opposite talking about retroactive considerations when we have been told retroactively this province may have to pay back \$700 million, it requires this Government to be as prudent as possible in the treatment of this information. We found this out on the last day in January.

Because of the uncertainty of the federal error, because of the uncertainty of the economic decline in Canada which is now going up, we thought that with \$220 million projected profits in the year 2001-2002, Manitoba Hydro taking some of that export revenues in that same year where the revenue was gained, allowed us for the second year in a row not to take any money out of the Fiscal Stabilization Fund. We think that is prudent. We think it is good for us to bridge the uncertainty of the past to the

optimism of today and tomorrow, and we think that most Manitobans, including the Business Council, think it is a sensible idea.

Mr. Murray: Well, Mr. Speaker, this Government, the Doer government and this Premier have misled Manitobans on a number of occasions and revealed during that time their hidden agenda. For example, there was never any mention that they were going to raid Autopac for \$30 million, no word of that. No word at all of bringing in labour legislation that would close businesses, no mention of that. Now we find they are raiding Manitoba Hydro for their profits for the simple reason to cover their spending problem.

I will ask the Premier: Will he guarantee Manitobans that Hydro rates will not increase?

Mr. Doer: Mr. Speaker, last year the Manitoba Hydro section, not the Centra Gas section—members opposite will know about Centra Gas—the Hydro section with the export sales is projected to make \$230 million. When you subtract the \$10-million loss from Centra Gas in their operations last year, the net projected surplus is \$220 million.

Mr. Speaker, the majority of the money to deal with the uncertainty is being asked for from Hydro under the page in the Budget.

An Honourable Member: What page?

Mr. Doer: Page 20. The amount in the Budget goes back—the majority of the money goes back to last year. I want to guarantee to the House that we are not going to retroactively increase rates last year to deal with this proposed change, Mr. Speaker.

Secondly—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer: There is another revenue payment to the Government, Mr. Speaker, similar to five other provinces. Obviously, there is no rate application before the PUB, and Manitoba Hydro is before the PUB as we speak on the whole issue of cost production and has been there for the last—*[interjection]*

Well, Mr. Speaker, if they want to yell us down, do not ask for any answers.

Manitoba Hydro

Budget Decision—Board Awareness

Mr. Harold Gillehammer (Minnedosa): Last week when the Minister of Finance was asked when Manitoba Hydro had been informed that they would be required to contribute \$288 million to the general revenue of this province, he stated that Manitoba Hydro is treated like every other citizen of Manitoba in that they get the information when the Budget is released in the Legislature.

Mr. Speaker, can the minister confirm that the board and management had no knowledge of and no input into this Budget decision?

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, all decisions with respect to the Budget are made by the Cabinet, and that is how we do our budgets in this province.

* (14:30)

Minister of Finance Conflict of Interest

Mr. Harold Gillehammer (Minnedosa): Given that the Minister of Finance was desperate for cash for last year and for this year, does he not see that he has a clear conflict of interest in that no one except him was representing Manitoba Hydro when this decision was made?

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, I fully answered that question last time it was asked.

I only point out to the member opposite that when the previous NDP government built Limestone, the intention was very clear, that the profits from export sales into the United States market would be for the entire benefit of all Manitobans. It was only 12 years later that the former Premier cottoned onto the same idea and promised it in the last election.

Manitoba Hydro Public Utilities Board Review

Mr. Harold Gillehammer (Minnedosa): Mr. Speaker, the Minister of Finance has clearly shut

out the board and the executive of Manitoba Hydro.

Does he not see that with this conflict of interest this should be examined by a third party like the Public Utilities Board? The Manitoba Society of Seniors, the Manitoba Consumers' Association are calling for that.

Hon. Greg Selinger (Minister of Finance): It was just a few moments ago that the members opposite were complaining that we had not made it clear that the legislation would be coming before this Chamber right here.

We have made it very clear that legislation will come before this Legislature, that this legislation will be properly debated in this Chamber at the committee level where citizens will have a full opportunity to make their views known. We will follow the normal practice of any budget where legislation will follow that implements the measures announced in the Budget. That is what we will do again this year.

Budget Manitoba Hydro Profits

Mr. John Loewen (Fort Whyte): In a desperate attempt to cover off last year's deficit, the Minister of Finance has forced the Minister responsible for Hydro to demand that Hydro borrow \$288 million to fund the Doer government's deficits. This is akin to using your credit card to make a mortgage payment. How much more debt will Manitoba Hydro have to take on to help the Doer government pay off last year's deficit?

Hon. Greg Selinger (Minister of Finance): First of all, there is a factual error that is being frequently repeated in this Chamber. At no time was there a deficit predicted in last year's '01-02 Budget. At no time was that contemplated. There were full and ample resources to deal with that. Then we came into a federal accounting error. We made some prudent decisions to protect the operating budget and the balanced budget legislation requirements on a go-forward basis.

So we have taken prudent decisions to ensure there is no deficit. All our quarterly reports indicated that there would not be a deficit.

Mr. Loewen: I would like to ask the Finance Minister if he could tell us: Who at the Cabinet table stood up for the ratepayers of Manitoba Hydro while for the first time in the history of this province the ratepayers were turned into taxpayers? Or was everyone at the Cabinet table more concerned about the 20% salary loss they would suffer if the Doer government did not raid Manitoba Hydro?

Mr. Selinger: Mr. Speaker, it was just last year that we introduced into this Chamber legislation that will require a referendum of the people of Manitoba before there was any attempt to privatize Manitoba Hydro. It is this Government that has stood up to protect Crown corporations as organizations that serve all the citizens of Manitoba.

Manitoba Hydro Rate Increase

Mr. John Loewen (Fort Whyte): Mr. Speaker, how can this minister guarantee that electricity rates will not increase when prior to learning of the Doer government's decision to raid Hydro for \$288 million, prior to that, knowing of that decision, Hydro was already forecasting a rate increase of 6.1 percent in electricity between the years 2003 and 2007?

Hon. Greg Selinger (Minister of Finance): Hydro in their forecasts always make prudent projections on a go-forward basis. You can see from the forecasted net revenues from 1997 to 2001, they always forecasted very prudently and the actuals exceeded that by \$371 million. That amount of money is the basis upon which we feel that it is appropriate to take a transfer for the citizens of Manitoba. Let us not forget that this was done on the basis of a project that was put in place by a previous NDP government specifically to generate export profits for the benefit of the people of Manitoba. We are following through on that important legacy.

Regional Health Authorities Amalgamation

Mr. Glen Cummings (Ste. Rose): My question is for the Minister of Health. We have recently seen the announcement of a poorly thought out and somewhat tepid amalgamation of two RHAs in western Manitoba, Marquette and South-

Westman. I wonder if the Minister of Health would indicate: Did he have further plans for amalgamation?

Hon. Dave Chomiak (Minister of Health): I am a bit perplexed because I thought the member was asking questions of his counterpart last week for us not to do that. I have difficulty with that. On the one hand, they want us to spend more on a bunch of services. On the other hand, when we try to do administrative changes, they are critical of it. The decision with respect to Marquette and South-Westman was a decision made as a result of a lot of input and advice from the public with respect to dealing with administrative issues.

Mr. Cummings: I wonder if this minister would like to table with the House or indicate to the public what studies or what analysis he has had to support the amalgamations that might provide better patient care.

Mr. Chomiak: It is very clear that the public has said to us as a government, to all governments, to try to put as much resources into direct patient care as we can. That is why we are training more nurses, we have put in a bursary program for doctors, we are training more rural doctors, we are training more occupational therapists, we are training more physiotherapists, we are training more lab technicians, we are training more doctors, to get more resources into frontline workers and, where we can, to deal with administrative inefficiencies and to streamline administration, and we are following that advice.

Mr. Cummings: The minister is avoiding answering both questions. I ask him very clearly: Did he have further plans for amalgamation?

Mr. Chomiak: We as a government will look at any administrative changes that we can put in place that will help provide for getting more resources to patient care. We made announcements this year with respect to amalgamations which comprise the two rural RHAs of Marquette and South-Westman. Several years ago, we combined two urban—in the city of Winnipeg—health authorities that had been put in place, double administration, by the previous

government. We combined those. I do not anticipate any further amalgamations.

Regional Health Authorities Amalgamation

Mr. Leonard Derkach (Russell): In the dying hours prior to the Budget, the Minister of Health, through his department, held a conference call with rural RHAs to indicate to them that five regional health authorities would be amalgamated in the Budget. On the day of the Budget, another conference call was held through the minister's office, or through his department, that indeed a change had been made and that not five but only two of the RHAs would be merged.

I would like to ask the minister: What caused him to change his mind on the day of the Budget and to politically gerrymander the amalgamation that had been announced to the RHAs just days before to only limit it to the merger of two rural RHAs in the province?

Hon. Dave Chomiak (Minister of Health): There was no change of mind on the day of the Budget insofar as the Budget was already produced, firstly. Secondly, I do not know what practice members opposite followed with respect to what they did, but we did not, and will not, gerrymander.

Mr. Derkach: Mr. Speaker, according to the rural health authorities, the Minister of Health, through his department, on April 19 held a conference call with all RHAs indicating to them that five RHAs would be merged. On the 22nd of April, the day of the Budget—

Mr. Speaker: Order. The honourable Government House Leader, on a point of order.

Point of Order

Hon. Gord Mackintosh (Government House Leader): I am just wondering if we can get a question out of the member.

* (14:40)

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

preamble. I would ask the honourable member to please put his question.

* * *

Mr. Derkach: Mr. Speaker, I would like to ask the minister why he is indicating to the House that indeed no change was made when on the day of the Budget, April 22, there was a call made to rural RHAs from the Department of Health indicating to them that a change had been made that not five but only two of the mergers would occur, and it had been previously announced on April 19.

Mr. Chomiak: Mr. Speaker, as I indicated previously, on many occasions in my consultation process and at our meetings around the province, we were putting everything on the table with respect to this Budget because we knew there were some difficult choices that had to be made. We knew that we did not want to go down the road of the previous government of slashing beds, slashing nurses, slashing doctors, stopping doctor programs and stopping nurses' programs, and that we were putting everything on the table and we were looking at everything.

Ultimately, we made a determination with respect to a number of issues that were included in the Budget.

Mr. Derkach: Well, Mr. Speaker, will he finally admit then that this was indeed a purely political decision made on the day of the Budget, or on that weekend, that instead of merging five rural health authorities, as he had announced on the 19th to the rural health authorities, the Minister of Finance (Mr. Selinger) and the Premier (Mr. Doer) all got together and decided politically to only merge two health authorities on the west side of the province?

Mr. Chomiak: As I have said on many occasions in the House, you know, the member stood up—I believe it was the Member for Gladstone or whatever, who stood up recently and said when you—*[interjection]* Ste. Rose, Mr. Speaker—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. The honourable Member for Ste. Rose. On a point of order? *[interjection]*

The honourable Minister of Health, to please continue.

Mr. Chomiak: Thank you, Mr. Speaker. I believe it was the Member for Ste. Rose (Mr. Cummings) who rose in this House several weeks ago and asked if I had attended the Marquette board meeting and had discussed with them the possibility of making changes. I advised him at that time that in fact I had done that and I had met with the Marquette board and told them that everything was on the table.

Casino Renovations Cost Overruns

Hon. Jon Gerrard (River Heights): Mr. Speaker, my question is to the Minister responsible for the Manitoba Lotteries Corporation. The expansion to Club Regent and McPhillips Street Station was originally estimated first at about \$50 million, then at \$66 million. Two years ago, the Provincial Auditor produced a report which showed that the actual cost was \$112 million. Last December, we learned from the minister that the costs had risen again under her administration to \$145 million, an increase of \$33 million over what was in the Auditor's report.

I ask the minister: Why was there inadequate disclosure to the Provincial Auditor two years ago? Why was the Provincial Auditor kept in the dark as to what were the real costs, and why have the costs continued to escalate under her administration?

Hon. Diane McGifford (Minister charged with the administration of The Manitoba Lotteries Corporation Act): Mr. Speaker, of course there are several questions contained in the member's question, so I will attempt to work my way through them. *[interjection]* I know the Tory member for River Heights—

Mr. Speaker, when the Auditor conducted his report in 2000, and I tabled it in the House on May 15, 2000, one of the pieces of advice contained in that report was that further in-house work should be conducted by in-house persons.

We appointed, Mr. Speaker, an acting CEO of Lotteries. Under his administration, further research was taken, and that revealed more

expenditures than the Auditor had originally concluded. Indeed, there were more expenditures, 145, but those expenditures were not spent under my watch.

An Honourable Member: Oh, yes, they were.

Ms. McGifford: No, they were not.

Mr. Gerrard: Mr. Speaker, fiscal responsibility is a good Liberal principle. It may not be a New Democratic one.

My supplementary: I ask the minister, in view of the Provincial Auditor's report that public disclosure of casino consolidation costs were incomplete, will the minister agree to table as soon as possible in this Legislature a detailed report of the cost overruns and an explanation for them?

Ms. McGifford: Mr. Speaker, that information was public when we had the standing committee last December. Unfortunately, perhaps the member was not there, did not hear this information being disclosed, but it was, publicly. It was there on the table at that standing committee in December of 2001.

Mr. Gerrard: My supplementary to the minister: With the extraordinary continuing increases, I ask the minister to assure this Legislature that the \$145-million figure is the final figure and represents the full and complete costs of the expansion.

Can the minister tell us when under her watch the costs will stop going up and up and up and up and up?

Ms. McGifford: Well, Mr. Speaker, that is one of those questions which is so fraught with inaccuracy one really wonders whether one should bother answering it at all.

But the cost of \$145 million were costs incurred because of expenses made and decisions made by members over there. It had nothing to do with me, and I think that this member should be very careful in what he puts on the record, Mr. Speaker.

Healthy Baby Program Milk Program for Expectant Mothers

Mr. Gerard Jennissen (Flin Flon): Mr. Speaker, my question is to the Minister of Family Services and Housing.

Milk is an important building block for healthy babies and mothers. Can the minister tell this House what steps the Government is taking to make the supply of milk more available to pregnant mothers with low or moderate incomes?

Hon. Tim Sale (Minister of Family Services and Housing): Mr. Speaker, I am delighted to answer that question from my honourable colleague from Flin Flon.

In partnership with two private sector firms, Safeway and Parmalat, we have been able to make arrangements so that all women who attend the centres that are set up under the Healthy Baby program will be able to make use of up to three litres of milk a week during their pregnancy and during the early months after delivery of their baby.

I am particularly pleased, Mr. Speaker, on behalf of northern Manitobans, who in many situations find the price of milk exorbitantly high, that by the use of the UHT, the ultra-high temperature milk that Parmalat processes, milk with a shelf life of over six months will be available in areas that have refrigeration issues.

I am delighted to also tell the House that over 4500 Manitoba women have taken advantage of Healthy Baby in their first year, and thousands are attending the sites voluntarily because they care about their children and about their babies.

* (14:50)

Regional Health Authorities Amalgamation

Mr. Glen Cummings (Ste. Rose): Mr. Speaker, I am interested to see that this minister is now proudly proclaiming food vouchers.

My question is for the Minister of Health. Following his leadership in reorganization, I

wonder if he would agree or disagree with the observation from his very own department that does not expect any savings from the amalgamation of Westman and Marquette.

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, I do not know specifically what analysis the member is talking about with regard to that. *[interjection]* Well—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Chomiak: Thank you, Mr. Speaker. The member is referring to information that I have not seen, that he has not forwarded, has not tabled in this House. The amalgamation of the regions, I have not set a target number on it. I am confident that in fact with the reduction of the number of oppositions, that alone will induce savings in that particular area.

Mr. Cummings: Mr. Speaker, on a new question.

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

Mr. Cummings: Would the minister confirm or deny that the indication has been made that there will be no loss of positions in this amalgamation?

Mr. Chomiak: Last week the member was asking me why we did not hire a CEO for Marquette region. Last week the same member rose and said: Why did you not hire a CEO for Marquette region?

Mr. Speaker, by virtue of combining Marquette with South-Westman, we are not going to have hired and then let go another CEO because there will be a CEO position for both regions.

Mr. Cummings: Mr. Speaker, on a new question.

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

Mr. Cummings: Then the minister is indicating that the saving of one CEO salary is the kind of

savings that he expects. My question therefore to this minister: In his leadership of this department is he prepared to table any studies, any information, any guidance that he is following in reorganization of health regions across this province?

Mr. Chomiak: Mr. Speaker, we have had experience with one amalgamation. We took two regions in the city of Winnipeg set up by members opposite, two CEOs, I believe it was six vice-presidents and seven or so executive vice-presidents. We combined the regions and we cut the number of senior administrative people, if memory serves me correctly, in half. We had an example of it being done in urban Manitoba and it made sense to make an amalgamation in rural Manitoba.

Regional Health Authorities Amalgamation

Mr. Leonard Derkach (Russell): Mr. Speaker, I can hardly believe what I am hearing from the Minister of Health, that in fact he is going to save Manitobans a great deal of money through the amalgamation of two rural RHAs.

On April 19, Mr. Speaker, the Minister of Health, through his department, held a conference call with all RHAs, and he said to them the following RHAs will be merged in the Budget Address: Marquette Regional Health Authority, South-Westman Regional Health Authority and the Brandon Regional Health Authority, and another merger between South- and North-Eastman regional health authorities.

Mr. Speaker, on the day of the Budget, through his department, another conference call was held where—

Mr. Speaker: Order.

Point of Order

Hon. Gord Mackintosh (Government House Leader): We all have an interest in maintaining this as Question Period, not speech period, but of course the honourable member has certainly gone beyond using one carefully drawn sentence as a preamble. Would you please draw his attention to the rules, Mr. Speaker?

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 of *Beauchesne's* 409(2): A preamble should not exceed one carefully drawn sentence.

I would ask the honourable Member for Russell to please put his question.

* * *

Mr. Derkach: Why did the Minister of Health change his mind on the day of the Budget and politically interfere and change the direction that had been given to the rural RHAs on April 19?

Mr. Chomiak: One of the principles that we had talked about when we went into this budgetary exercise is that we wanted to see if we could get resources down to patient care as our first priority. I indicated and we indicated publicly and, I believe, the Minister of Finance (Mr. Selinger) indicated in his consultations that everything was on the table, and I believe the First Minister (Mr. Doer) said it.

There were a variety of permutations and a variety of options. I can tell you, Mr. Speaker, that we looked through a variety of permutations, a variety of options, a variety of configurations across the province of Manitoba and in the city of Winnipeg that we would look at dealing with this year's Budget and dealing with administrative changes.

We ultimately made the decision that we would merge two regions, two that I believe are two of the smallest geographic regions outside of the North, which were Marquette and South-Westman.

Mr. Derkach: Mr. Speaker, how can western Manitobans have any faith or trust in this minister in the decisions he makes when he changes his mind overnight?

I want to ask this minister: Which hospitals in rural western Manitoba are in danger of closing as a result of his policies?

Mr. Chomiak: During the tenure of that member as a member of Cabinet, 1400 acute

care beds were closed in the province of Manitoba. Misericordia Hospital was closed in the province of Manitoba. A study was engaged by the Centre for Health Policy and Evaluation to evaluate rural and northern hospitals and a process was undertaken with respect to down-sizing hospitals outside of Manitoba when that member was a minister of Cabinet of a previous government.

Mr. Derkach: On a new question.

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

Mr. Derkach: The actions of this minister are despicable in terms of being open with the people of rural Manitoba who are in fear of what is going to happen to their health facilities.

I want to ask the Minister of Health why he is relegating western Manitobans to Third World health conditions under his watch.

* (15:00)

Hon. Gary Doer (Premier): Mr. Speaker, the last budget year prior to the election year, Marquette received a 2.5% increase in the 1998-99 Budget. This year they are scheduled to receive a 6.2% increase. If you were to look at Brandon in 1998-99, they received a 1.7% grant from the former Conservative government. This year it is proposed to get a 7.6% grant. Not only that, under this Minister of Health the deficits in the regional health authorities have gone down from \$78 million in '98-99, to a proposed \$20 million and even lower when we get our final numbers in the year 2001 and 2002.

I remember seven times members opposite promised to rebuild Brandon Regional Health Centre to be a strong regional health centre and seven times they broke their word. This Minister of Health has kept his word to southwestern Manitobans.

Fort Garry School Division Property Taxes

Mrs. Joy Smith (Fort Garry): After telling the Premier that Fort Garry was facing serious tax increases as a result of the Doer government's decision to force amalgamation of the school

division out there and to exempt the University of Manitoba from paying municipal and education taxes, the Premier stated the average taxpayer in Fort Garry would save \$33 this year with the special levy.

Is the Premier telling Fort Garry residents that in spite of forced school amalgamation and in spite of the added tax burden as a result of the removal of the municipal and education taxes from the university, that the taxpayers in Fort Garry can expect their tax bill to be \$33 less, or is the Premier just playing with the numbers?

Hon. Gary Doer (Premier): I will get the exact numbers from the Fort Garry School Division. The increase in their grant, plus the reduction in the property taxes through the ESL reduction on a \$100,000 home in the 1990s, the increase in taxes were 49 percent on the property tax portion of education taxes.

We are not perfect, but we are sure a lot lower on taxes than members opposite. The taxes are going down. They are not doubling like they did under the previous government.

Mr. Speaker: Time for Oral Questions has expired.

MATTER OF PRIVILEGE

Rules Change Private Bills—Bilingual Publication

Mr. Denis Rocan (Carman): Out of courtesy, I would ask the honourable Government House Leader (Mr. Mackintosh) to plug in his interpretation device.

Monsieur le président, il me fait beaucoup de peine d'être obligé de soulever une question de privilège. Les députés soulèvent parfois la soi-disant question de privilège pour des affaires qui pourraient être réglées par le biais d'une simple explication personnelle ou d'une rectification, soit au cours des débats, soit au cours des travaux de l'Assemblée.

La question de privilège devrait rarement être posée à l'Assemblée. Il est préférable de

procéder par voie de motion donnant à l'Assemblée le pouvoir d'imposer une réparation ou de remédier à la situation. Certains privilèges appartiennent à l'Assemblée et d'autres aux députés individuellement. Le fait de désobéir volontairement aux ordres et au Règlement de l'Assemblée dans l'exercice des fonctions qui lui sont dévolues aux termes de la constitution, le fait de proférer des insultes au cours des débats et d'en entraver le déroulement constituent des atteintes aux privilèges de l'Assemblée.

Monsieur le président, les députés de cette Assemblée ont eu l'occasion de recevoir une copie des modifications du Règlement de l'Assemblée législative du Manitoba qui furent adoptées en Chambre le mardi 23 avril dernier, nous demandant de remplacer certaines pages dans notre livre du Règlement datant du 29 avril 1999.

En examinant ces modifications, j'ai lu le paragraphe 120(1) de ce Règlement qui se lit comme suit: "Quiconque propose l'adoption d'un projet de loi d'intérêt privé doit faire publier, dans les 12 mois qui précèdent la présentation de sa pétition, un avis en la forme prévue à l'annexe A-1, signé par lui-même ou en son nom et indiquant clairement la nature et l'objet de sa pétition et de toute disposition spéciale qu'il se propose d'inclure dans le projet de loi. Cet avis doit être publié:

a) dans un numéro de la Gazette du Manitoba;

b) au moins une fois dans deux semaines différentes pendant la période de 12 mois précitée, dans un journal de langue anglaise ou de langue française ayant une diffusion générale dans la région de la province où résident les personnes ou la majorité des personnes que le projet de loi intéresse ou touche."

À l'alinéa 120(1)b) nous remarquons que l'avis en question doit être publié dans un journal de langue anglaise ou de langue française. Cela veut donc dire que la publication dans les deux langues officielles est facultative et non pas obligatoire. Étant donné la composition démographique de notre province, cela voudrait dire que la publication de l'avis susmentionné

pourrait bien se faire rarement ou même jamais en français.

Comme vous le savez déjà, la Loi de 1870 sur le Manitoba prévoit le bilinguisme judiciaire et le bilinguisme législatif. La Cour suprême du Canada a souligné, à maintes reprises, l'importance de ces droits constitutionnels. D'ailleurs, récemment dans le *Renvoi relatif à la sécession du Québec*, la Cour suprême a discuté des quatre grands piliers ou fondements de la constitution du Canada. Il faut souligner que la protection des minorités, y compris celle des minorités linguistiques, a été identifiée par la Cour suprême comme un de ces grands piliers. De plus, dans l'arrêt *Beaulac*, la Cour suprême du Canada a aussi statué que, et je cite: "Les droits linguistiques doivent dans tous les cas recevoir une interprétation fondée sur leur objet, d'une façon compatible avec le maintien et l'épanouissement des collectivités de langue officielle au Canada."

Dans notre province, l'article 23 de la Loi de 1870 sur le Manitoba et la protection qu'elle accorde au bilinguisme législatif sont des manifestations concrètes du noble principe de la protection des minorités linguistiques.

Monsieur le président, à mon humble avis, l'alinéa 120(1)b) du Règlement de l'Assemblée législative du Manitoba tel que rédigé à l'heure actuelle n'est conforme ni à la lettre ni à l'esprit de l'article 23 et ne serait donc pas compatible non plus avec le maintien et l'épanouissement de la minorité francophone du Manitoba. En somme, l'alinéa 120(1)b) du Règlement de l'Assemblée n'est pas à la hauteur de l'obligation de la province du Manitoba de veiller sur et de protéger les droits constitutionnels de la minorité linguistique.

* (15:10)

Par conséquent, je propose, appuyé par le Chef de l'opposition officielle (M. Murray),

Que le président examine cette question et considère tous les faits, y compris le fait que le Règlement n'est pas conforme à notre constitution et aux droits linguistiques constitutionnels

qui s'y trouvent et qui furent si durement acquis par nos aïeux; et

Que le Comité du Règlement de l'Assemblée soit convoqué pour traiter cette question, et en attendant la convocation du Comité du Règlement, je vous demande, Monsieur le président, de signaler aux députés que l'alinéa 120(1)b) n'est pas constitutionnel, et conséquemment, qu'il soit considéré nul et sans effet.

Translation

Mr. Speaker, it is with great regret that I am obliged to rise on a matter of privilege. Members sometimes raise so-called questions of privilege on matters which should be dealt with as a personal explanation or correction, either in the debates or the proceedings of the House. A question of privilege ought rarely to come up in the Legislature. It should be dealt with by a motion giving the House power to impose a reparation or apply a remedy.

There are privileges of the House as well as of members individually. Wilful disobedience to Orders and Rules of parliament in the exercise of its constitutional functions, insults and obstructions during debate are breaches of the privileges of the House.

Mr. Speaker, the members of this Assembly had occasion to receive a copy of the changes to the Rules of the Legislative Assembly of Manitoba which were adopted in the House on Tuesday, April 23, requesting that we replace certain pages in our book of rules dated April 29, 1999. In examining these rule changes, I read subrule 120(1) of these rules, which reads as follows: "Every petitioner for a Private Bill shall publish, within twelve months prior to the presentation of the petition for the Private Bill:

(a) in one issue of the Manitoba Gazette; and

(b) at least once in each of two weeks during the twelve month period aforementioned in an issue of a newspaper published in the English language or the French language and having a general circulation in the area of the province in which the persons or a majority of the persons, who would be interested in or affected by the Private Bill reside;

a notice, in the form set out in Schedule 'A-1', signed by or on behalf of the petitioner and clearly and distinctly specifying the nature and object of the petition and any exceptional provision proposed to be inserted in the Bill."

In subrule 120(1)(b) we note that the notice in question must be published in an English language or French language newspaper. That means, therefore, that publication in both official languages is optional rather than obligatory. Given the demographic composition of our province, this would mean that publication of the above-mentioned notice might rarely or even never occur in French.

As you already know, The Manitoba Act, 1870 provides for judicial and legislative bilingualism. The Supreme Court of Canada has emphasized on numerous occasions the importance of these constitutional rights. Furthermore, recently in the Reference re Secession of Quebec, the Supreme Court discussed the four great pillars or foundations of the Canadian constitution. It must be emphasized that the protection of minorities, including that of language minorities, has been identified by the Supreme Court as one of these great pillars. Furthermore, in the Beaulac decision, the Supreme Court of Canada also ruled that, and I quote: "Language rights must in all cases be interpreted purposively, in a manner consistent with the preservation and development of official language communities in Canada."

In our province, section 23 of The Manitoba Act, 1870 and the protection that it gives to legislative bilingualism are concrete manifestations of this noble principle of the protection of language minorities.

Mr. Speaker, in my humble opinion, subrule 120(1)(b) of the Rules of the Legislative Assembly of Manitoba, as it is currently drafted, complies with neither the letter nor the spirit of section 23 and therefore would not be compatible with the preservation and development of the francophone minority in Manitoba either. In short, subrule 120(1)(b) of the Rules of the Assembly does not live up to the obligation of the Province of Manitoba to preserve and protect the constitutional rights of its linguistic minority.

Therefore, I move, seconded by the Leader of the Official Opposition (Mr. Murray),

THAT the Speaker examine this matter and consider all the facts, including the fact that the rule does not comply with our constitution and with the constitutional language rights set out therein and which were won with such difficulty by our ancestors; and

THAT the Committee on the Rules of the House be called to deal with this matter and while awaiting the calling of the Rules Committee, I request that the Members be notified that Sub-rule 120(1)(b) is unconstitutional and consequently should be considered void and of no effect.

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, I want to, of course, commend the honourable member for his insight in discovering what appears to be a flaw in the rules that I understand predate the introduction of the motion by consent to change the rules. I think he has been very observant, and he is certainly well versed in what appears to be the clear constitutional, if not the ethical, requirements of how the rules should be construed and applied in Manitoba.

Perhaps, Mr. Speaker, this matter can best be dealt with more immediately even. I look forward to a response from the other side, but to change the word "or" to "and," in other words, require publication in both French and English, in our view, would appear to be the fair way to proceed.

We would be prepared, if there was consent of the House, to have that rule changed now, recognizing of course that rule changes are only made by way of consensus. I would think that we could garner that consensus today. If there are any further implications, the rules committee can deal with it, but I think we should repair this rule and do so now. I say so out of respect for the member and his observations as well as the Constitution.

What is imperative for all of us is that we respect the French and English languages as members of this Legislature.

Mr. Marcel Laurendeau (Official Opposition House Leader): Mr. Speaker, I would like to also congratulate the Member for Carman (Mr. Rocan) for bringing forward this issue. It did slip by a number of us. I mean, it is not something new, as you heard in the history. This goes back to 1982.

I would ask that the House leader seek leave to introduce the motion that would change the word. We have taken the liberty of drawing up the motion. I believe the minister has a copy of that motion.

Hon. Greg Selinger (Minister of Finance): J'aimerais aussi féliciter le député de Carman pour son observation et sa suggestion pour corriger la situation. On est prêt à le faire immédiatement. Je crois qu'on peut avoir un consensus immédiatement et mettre en place une politique qui respecte l'histoire et les droits linguistiques dans cette province.

Translation

I also would like to congratulate the Member for Carman for his observation and his suggestion for correcting the situation. We are prepared to do it immediately. I believe that we can have consensus immediately and put into place a policy that respects this province's history and its language rights.

Hon. Jon Gerrard (River Heights): Monsieur le président, je veux simplement dire que je suis d'accord avec le député de Carman et je suis d'accord avec une modification au Règlement.

Translation

Mr. Speaker, I simply want to say that I am in agreement with the Member for Carman and with a change to the Rules.

Mr. Mackintosh: Mr. Speaker, would you canvass the House to determine if there is leave to introduce a motion to correct the shortcoming, the obvious shortcoming in rule 120(1)?

Mr. Speaker: Before dealing with the asking of leave to deal with this issue, Manitoba practice, normal Manitoba practice, dealing with privilege has normally been the Speaker would take it under advisement; but, because this is an issue

that is agreeable to the House, if that is the case, I would like to proceed on that grounds to the motion, without setting a precedent that Manitoba practice, normal Manitoba practice, when dealing with privilege, is normally to take it under advisement. So I just wanted to make that clear.

Now I would like to ask the House if there is agreement. So is there agreement by the House to deal with the matter as I outlined it?

Some Honourable Members: Agreed.

Mr. Speaker: There is agreement. Okay. Now to deal with the matter that the honourable Government House Leader is seeking unanimous consent to deal with a motion that will be brought forward. Is there unanimous consent?

Some Honourable Members: Agreed.

Mr. Speaker: Okay, that is agreed to.

Mr. Laurendeau: Mr. Speaker, I move, seconded by the honourable Member for Carman (Mr. Rocan),

THAT effective immediately the Rules, Orders and Forms of Proceeding of the Legislative Assembly of Manitoba be amended by deleting Sub-rule 120(1) and substituting the following:

"Notice of application for Private Bill.

120.(1) Every petitioner for a Private Bill shall publish, within twelve months prior to the presentation of the petition for a Private Bill:

(a) in one issue of the Manitoba Gazette; and

(b) at least once in each of two weeks during the twelve month period aforementioned in an issue of a newspaper published in the English language and the French language and having a general circulation in the area of the province in which the persons or a majority of the persons, who would be interested in or affected by the Private Bill reside;

a notice, in the form set out in Schedule A-1, signed by or on behalf of the petitioner and

clearly and distinctly specifying the nature and object of the petition and any exceptional provision proposed to be inserted in the Bill.

Mr. Speaker: Before moving the motion, I will recognize the honourable Member for Carman (Mr. Rocan). I have to move the motion.

Point of Order

Mr. Rocan: Mr. Speaker, on a point of order, I appreciate having been given the opportunity to second said motion, but I think, in all fairness, in the way this House sometimes operates, it would be more fitting if the honourable Government House Leader (Mr. Mackintosh) would at least second the motion, give more validity to what we are doing, because in my mind this constitutional amendment is a pretty big deal.

Mr. Speaker: The honourable Opposition House Leader, I have to deal with the point of order first.

Is there agreement of the House for the motion to be seconded by the honourable Government House Leader? Is there agreement?
[Agreed]

* * *

Mr. Speaker: So the motion will now read: Moved by the honourable Member for St. Norbert (Mr. Laurendeau), seconded by the honourable Attorney General (Mr. Mackintosh):

THAT effective immediately the Rules, Orders and Forms of Proceeding of the Legislative Assembly of Manitoba be amended by deleting Sub-rule 120(1) and substituting the following:

Notice of application for Private Bill.

120.(1) Every petitioner for a Private Bill shall publish, within twelve months prior to the presentation of the petition for the Private Bill:

(a) in one issue of the Manitoba Gazette; and

(b) at least once in each of two weeks during the twelve month period aforementioned in an issue of a newspaper published in the English language and—

An Honourable Member: Dispense.

Mr. Speaker: Dispense.

the French language and having a general circulation in the area of the province in which the persons or a majority of the persons, who would be interested in or affected by the Private Bill reside;

a notice, in the form set out in Schedule A-1, signed by or on behalf of the petitioner and clearly and distinctly specifying the nature and object of the petition and any exceptional provision proposed to be inserted in the Bill."

* (15:20)

Voice Vote

Mr. Speaker: All those in favour of the motion, please say yea.

Some Honourable Members: Yea.

Mr. Speaker: All those opposed to the motion, please say nay.

In my opinion, the Yeas have it. I declare the motion carried.

* * *

Mr. Speaker: This should conclude the matter of privilege.

MEMBERS' STATEMENTS

Great Plains Aseptic Processors

Mr. Jack Penner (Emerson): Mr. Speaker, I want to rise in the House today to congratulate the Great Plains Aseptic Processors, a new Manitoba company that will use tetrapack technology to operate a commercial liquid food processing and packaging facility for the province of Manitoba.

I want to also say that the major investors in this new company, in helping to build or rebuild the food processing plant in Portage la Prairie to accommodate this new business, will be the Province of Manitoba at \$7.9 million—and the federal government announcement that the interest, and I quote from the news release: "The

federal interest portion of the Manitoba Gross Revenue Insurance Plan surplus will be invested in this process at \$2.9 million." There will also be an ARDI investment, the Agricultural Research Development Initiative, also established out of the Crow benefit of \$1.3 million, and an \$800,000 investment grant in lieu of taxes by the City of Portage la Prairie.

I think this is an indication that there are those outside of this province that are interested in the processing industry and are willing to help establish an industry. This would lead me to believe that the processing industry might in fact be well served further by this kind of an advancement of the Province.

I want to say to the Minister of Agriculture (Ms. Wowchuk) that what she said in the House yesterday in regard to a statement that I had made, and I would like to read the statement, Mr. Speaker, with the House's—

Mr. Speaker: Order. The honourable member's time has expired. He is asking for leave to continue. Is there leave?

Some Honourable Members: No.

Mr. Speaker: Leave has been denied.

Early Childhood Educators

Ms. Nancy Allan (St. Vital): I am privileged to stand before the House today and recognize the contribution early childhood educators are making to our province. Early childhood educators provide a healthy, safe, and educational environment for children in child care homes and children's centres. Early childhood educators allow parents to continue their work or education while providing them with peace of mind and the understanding that their children are safe and healthy under the care of responsible and committed individuals.

There can be no true measurement of the great contribution these individuals make to our communities, other than to say, without such services many families would not have the chance to grow and develop socially and economically.

Early childhood educators are just that, educators. It is important to remember that these

individuals do not simply keep our children safe but provide an important educational service. Early childhood educators help children by giving them the necessary communication and relationship skills that prove so important as they grow older. Children are taught the importance of co-operation and respect for other children and adults. It is these skills delivered by caring childhood educators that help our children grow up to be responsible, caring and community-minded citizens.

I would like to congratulate the Minister of Family Services and Housing (Mr. Sale), who proclaimed April 28 to May 4 the Week of the Early Childhood Educator. This will represent the 11th year that we as Manitobans celebrate the important work of our child educators. This annual celebration was originally drafted by the Manitoba Childcare Association's early childhood education committee to address the public awareness of child educators. Since that time childhood educators have participated in numerous activities to celebrate their contribution to our communities.

In addition to the yearly celebration of childhood educators, the Manitoba Childcare Association is actively involved in promoting and educating the public about the role that childhood educators play in our cities and towns throughout the province.

Please join me in celebrating and congratulating this very important week.

Rural Forum Organizers

Mr. Leonard Derkach (Russell): I rise today to pay tribute to some people who work with the Government of Manitoba who have continuously for 10 years now put on the Rural Forum. I want to pay tribute to Ron Riopka and his team of people from Intergovernmental Affairs who have very successfully, for 10 years, put on an outstanding event in Brandon, which brings together small-business people from around the province, small entrepreneurs, youth, and indeed has now extended its invitation and its arms to people outside our jurisdiction. I was very happy to be the first minister responsible for putting on the forum, and indeed I was very proud of what the department has accomplished.

I would like to also thank the Minister of Intergovernmental Affairs (Ms. Friesen), who I think has done a commendable job in carrying through with putting the forum on an annual basis. I must say that she needs to be commended for the efforts that she has made to ensure that this tradition is carried on.

I attended for a few brief moments the minister's consultations with students. I do have to make one objection, that is, to the attitude that I saw displayed by the Minister of Education (Mr. Caldwell), who tried to politicize very overtly the issues of education with young people at the forum. I did not hear that from the other ministers. I must commend them for keeping it very, I guess, politically sensitive in terms of their comments that they made to students. I have to admire them for taking the approach that they did. But I have to say that the Minister of Education could take a lesson from the Minister of Intergovernmental Affairs, the Minister of Advanced Education (Ms. McGifford) or the Minister of Tourism (Mr. Lemieux), who I think conducted themselves very eloquently and professionally at the Rural Forum.

Once again, Mr. Speaker, my congratulations to all of those who are involved in putting on the Rural Forum in Manitoba. Thank you.

Make a Difference Community Awards

Mr. Gerard Jennissen (Flin Flon): Mr. Speaker, the Lieutenant-Governor's 2002 Make a Difference Community Awards were recently announced. I was happy to see that among the seven awards presented one went to my constituent Lois Bunny Burke of Flin Flon. Ms. Burke received her award at the 2002 volunteer awards luncheon in Winnipeg on April 25. Ms. Burke is the general manager for Greenstone CFDC.

Ms. Burke is a volunteer par excellence. She has volunteered her time with the Sea Cadets, Rotary Club, Chamber of Commerce, Flinty project, Flin Flon Public Library, Flin Flon-Creighton bingo, the friendship centre, Children's Wish Foundation, Flin Flon Museum, Salvation Army, Trout Festival, food bank,

Operation Red Nose and a Flin Flon housing committee.

Let me add that these awards were launched in 2001 at the International Year of Volunteers. The awards recognize outstanding Manitoba volunteers, people who unselfishly give of their time and energy in order to build better communities. The Lieutenant-Governor has stated that, quote: The contribution of volunteers is undeniable, and they are rarely recognized for all they do. These awards are intended to acknowledge and celebrate the efforts that Manitoba volunteers provide to their community.

As stated earlier, the Make a Difference Community Awards are presented each year to seven individuals, one from each of the province's seven regions. Ms. Burke was the recipient for our region.

Mr. Speaker, once again, I would like to congratulate Ms. Lois Bunny Burke for her achievements in volunteerism. I know that she will continue to contribute to the Flin Flon-Creighton community.

* (15:30)

I congratulate all winners of the Lieutenant-Governor's 2002 Volunteer Service Awards.

Finally, I would like to thank those who commit their hard work to their community and volunteer not only in the Flin Flon constituency but all across Manitoba. It is through their selfless and dedicated actions that we form the strong communities that we all cherish.

Food Development Centre

Mr. Jack Penner (Emerson): I want to continue in saying what I was trying to say before. The minister, I believe, in her statement to the House indicated that I had misled the people of Portage la Prairie and the people of Manitoba. I do not think, Mr. Speaker, that the actual script of the press articles really does that. The announcer says Penner says this probably means—probably—that Portage will lose its Food Development Centre. My direct quote to the reporter was this: I would suspect that this will move the centre to the University of Manitoba.

I want to say this to the people of Manitoba, that I think this minister owes the people of Manitoba and myself an apology in this House, and that is what I am asking for.

I also want to say, on behalf of the racing commission, she said that the racing commission would only lose six jobs. Well, I want to read to you, Mr. Speaker, what they said in a letter to me that same day she made that statement: Then there was Ms. Wowchuk's statement of six, not five hundred jobs, that have been lost due to the dissolution of this industry.

I quote, Mr. Speaker, from this letter: Unbelievable, this person says. It is amazing how they can just say what they want, and everyone nods in agreement as though they have the facts in writing before their eyes to back up their words.

I think this is a clear demonstration of how misleading our minister can be in this House time after time after time. I think that she deserves to stand in this House and also apologize to the Manitoba standardbred racing commission at the same time as she apologizes to the people of Portage la Prairie.

Mr. Speaker: Before moving to Orders of the Day, I would kindly ask all honourable members, when making reference, whether they are quoting from a newspaper article or making reference to any honourable member, to please use by constituency or by titles and please not by name. That is just a reminder to all honourable members.

ORDERS OF THE DAY

GOVERNMENT BUSINESS

ADJOURNED DEBATE (Seventh Day of Debate)

Mr. Speaker: To resume debate on the proposed motion of the honourable Minister of Finance (Mr. Selinger), that this House approve in general the budgetary policy of the Government and the proposed motion of the Leader of the Official Opposition (Mr. Murray), standing in the name of the honourable Member for The Maples, who has 25 minutes remaining.

Mr. Cris Aglugub (The Maples): I will just carry on with where I left off yesterday. I was talking earlier about the initiatives that we have reflected in our environmental initiatives. At this point we also introduce a new drinking water quality agency to co-ordinate staff resources related to inspection and monitoring. The last one is the introduction of legislation to improve drinking water safety.

Also, the Energy Development Initiative will continue to put Manitoba at the forefront of renewable energy resource development. This initiative will include public consultation to move towards a mandate of 10% ethanol in all gasolines sold to further promote the use and production of ethanol. This will reduce greenhouse gas emissions in the transportation sector while further strengthening and diversifying Manitoba's agricultural economy.

In conclusion, Mr. Speaker, this Budget provides support for the concerns of many of my constituents in The Maples, specifically the issues of health, education, immigration, children, family, communities, taxes and the environment.

This Budget shows that the NDP government cares about all Manitobans. We have a strong commitment to continuing our social programs that will make Manitoba an attractive place in which to live. The Budget is balanced, and yet maintains the spending on health care and education that will put our province before the rest.

Tax relief continues in Manitoba, and an improved Provincial Nominee Program will mean more skilled workers will be coming to our province. Children, families, and communities long abandoned by the previous government will receive the support they need, and Manitobans will see their environment protected for future generations.

Mr. Speaker, Budget 2002 is great news for The Maples. Thank you.

Mrs. Heather Stefanson (Tuxedo): I would like to say that I am very pleased to get up in the Third Session of the Thirty-Seventh Legislature today and put a few words on the record about

this Budget and about some of the things going on within my community in Tuxedo.

First of all, Mr. Speaker, I would like to welcome our newest colleague to the Manitoba Legislature, the Member for Lac du Bonnet (Mr. Hawranik); congratulate him on his win in his recent by-election. It was not so long ago where I was in a similar position in a by-election in Manitoba, myself and my leader, the Member for Kirkfield Park (Mr. Murray).

So we know what it is like to face the public. We also know what it is like to win the by-elections, and it is very, very pleasing to have him as part of our caucus and, indeed, as the new Member for Lac du Bonnet. So we welcome him, and we look forward to working with him on many issues as they come forward in the Legislature.

Mr. Speaker, I would like to also welcome the newest member to my constituency, and it actually happens to be a member of my family. I had the privilege of having a daughter not so long ago on November 21, 2001. I know that there are some other members in the Legislature who have also had the opportunity to bring new life into the world, and what an incredible experience it is. I just wanted to say that November 21, 2001, represents the one-year anniversary of my being in office, not something that was planned. As we know, these things cannot necessarily be planned, but it is something that happened to happen.

So I would like to welcome Victoria Diane Stefanson who was born November 21 and weighed in at a healthy 9 pounds, 1 ounce. I have to say, quite frankly, that this has been the most incredible experience of my life. Apart from winning a by-election in Tuxedo and enjoying the debate in the Manitoba Legislature, this has been one of the most incredible experiences of my life. Each day that I wake up in the morning and see her incredible smiling face, it makes you realize what life is all about, Mr. Speaker. So I welcome Victoria Diane to our family, to Tuxedo, and look forward to getting home and picking her up at a reasonable hour today.

I would also like to thank the people of Tuxedo for instilling in me their confidence in

my representing them in Tuxedo. I have had a number of opportunities to meet with the electorate and the voters in Tuxedo, and I can tell you I am very proud to represent such a vibrant community.

Mr. Speaker, there are a few things going in our community which I would like to take the opportunity to address today first off, and then I would like to put a few comments on the record about the Budget.

First of all, I would like to talk about property taxes. Property taxes, Mr. Speaker, are something that the people in my community are outraged over. As a result of the Doer government's decision to offload the university property taxes onto the backs of the property taxpayers in my community, and as a result of their proposed school board amalgamation, the people in Tuxedo are going to be hit very hard as a result of the decisions and the actions by this Government. I just want to say how disappointed I am in the decision to effectively raise the property taxes in my area.

I recently sent out a franking piece to my community to which I received hundreds of responses on the seriousness of this issue. I can tell you that we will be bringing petitions within the House and making sure that the Doer government is aware of the disappointment of the people in my community.

Mr. Speaker, another issue which has come up continuously, and continues in my community, is the importance of building an underpass at Kenaston and Wilkes. Each day there is incredible traffic buildup in this area. It does not allow a flow down Kenaston, which is needed for business to continue, for people to get their children to school on time. There are very significant issues, not to mention having potential fatalities happen in this area.

* (15:40)

So on behalf of the constituents of Tuxedo, I want to, again, encourage this Government to do the right thing in this area, and that is to build an underpass at Kenaston and Wilkes.

Mr. Speaker, I would like to also pay tribute to the men and women of the Second Battalion

Princess Patricia Canadian Light Infantry and their role in defending the war against terrorism. In particular, I would like to pay tribute to those families who lost their loved ones and to those families whose loved ones were injured during their recent mission; in particular, to the families of Sgt. Marc Léger, Cpl. Ainsworth Dyer, Pte. Richard Green and Pte. Nathan Smith, whose families are mourning the loss of these people. I would also like to pay tribute to the families of Cpl. Brian Decaire, Cpl. René Paquette and Cpl. Brett Perry and their families, and I extend my sympathy to their families and to them for being injured in this process.

As was mentioned and announced not so long ago, the 2PPCLI will be moving out of our community, and I am just very, very happy that the plan is to keep the community in Manitoba. We are very sorry to have to lose this community as it is a very, very important part of our community in Tuxedo.

Mr. Speaker, I would also like to congratulate Deb McRainer [*phonetic*] and Aaron Friesen [*phonetic*] for winning this year's Volunteer of the Year Awards and for their outstanding commitment to the Tuxedo community. Last week in my constituency office, we had the pleasure of celebrating with Deb [*phonetic*] and Aaron [*phonetic*] and their families and close friends for the incredible work that they have done as volunteers in our community. So as last week being volunteer week, it was appropriate to do so then, and we just celebrate everything that they have done for the community and the outstanding people that they are.

Last week was organ and tissue donation week that I gave a private member's statement in the House on, and I am also pleased to say that I will be introducing a private member's bill on this. There are a couple of constituents of mine as well as a friend of mine from high school who, in particular, it has affected, and who have given me the opportunity to come forward to try and do something on this issue. I think it is an extremely important issue, and, again, Helen and Dean Murdock, I want to express my condolences to them for having lost a daughter awaiting a kidney transplant. I also want to extend my condolences to Carolyn and Joe

Graham who lost their daughter not so long ago, who waited the better part of four years, Mr. Speaker, awaiting a transplant, finally got the transplant and who has since then passed away. Linda and I go way back to high school, and I can tell you she was a vibrant member of our community, and I wish her family my sincere condolences. We will miss her tragically.

Mr. Speaker, a couple of other things going on in our community; one is the decommissioning of the Oak Point CN Rail rail line. There have been many meetings in the community over the last several months, and over the last year and a bit, as a matter of fact. I have had the opportunity to talk to many constituents about this issue. Last week, CN gave a presentation to the community of which there were between 400 and 500 people that showed up. It shows the very seriousness of this issue, and the way that it will affect the people in the River Heights part of the Tuxedo constituency. I join with them in making sure that their voices are heard in the public hearings which are to come up in July. I encourage, indeed, all the people in the communities of Tuxedo and River Heights that are affected to attend the community hearings, and ensure that their voices are heard.

Mr. Conrad Santos, Deputy Speaker, in the Chair

There are so many things going on in the Tuxedo community. Another thing I would like to mention is tomorrow we have a community leaders luncheon. There are a number of issues that we discuss in our community leaders luncheon. We actually get together with a number of educators, a number of business-people, a number of people from the community. This is a chance for us to get together and discuss various issues that are going on in the community, so that we all know what is going on. It is a wonderful opportunity for us to share good ideas, and to ask for advice from other members of our community to make sure that we are all on the same page. It is an initiative that I started up in Tuxedo last year. I am very proud to say that we will be continuing, as more and more people are coming on board and wanting to be a part of this initiative.

Mr. Deputy Speaker, I would like to now address a few things in the Budget. Some of the things that I would like to discuss are not all positive, unfortunately.

First of all, what I would like to do is discuss the area of Advanced Education, as I recently, a few months ago, took over the role of being critic of Advanced Education. I am very pleased to do that on behalf of my colleagues on this side of the Legislature.

I think one of the things when we are thinking about Advanced Education, one of the most important things about this are the students and our young people. What we have to consider in this there has to be some vision for the future of the young people in our province. I do not see anything in this Budget that offers any hope to keep our young people here in Manitoba. It is extremely unfortunate that for one thing what we have done or what this Government has done has done away with the Manitoba learning tax credit. This is something that two years ago an average student in Manitoba would have received \$322 from the Manitoba learning tax credit. They also would have received \$300 from the 10% tuition reduction. That is \$622, on average, per student. Today, they have done away with the \$322. So now on average a student only \$300. So two years ago those students would have been 108 percent better off than they are today.

I ask the minister, and I ask this Government, if they are doing what is right for the students of Manitoba, how can they think that they are doing and that there is any vision for the future of our students in Manitoba if all they are doing is taking money out of their pockets. One of the most important things when it comes to post-secondary education is that there has to be a way to encourage these young people to stay here in Manitoba after they graduate. It is one thing to keep them here in our education system, and that is very important, but what this Government lacks is any vision for the future to make sure that these young people stay here in Manitoba.

* (15:50)

This is something where we on this side of the House do have a vision for the future of our young people in Manitoba. I think time and time

again, each opportunity that I have, we need to remind our young people that we on this side of the House do offer a vision and hope for the future.

We want to put money back in their pockets so that they do have the opportunity to stay here and work and live and raise their families right here in Manitoba.

One of the things also in this Budget, Mr. Deputy Speaker, and it goes without saying, we have been debating this Budget for the last several days, and I just think it is absolutely unconscionable that this Government would take \$150 million from Manitoba Hydro in order to balance last year's Budget. That is absolutely shameful. I think that shows absolutely no vision for the future of our province.

Taking money out of Manitoba Hydro; that money should go back to the ratepayers of Manitoba Hydro. It should not go towards the spending spree and spending habits of this Government and paying for the spending habits of this Government. That is absolutely inappropriate. It absolutely shows that there is absolutely no vision and no plan for the future of our province.

Mr. Deputy Speaker, I want to just point out in an article that was written yesterday in *The Winnipeg Sun* entitled "Tax Relief? Don't make me laugh," written by Tom Brodbeck yesterday. In the first paragraph it says, and I quote: If you do the math, you'll discover the Doer government raised your taxes by nearly \$3 million a year in last week's budget.

Those are the facts. I think it is absolutely unconscionable as well that the Minister of Finance (Mr. Selinger) and, indeed, the Premier (Mr. Doer) stand before Manitobans and say that they have reduced taxes. It is just not reality. I think that we need to get out and make sure that the people of Manitoba understand that this Government is continually misleading the people of Manitoba.

So, in conclusion, Mr. Deputy Speaker, I want to once again thank the constituents of

Tuxedo for their support of me since the by-election of November 2000. I look forward to continued debate, particularly in the areas of Hydro and Education, Advanced Education and so on.

One thing just before I wrap up, Mr. Deputy Speaker. I want us all to pay attention to the increased spending of \$250 million in new spending for this Government, Mr. Deputy Speaker, versus the \$15 million in tax cuts. I do not see what kind of a balanced approach this Government really has in terms of balancing between spending and tax cuts. Clearly, it shows absolutely no vision for the future. If we want to try and encourage young people to stay here in Manitoba, it is just not the way to do it.

One other thing I want to draw attention to in the Budget of this year, when you look under own source revenue and income taxes, I just want to pay attention to the fact that the revenue from corporate income taxes has declined almost 60 percent. We ask ourselves: Why has that declined so much? Mr. Deputy Speaker, it is because people are leaving Manitoba. Companies are leaving Manitoba, and when companies leave Manitoba so does the revenue source from the tax dollars that they used to pay here. So, once again, it shows that this Government offers no vision or hope for the future of our province, our young people.

I think, Mr. Deputy Speaker, that I look forward to continued debate on these and many other issues to come to ensure that we hold this Government accountable for their actions. Thank you very much.

Ms. Marianne Cerilli (Radisson): Mr. Deputy Speaker, I just want to make a few brief comments about this Budget, the Government's third Budget. I think it has been difficult for the Opposition to find ways to be critical of the Budget that this Government has brought in. It has been fairly cautious. I think the media has been accurate in saying that there has been a cautious, balanced approach being taken. I think the Opposition wishes that there was more that they could criticize from their perspective, and the only thing that they have really been able to latch on to, so far, is the Hydro dividend. I really

think that that is going to be shown to be a losing issue for them.

The Business Council of Manitoba said that the Hydro dividend was a good idea. That is not exactly some radical group. I would think that the Opposition is really flapping in the wind when they are trying to criticize something that the Manitoba Business Council has advocated and is supporting; something that this Government has done that is ensuring that we do not have to do what they are often fearing that we are going to do on this side of the House, which is raise taxes. We are not having to reduce spending in priority areas, and we are not having to run a deficit all because of this Hydro dividend.

I think it is a wonderful idea. I compare it to what happened formerly with the previous government where they sold the farm, Mr. Deputy Speaker. They actually sold the Manitoba Telephone System, so they could pay off their "spending habit" and now they are criticizing us for taking from Manitoba Hydro what is essentially profit from their export sales and using that to ensure that the services that Manitobans depend on and rely on and value very much are going to be protected.

I know that they are really hurting about that. I know that they are really sorry that we did not dip into the Fiscal Stabilization Fund, but yet again the Government has not done that. I think it is demonstrating for Manitobans the value of having public Crown corporations. I think one of the reasons that they are going after this issue so desperately is because they realize they have to distinguish themselves on an issue from the right with their support, and they are now going after this very ideological issue of the way they see the Crown corporation dividend. I think that that may play with their core support or voters, but I think with the majority of Manitobans. We are seeing that they support the dividend that Manitoba Hydro is contributing to this Budget. As I said earlier, even the Manitoba Business Council said that it was a good idea.

* (16:00)

I also think that they are grasping at straws in the area of health care. On the one hand, the

Health critic on the opposite side has said that we cannot go on just with health spending the way it is, and we cannot go on just continuing to increase spending in health care; then, on the other hand, they criticize any time that there are any changes, and cuts are made.

I think there is general consensus and common knowledge out there that there is a problem in health care in Canada. I really think a big part of the problem is with the federal government now paying only 14 percent of health care in Manitoba. I hope that members opposite are talking about that with every constituent that they can, because that is one of the real problems in Canada with respect to our health care funding and our health care system: the fact that the federal budget has a surplus of \$13 billion, and they are paying only 13 or 14 percent of our health care costs here in Manitoba.

I really want to emphasize, as I think I did the last session, that we have to expand the public debate in our country, and in our province, about health care. We have to start preparing for what we know is coming in health care with an aging population. We have to make that shift towards more prevention and more of a health care system that is really going to give incentives for health. It is, I would say, a bit of a paradox in our health care system. We want to maintain the tenet of medicare on the one hand: that health care is there when you need it; that when you are sick you are not going to have a financial burden. But, on the other hand, I think that we have to now start looking at ways that we can build in to deal with incentives for people to be healthy so that we are not having a medical model and a health care system that, in some ways, there is more of an incentive for people only when they are not well.

So I think that I will continue to advocate on measures that are looking at the link with environmental health, whether that is in the workplace or whether that is in the community. I am really pleased to see the changes that we are going to bring in on workplace safety legislation. I think also we really as a community have to get together on how we are going to build in the infrastructure that will support a healthy community, whether that is the way we organize

our workday, so that people have time during the day to be physically active and eat well, so that people have time to cook at home for their family. Recent statistics I read on how much fast food people eat because of the kind of lifestyle we lead, those are the kinds of major macro health issues that we have to address, the way that we organize our communities so that people have recreational and green space.

Those are some of the kinds of issues that I am very interested in. I think that that is the future in health care. That is the direction that we have to be looking in, because the trends are actually pointing in the other direction with more young people who are sedentary, more young people who are obese. Combining that with an aging population, the statistic that really amazes me is that Manitoba's population in 25 years—50 percent of us are going to be over the age of 65.

Mr. Deputy Speaker, I know that you are there now, but it amazes me that when the rest of us are all going to be—many of us, 50 percent of us—over the age of 65, the health care system as we have it now is not going to be able to handle that. So I think that there are some major challenges ahead when you look at the doubling of the Pharmacare budget in the last few years.

Those kinds of trends, I think, are important for the public to know, and important to be part of a public debate. I also think that we have to change our health care system so people, especially seniors, are not so overly medicated, so we do not rely so much on pharmaceuticals in our health care system, and we look to other ways that, as I was talking about before, are going to address the challenges that we have and make sure people focus on their health.

I wanted to talk a little bit about education. I am glad that our Government is taking on this area so vigorously. I think that we have really made it clear that we see education as part of an integrated economic strategy. We recognize that we want to have a high-skilled knowledge economy in Manitoba. We see education right from preschool actually. We have done great things in this Government on child development and early childhood development, seeing that is the future, that is the economy that we want to build from, right up into our post-secondary

education strategy with the really excellent results we have seen, with increases by 12 percent in enrolment as we have made those commitments to current young people to make education affordable for them.

The other things that we are doing now as part of education I think are dealing with some of the other funding challenges. I think there is also a general consensus in the community that we want to deal with education funding in the public school system to try to reduce the reliance of education in the province on property taxes, and, at the same time, to get the percentage of education funding in Manitoba by the provincial government up. You look at the fact that we now have 75.8 of the total costs of education in Manitoba being funded by the provincial government, and that does include the property tax credits. That does include \$63 million more for the operating budgets in public schools and now with the commitment that this Government made in this Budget, which was to start reducing the education support levy.

I want to say that I think that that has to be done carefully, and that we have to try and ensure that in the future education is still going to get its needs met, that the Government is now going to be forced into a position to find that revenue from its general Budget rather than relying on that property tax revenue. We still have to ensure that education is going to be funded at the rate of the growth of the economy, but this Government has made that commitment. We want to, at the same time, continue to ensure that that shift is going to take place from property tax onto general revenue. We have to be then working in partnership with school divisions to ensure that any savings on the ESL are not just used up by the school divisions with continued increases in property tax.

I really hope that they will work with us on this and support this premise, that property taxes should not be paying for public education to the extent that they have been, and that they will respect what we are trying to do and that what happened with the property tax credits in some school divisions was that they were just seen as a way to further increase the local levy. So we want to make sure that that is clear and that there is some I think general understanding, and we

worked towards some kind of a consensus in the community on the way to make these changes in education.

* (16:10)

The other thing that we are doing in education, of course, is the amalgamation, and that as well will require a new kind of partnership between the provincial government and school divisions. I think we will probably have lots of time to talk about amalgamation in this House with legislation, so I am not going to spend any time talking about that today.

I just wanted to conclude my remarks by going back to the theme that I started on, which was I think that the Opposition is actually having a very hard time with the budgets that this Government is bringing in. When I read the fact that there has been a total of \$244 million of personal tax cuts instituted in the last three budgets of this Government and you compare that to the former government's record, I can understand why they are finding a difficult time getting their footing and finding their bearings. That number does not include the fact that there was a reduction in the corporate income tax rate or the small business rate.

So my honourable colleague from Lakeside, I can understand why you have had a difficult time. I think that the concerns in the community about this Budget may be that in some areas there had to be some cuts from some departments. I think some of the concerns that some other departments are having to compensate for the increases in health, those are out there. I come back to the point I made earlier that we have to go to the federal government and insist that they once again become a full and equal partner in health care in this country, and that 14% funding to health care is just not going to cut it. Hopefully, the Opposition is united on that, and they would take that as well to their constituents and across the province.

So with that, Mr. Deputy Speaker, I appreciate the chance to put a few comments on the record, and I enjoy the opportunity to listen to my colleague across the way.

Mr. Larry Maguire (Arthur-Virden): Mr. Deputy Speaker, as I take the opportunity to rise

in the House today to make a few comments in regard to the Budget Speech that is before us, the Budget that has been unveiled before us today, it will be my opportunity first, as a rural development critic to look at some of the initiatives that could be taking place in this province and a number that have been cancelled by this Government. I look forward to unveiling that opportunity. I also believe at the outset though that there are many opportunities in rural Manitoba, and I look forward to when we form government putting forth a rural development ministerial portfolio again so that we can enhance these opportunities, unlike is being done by this present Intergovernmental Affairs Minister.

As I begin, Mr. Deputy Speaker, I have to take this opportunity to congratulate, as well, the Member for Lac du Bonnet (Mr. Hawranik) for winning the constituency in Lac du Bonnet in the by-election that took place this spring. It is a pleasure to have him in the House with us today and maintain the numbers that we have, but more so to deal with him on a one-to-one basis. I have enjoyed so far, even in the short number of days that we have had, to look at issues and deal with him on a few of these, to have the experience that he brings to our caucus, and look forward to continuing to work with him as we move forward to win the next election so that he, as well, can become a part of the Government of Manitoba for his constituents in that region, and indeed on behalf of all the constituents of that region.

As we have moved forward in this debate on the Budget, time has become a bit of an element in regard to allowing each of us to have an opportunity to speak in this House. I will only use a few more of those today to outline some of the issues. Mr. Deputy Speaker, if Manitobans did not expect much out of the 2002 and 2003 Budget, then they will not be disappointed. It is clearly a status quo, lacklustre continuation of the direction established by the Minister of Finance (Mr. Selinger) in his two previous efforts. The difference in this Budget is the outright attempt to deceive Manitobans through their manipulation of language and numbers. It is political smoke and mirrors at its worst. It is deliberate, cunning and potentially very hurtful to all Manitobans. If Manitobans, as I said, were

not looking for a plan that would provide hope and vision for the future and direction of our province, again, they will not be disappointed. If Manitobans are not concerned about hidden agendas, broken promises and mismanagement, then Monday's Budget will not bother them in any way. If they are, then I fear, like so many before them, that they may already be making plans to move elsewhere. As my Leader has said to the media, people are now even looking at Saskatchewan, which we are all aware that Saskatchewan has lower income tax rates than we here in Manitoba. I must reiterate, as some of my colleagues have, that we are still the highest-taxed province west of Québec, just for the record.

Clearly the deception that has taken place by taking \$288 million out of Manitoba Hydro and using \$150 million of that to pay down last year's deficit, losses and overspending of this Government, is highly unacceptable by citizens in Manitoba. Of course, this Government does not see that they have done anything wrong in that area, but, as the Member for Elmwood (Mr. Maloway) said yesterday, companies do not care which party forms the Government. They do not really care. Well, Mr. Deputy Speaker, believe me, he only wishes they did not care.

I was at a breakfast this morning, as well, to quote the Member for Elmwood, for yesterday. This particular person said to me, and I quote, and it is very harsh words, but he said: How stupid does this Government think Manitobans are? We are not that stupid, he goes on to say. Anybody can see that the NDP broke the balanced budget legislation that is before this House. Now, I agree with him, but that was his quote. When you use this kind of money to take profits away from a company that has a \$6.2-billion debt while the Province of Manitoba has a \$6.4-billion debt, thanks to the increases in spending of this Government, then I am sure you will agree that this, somewhere down the road, is going to have an impact on one of Manitoba's most valuable resources.

I would clarify that by saying that our most valuable resources are young people, but this Government does not care about them either. They have just cut the CareerStart program completely out. They have reduced the learning

tax credit, as has been pointed out by my previous, the Member for Tuxedo (Mrs. Stefanson), my colleague from Tuxedo, just a few moments ago. There are a number of other examples of areas that they have cut tremendously, but, to go back to the Manitoba Hydro situation, we know full well that this kind of irresponsible action, if continued over a number of years, is going to continue to lead to a reduction in the ratings that those who are lending to Manitoba Hydro are going to look at and have a very serious impact. It is equivalent to taking a credit card to pay down the cheque you wrote last month or even last week. It is done, as I said earlier, deliberately, deliberately misleading Manitobans to think that the finances of this Province are better than otherwise made out.

It clearly is a deception of the Manitoba population. As we have said it many times in this House, I fully believe that this was done deliberately by the Minister of Finance (Mr. Selinger), who is also the Minister responsible for Hydro. He could have made the unilateral decision in his own office to save all of his Cabinet minister colleagues the 20 percent of their salary from last year by using these \$150-million funds out of Hydro to balance last year's books. That has been outlined well.

The person I spoke with this morning indicated to me Manitobans will see through this in the long run. They will see fit to elect a government that is responsible in its fiscal responsibility as well as being able to prioritize the balance of its social program spending. This government has been completely out of control in that regard even though they still have the belief that if they spend themselves into oblivion they can take care of everybody's problems. Well, it is a nice thought, Mr. Deputy Speaker, but it has not worked.

* (16:20)

What have they done in rural Manitoba? One example is that they took the standardbred industry, agriculturally based programming and cut it completely. They chopped an industry right out of Manitoba saying, oh, it only affects a handful of people. Well, Mr. Deputy Speaker, it affects many hundreds of people. It affects the

rural communities, the hotels and businesses in those communities that put those on.

Some of those were even in NDP ridings, areas of the province, particularly, at this point, at least, held by the NDP, one of those ridings being Dauphin-Roblin. It is a kind of situation where it must have been a bit of a catch-22 for them, but of course they have really lambasted a particular area of Manitoba that has had a growing industry over the past decades and really has been a big benefit to those communities involved in those programs. For the dollars involved, it gave a good basis to many of those communities and helped them out tremendously with the small businesses that are trying to exist and profit in those communities. It is very difficult to understand the nature of the Government in making the plans that they have.

As I said, if deception was the intent of this Government, then this Budget is a well-crafted document, but I would say that smiling Gary and his raiders plan to take this money out of Hydro, has cost each and every Manitoban approximately \$750 to the average household in Manitoba, and that is out of the \$288 million. That is not acceptable at this time with the very sound financial picture that this Government was left with, along with the billion dollars in extra income that has disappeared from the revenue line that they have had over the years as well since they came in.

Much has been made about the increases in the highways budget in Manitoba, but really all this Government has done is frozen the highways budget for the next five years. I think this is an irresponsible action, although I will commend the Government for putting some millions of dollars into some of the rural roads.

I guess I continue to think that it is a matter of prioritization as to how we deal with economic activity in the province of Manitoba, and of course we want to encourage all regions, the northern regions as well as the rural, other regions that are outside of the perimeter of Manitoba as well as here in the city. There are never enough dollars to go around, it seems, in this area, even though the federal government gets away with maintaining \$150 million that they never give back to the province of

Manitoba in this area. But in the provincial spending side of it, it is like other areas, like health care, like education.

It is a prioritization of what you do with the \$120 million that has been put forward, and then of course you come out the next few days later with an idea of another 37.8 additional dollars. Well, there are no additional dollars in this program. They are part of the Budget. It is another smoke and mirrors that this Government has tried to do. So I think very clearly there is a deception and a misleading of the Manitoba economy and the taxpayers of this province as well as the ratepayers of Hydro.

So I will just say, Mr. Deputy Speaker, that in my own constituency there is still very much concern about the approach this Government has taken to the changes in No. 10 Highway south of Brandon. There is a great deal of economic activity going on in that area, particularly with the expansion of the potato industry in Manitoba and the expansion of the hog industry and the bringing of Maple Leaf to the fine community of Brandon. There is also a feed mill being built just east of Souris on No. 2 highway.

I urge the Government to continue to look at and put a bit of a priority on this particular area because of the increased economic activity that is going to take place there, because we will be processing our own made-in-Manitoba products and not shipping them by rail out of this country as we have done quite a bit in the past, Mr. Deputy Speaker.

Also, I look at bridges like the Jackson Creek bridge in the Melita area on No. 83 highway and urge the Government to continue to bring forward changes to some of those. I would also urge the Government to look at No. 3. I know that they have taken some of the money and put it into Highway 25 from No. 10 to Rivers, and I commend them for doing that.

I have had many businesses in the community and farmers in that region talk to me about that particular stretch of road, as I have, in the area from Deloraine to Melita along No. 3. I would urge them to allow some of the businesses located right on No. 3 in that stretch to at least have permits or reduced speed on that road, to

take full loads out, Mr. Deputy Speaker, so they can achieve attaining the markets that they have for their products in the United States where they can carry an 80 000 load.

The changes that this Government has brought in limit them to around 78 000, just over 78 000, close to 78 500 pounds, and that limits when you are taking a trailer across the border which is only 15 miles away and you are travelling to New York. With seed of this magnitude, it is a very specialized product, and that extra 1500 pounds, you cannot be travelling that far without that load in the truck. It is just not a paying proposition. I would urge a special request to the Minister of Transportation (Mr. Ashton) to look at situations where people have been blocked off because of their decisions and not allowed to do what they have been allowed to do in other areas.

In fact, Mr. Deputy Speaker, the only way around this one for this particular group is to travel 100 miles backwards in Manitoba, all the way around on other roads and actually they have to cross the one they cannot get onto. Once they get to Deloraine they have to go east, north, west and all the way back south to Melita, 100 miles out of their way to merely get a 10-mile distance that otherwise they would be allowed to make a case for. I urge the minister to look at those.

The only other area, the particular other area in my area that I have to comment on today is No. 1 Highway. Mr. Deputy Speaker, we have an economic viability here in Manitoba that is cutting us off on the western side of this province. It is a shame that the fine work that was put forth and continued, at least worked on annually, has come to a complete standstill. It is a discredit to this Government that they took \$5.2 million out of resurfacing No. 1 highway from the Saskatchewan border to east of Elkhorn last year, out of the Budget that they put in in May and took out in June. We not only need that paving redone, but we need to finish No. 1 highway, twinning it all the way to the Saskatchewan border from Virden.

There is already nine miles that is growing brambles on it, Mr. Deputy Speaker, from the town of Virden all the way west to a mile east of

Hargrave. I urge this Government to come up with the funds for surfacing that fine piece of road that is there with the potential, but of course, it does take some funding for a bridge. I believe that this Government is coming forward with some small amounts of funds to look at that particular area, but we need to have a sound annual program to make sure that No. 1 Highway gets finished in this area.

Mr. Deputy Speaker, there are a number of other issues that I need to talk about. One of them would be water diversion and areas of rural development. One example that affects my constituency is the Garrison Diversion and the water that may come up through Minot. Obviously, the Government feels happy that only 90% filtration is going to be guaranteed to the citizens of Manitoba and Canada as that water moves through Minot into the Souris River and on into the Assiniboine and the Manitoba watershed region. I would urge the Government to negotiate more toughly with the American government in order to try to enhance that. It is my understanding they can bring that purification guarantee up to the 97%, 98% level with a few more million dollars spent by the American government. They seem these days to insist that the American government is so helpful in reducing Manitoba's deficit, so I would urge them to lobby a little harder for their American counterparts to make sure that happens.

* (16:30)

Mr. Deputy Speaker, I want to spend the rest of my time speaking today about—well, before I get into the rural development, of course, I do want to commend this Government for making some announcements in regard to day care spots, because I have a particular location in Hartney that has actually followed the guidelines that the Government has put out and said, if they actually formed a day care and got it up and running and got a building, got it up and running, funded it themselves, that they would come to the top of the list, or a little closer at least, and that they would be acknowledged in any future plans that the Government has.

So I will look forward with interest to see if the Minister of Family Services (Mr. Sale) has included them in the funding of this particular

location and would urge them to do so accordingly. I know that there are many needs in this area in the province of Manitoba, but I look forward to seeing what outcome this Government will have in this particular location.

Mr. Deputy Speaker, rural Manitoba has taken a hit and will not tolerate the neglect that this Budget has brought down in neglecting rural Manitoba. Agriculture has lost over a million dollars. Intergovernmental Affairs and our rural programming has lost 1.8. Conservation has been hard hit, losing \$5 million from its budget and a number of other smaller ones, as well. I urge this Government to retract some of the Intergovernmental Affairs cuts that they have had in areas of sewer and water that are most important to the creation of a sound system that we have in Manitoba. The 6% cut that they have realized goes a long way towards support in this area and, both from an economic and community health standpoint, is very important to our region.

I know that the communities of Lyleton and Pierson have just received some funding for cistern work in their communities, and I am very glad to see that in this Budget. There are a number of other smaller projects, but there is a great need, and this is an area that the Government should be putting a priority on, not cutting 6 percent out of that particular area.

Mr. Deputy Speaker, I am going to conclude here by just taking a moment to say that, while there are things going on in rural Manitoba, we could have had a much greater potential over the last three years than this Government has displayed help for in this area. I look forward to working with my rural colleagues to unveil a platform that will help Manitobans, rural Manitobans, in the next election and deal with a number of the programs that were put forward by the former member from Russell, present constituency of Russell.

I have a number of brochures here that outline a plethora of programs that were brought in by the Conservative government during the '90s and whether it was the Rural Economic Development initiative, the Grow Bond program that has been expanded into the city of Winnipeg by this Government, diluted the programs

because they did not allow any more money to be put into that program, the Community Choices round tables program, the Rural Entrepreneurial Assistance Program, the Community Works Loans Program, the Feasibility Studies Program, the Infrastructure Development Program.

Rural Manitobans were placed on more of a level playing field under that government, and today what do we have? We have a government that says they have a commitment to youth that have killed the CareerStart program. They have a government that is committed to youth, and they have taken out a good deal of the learning tax credit program in Manitoba. Yes, the Partners with Youth program and the Green Team program that were developed and the Rural Junior Achievement Program were fine examples of work that needs to be continued in Manitoba and true partnerships between Manitobans and the previous government.

I know that all Manitobans are urged to look at change, but I must make comments in regard to the forced amalgamations of the school boards in our district. They have also taken now a hit with the forced amalgamations of our health regions. We know that there are limited amounts of dollars, but this is forcing people to make changes that perhaps some felt were coming but others feel strongly that this kind of partnership should be developed through sitting down and co-operatively developing a program to make these changes, not using the heavy hand of government to force these on citizens of all areas, as has been done by this Government.

But, you know, I am worried that smiling Gary is not listening to rural Manitobans. In all of these programs he brings down a budget that tears \$150 million out of Hydro and stands there and still keeps on smiling, you know, just like the Eveready bunny. He is perhaps still ticking.

He has taken their hard-earned money, and he has dug deep into their pockets. He has gone to the candy store in a grand old time, and like every kid with his hand in the candy jar, I believe he is going to get caught with it. Sooner or later Manitobans, as pointed out by my earlier comments, will see through this facade and realize that instead of having tax reductions or

better services, this Government is just taking money out of a Crown corporation to pay down their future spending habits.

The front page of last Tuesday's *Sun* had a headline that read: No vision. The editorial headline read: Thanks for nothing. The other columns read: This is socialism. We pay the highest taxes west of Québec, as I pointed out. Stories read: Feeding vicious spending appetite. Selinger fails to offer vision for the future.

Mr. Deputy Speaker, the people of Manitoba get it. They will figure out all of the deceptions in this Budget. I am confident that they will deal with smiling Gary and his group when the election is called. They want better than what they have gotten so far. Manitobans do not want to be short-changed anymore. Being known as the highest taxed province west of Québec, and for losing people and workers to every province other than Saskatchewan, is not the reputation Manitobans are used to having and want to accept.

Ms. Nancy Allan (St. Vital): It is a privilege to put a few comments on the record in regard to the Budget that was announced by the Minister of Finance, but before I do that I would like to take this opportunity to welcome the new MLA for Lac du Bonnet (Mr. Hawranik) to the House. I know he will enjoy his work as a public representative. I know he will enjoy his work representing his community. As a government, we realize this is a very important area for us. We have just opened a new school, the Gillis School, for the Tyndall-Garson area. We have made other commitments in that neighbourhood: the capital renovation and expansion in the Beausejour Hospital; a water treatment plant upgrade in Lac du Bonnet. We have also put hundreds of thousands of dollars into Community Places grants in the Lac du Bonnet constituency.

So I just want you to know, Mr. Deputy Speaker, that I think this is a testament to the fact that we do not play politics with government funding like the previous government did.

I would like to congratulate the Minister of Finance for his hard work in developing a fair and balanced budget for the 2002-2003 year in a

challenging economic environment, compounded by the tragedy of September 11. I would like to read into the record the comments made by BMO Nesbitt Burns, economic research division. Their release stated: Steady course in choppy waters. They congratulated our government on our commitment to control spending, paying down the debt and trimming taxes.

I would like to comment on the Leader of the Opposition's (Mr. Murray) speech in response to the Budget. First of all, Mr. Deputy Speaker, this was the Opposition Leader's opportunity to make clear to Manitoba communities what his vision is for Manitoba. Unfortunately, he had 40 minutes to outline that vision and took less than half of that time. He obviously could not find enough negative things to say, so he could not speak for his entire time allotted to him. He was rambling about free enterprise and our spending spree.

Well, Mr. Deputy Speaker, it is obvious that he did not really understand our Budget. Maybe he has the same problem as the MLA for Fort Whyte (Mr. Loewen) and cannot read a financial statement. I would like to help out the Leader of the Opposition today regarding his continued ranting and raving about the alleged spending spree.

Perhaps, Mr. Deputy Speaker, he did not read the Nesbitt Burns release regarding our Budget. They said in that release, quote: Spending will rise by only 2.5 percent, the lowest increase in five years with only priority areas such as health, education, families and communities benefiting.

Two of those five years the members across the House were in government, and they had the opportunity to keep spending under control, but they were busy emptying the rainy day fund and telling us times were really good. I guess there must have been an election around the corner when they were telling us that.

BMO Nesbitt Burns also congratulated our Government regarding our debt reduction, quote: The Government deserves credit for tackling their pension liability which will be fully funded in just under 30 years. As well, the provincial debt will be repaid by 2036. Currently the

province has \$14.4 billion in net and guaranteed debt which represents 41 percent of GDP. Borrowing requirements are forecast at \$2.2 billion in the fiscal year 2002-2003. Today's GDP data placed Manitoba as the third fastest growing province in 2001.

Mr. Deputy Speaker, Manitoba also has the second lowest unemployment rate in the country, and many times over the last year we have had the lowest unemployment rate ahead of Alberta. We also have the lowest youth unemployment rate in the country.

We have also seen dramatic increases in our exports. When Canada saw a decrease of 2 percent, we saw an increase in 7 percent. In Moody's latest semi-annual Canadian commercial real estate survey, the New York-based bond rating agency assessed the overall strength of the commercial real estate market in 9 Canadian cities, including Winnipeg.

Mr. Speaker in the Chair

Mr. Speaker, Moody's said: Winnipeg finished with the highest overall score, 87 of a possible 100 points. This is a strong confirmation of Winnipeg's sustained and healthy growth. Our Budget builds on the 2001, 2002 budgets. Together they provide \$500 million more in spending for our priority areas: health, education, families and communities.

Mr. Speaker, we have done this with the global economic slowdown and the tragic events post-September 11, the federal accounting error and the decrease in corporate income tax revenues of \$230 million. Only priority areas such as health, education, justice and support for families and communities receive increases. Mr. Speaker, we are investing in Manitoba's future, and we have always said that a strong education strategy is a strong economic strategy. This was something that the previous administration, they just did not seem to understand that investing in education was very, very important to investing in our economic strategy. Over the past two years, enrolments have increased by nearly 12 percent at colleges and universities, and funding for public schools will exceed \$1 billion. I am proud to say that we have continued with our tuition fees reduced by 10 percent. They are 10

percent lower than the '99 levels, and we are providing hope for young people. Almost \$16 million in post-secondary bursaries and scholarships help young people and students to go to university and pursue their dreams.

* (16:40)

I would also like to just comment. The other day in the House the MLA for Emerson (Mr. Jack Penner) was talking about amalgamation. He was going on and on about the \$50 per student that was given to school divisions that were not amalgamating voluntarily, and he was calling it bribery, Mr. Speaker, bribery. Well, I just want to make it very, very clear to the MLA for Emerson that the \$50 per student was a formula that was brought in by the previous government under their watch. I just want to make it very clear to the MLA for Emerson that those were absolutely incorrect. That is fear-mongering-bribery.

One of the things that I have to congratulate the Minister of Education (Mr. Caldwell) on is, when we initially introduced amalgamation, we said that we would have \$50 per student for the voluntary amalgamating school divisions, and that the \$50 per student for the school divisions that were not amalgamating voluntarily would have to be qualified for. We heard very clearly from the Manitoba Association of School Trustees that they felt it should be equal and it should not have to be accounted for. So, once again, the Minister of Education was listening to people in the education community and not issuing directives from his office like the previous government did.

I am proud to say that the provincial funding for the cost of public school education is at 76 percent, and we will continue to meet our election commitment of providing stable and predictable funding to our public school system, unlike the previous administration that took \$135 million out of the K to 12 education system.

I would also like to just take a moment, because I am speaking about education, Mr. Speaker, to mention the event that happened this morning at Lavallee School. The St. Vital School Division had an all-day Celebrating

Aboriginal Awareness Workshop, and it was called the St. Vital Circle of Courage. I would like to take this opportunity to thank the MLA for Point Douglas (Mr. Hickes) who was the guest speaker this morning and who opened the conference and did a beautiful job, told us about his history, being raised as an Inuit in northern Manitoba, and literally had the audience totally enraptured with his speech. So I just wanted to take this opportunity to thank you for the work that you do in Manitoba schools on behalf of all of the MLAs here in the Legislature.

I also want to mention that Budget 2002 encourages a better start in life by building on the accomplishments of the Healthy Child Manitoba Initiative. Funding for child care alone has increased by \$16 million over the past three years. We have also fully restored the National Child Benefit by including families on assistance with children aged seven to twelve. We also have a new multiyear plan to put affordable quality childcare within reach of more families. The Healthy Schools pilot program will link public health services to local schools, and parent-child centres' healthy pregnancy programs and FAS/FAE prevention will continue to expand.

Mr. Speaker, I would like to take a few moments to outline what our Government's vision has done for my constituency of St. Vital.

Parenting centres were funded at the St. George School and Victor Mager School. These parenting centres provide valuable programs for parents and children that prepare young children and make them ready for school. There has also been a teen parenting program that has been started at Lavallee School. This is a much needed service in south St. Vital. It is a program for young moms so that they can have the opportunity to go back to school and have their young ones taken care of. I would like to see this program expanded in St. Vital, and I know my colleague from Riel is also very supportive of that.

The Lighthouse program at Teen Stop Jeunesse-Teen Stop Jeunesse is a fabulous program in St. Vital. They have, on an annual basis, 45 youth drop in to participate in programs and services at their centre. Recently, in their

Lighthouse program, it meant that they could deliver an art therapy program and a drama therapy program. These are valuable programs in the southern end of St. Vital, where my community struggles with many, many issues. The Social Planning Council's report card on poverty reported that St. Vital has the highest rate of poverty in suburban Winnipeg outside of the core area in 1999. These programs are making a difference, and I would like to pay tribute to the service providers in St. Vital that work in my community.

I am fortunate to sit on the St. Vital intersectoral committee, which represents the human service providers in St. Vital, and I have the privilege, along with my colleague from Riel, to work with a dedicated group of people who really care about St. Vital. I would like to say that working with this group of people has been the highlight of my job as the MLA.

I really need to put a few comments on the record regarding the transfer of funds from the export profits from Manitoba Hydro. I get a big kick out of the Opposition who are so critical of this move. They are trying desperately to make a huge political issue out of this issue. The Leader of the Opposition (Mr. Murray) keeps leading with questions, and someone on the other side of the House should tell him that this issue is just not resonating with the public. First of all, Mr. Speaker, people remember when the Tory government sold MTS and transferred millions of dollars into their operating budget. They sold MTS without a public consultation process. I think, Mr. Speaker, they just upset—

An Honourable Member: They were different Tories.

Ms. Allan: Yes, they were different Tories then. They are just upset that they did not get to do what we have done in our Budget. After all, the former Tory premier campaigned on using the money from Hydro.

Mr. Speaker, will the Opposition go on record in this House that they would reverse the decision if they were elected government? I do not think so. I am proud of our Government's resourcefulness in using the export profits of Manitoba for the benefit of all Manitobans,

unlike the former government that used the profits from MTS for a privileged few, and then, after telling Manitobans that they would not face increases in their telephone rates, MTS rates have increased by 65 percent. I want you to know that this is taking profits from Hydro, from export profits. This is a common practice in seven other jurisdictions in Canada, including Alberta. The last time I checked, Alberta had a Tory government. So I will wait for the Leader of the Opposition's press conference where he is going to announce that he is publicly going on record that he would reverse this decision and never use the export profits from Manitoba Hydro. But, somehow, I just do not think it is ever going to happen.

* (16:50)

I would just like to make a few comments and put a few comments on the record, because the previous speaker was doing one of the Opposition's favourite tricks and trying to say that we are not supportive of the rural area. You know what? That is completely and totally untrue. This Government believes strongly that the contribution made by rural Manitoba plays an integral role in the development and prosperity of our province.

Our Government is protecting rural Manitoba through significant funding increases for flood protection. I am pleased today that the Minister of Transportation (Mr. Ashton) is in the House, so that we can comment on the money and the plan that we will put together to repair Manitoba's highways after you across the House did nothing. Did nothing. This Government is sustaining the health—*[interjection]* Mr. Speaker, the MLA for Emerson is just reminding me that I am not from rural Manitoba, and I would like to correct the MLA. Lakeside, excuse me. I would like to correct the MLA. I was born and raised in MacGregor, Manitoba, a thriving metropolis of 600. I am fortunate to have rural roots. I am proud of my rural roots, so I feel totally comfortable defending my government's record on what a contribution we have made to rural Manitoba.

This Government is sustaining the health of rural Manitobans by increasing funding to rural EMS and ambulances by \$5 million, in addition

to supplying 70 new ambulances. By adding medical school spaces cut by the previous government, we have recruited new doctors to rural Manitoba. For the first time in a decade, we have ensured that the RCMP is at its full complement. Protecting the health and safety of rural Manitoba is a priority for this Government.

A prosperous rural economy means a strong provincial economy. In partnership with the private sector, we have created new growth in the rural economy, an example being the creation of over 230 new jobs at Simplot. We have made rural living more affordable through \$7 million in property tax savings for farmers, \$150 property tax reduction and the equalization of hydro rates in the province of Manitoba. Mr. Speaker, they could have done that, but they chose not to do it. They promised it, and they did not do it. We had to do it for them. They were going to get around to it eventually. They had 12 years, but we just were not sure when they were going to get around to it.

Mr. Speaker, I would just like to also make a comment that the MLA for Charleswood (Mrs. Driedger) on Budget day was in the hallway commenting on our government's taking tax off personal hygiene products for women. She said, in the hallway, to the media—it was reported on radio: I agree with the Minister for Advanced Education (Ms. McGifford) that this was shameful. She said: You know, I just do not know about this Government. I just do not know. I think they are just doing this to appeal to women voters. Well, Mr. Speaker, this is absolutely shameful. This was a gender-based tax. This means a lot to low-income women. It was the right thing to do and we did it.

So I would like to take this opportunity to thank the Minister of Finance (Mr. Selinger) and my Cabinet colleagues for the hard work that they have put in and for the long hours that they have put in for the people of Manitoba. This Budget brings optimism to Manitobans and trust in the way our Government manages the provincial Treasury.

Mr. Speaker: The honourable Member for Carman.

Mr. Denis Rocan (Carman): I do not care. Okay, I will wait.

Mr. Speaker: The honourable Member for Springfield. Order. Just a minute. For clarification, I just happened to look this way. I saw the Member for Carman. I guess you have a speaking order and I will recognize the honourable Member for Springfield. But I wanted to let the House know that, because I recognized the honourable Member for Carman, he will not be losing his privilege to speak. He will still have the 40 minutes.

Mr. Ron Schuler (Springfield): My thanks to the honourable Member for Carman for allowing me to have this opportunity. I would, first of all, like to welcome a new colleague into this Legislature, the honourable Member for Lac du Bonnet (Mr. Hawranik). I would like to welcome him into this House, and I would like to welcome the NDP Cabinet back from Lac du Bonnet. We know that they worked very hard out there and spread a lot of money around. I want them to know that all their efforts and everything they did out there were successful. They ended up electing the right individual. I am pleased that we have the new member here, and I would like to thank the Cabinet for all their efforts and work on our behalf.

I would also like to welcome my new legislative assistant who will be helping me out this summer. His name is Kevin Madison. Kevin is a product of Manitoba, a graduate of Dakota Collegiate Institute. He is currently enrolled in the History honours program at Acadia University. After finishing some time here, he plans on studying in Scotland next year at the University of Dundee, and the following summer he wants to do research for his honours thesis in Edinburgh, London. So we would like to welcome him for the summer. It is a great life experience working in the Manitoba Legislature no matter where you work in the building. The pay is poor, the hours are long, the conditions are awful, especially when it gets hot. My colleague next to me says they pay their assistants lots. Well, that is one of the benefits of being in government, I guess. In the meantime, Kevin, we would like to welcome you.

Mr. Speaker, I want to put a few comments on the record in regard to the Budget on behalf of the citizens of Springfield. This is now, I believe, the third budget for the NDP. I guess three strikes and you are out, at least that is what we hope. This is probably one of the more difficult budgets that the Government had to put together. What they have had to do is not just cover off the shortfall that they are going to experience this year, but they had to somehow figure out some way to cover off the shortfall from last year. Raiding Manitoba Hydro, I believe, was not the right way to go. I think, in the long run, it is going to prove very, very harmful for Manitoba Hydro. Certainly I hope history proves me wrong, but raising the debt in Manitoba Hydro is not something that can be positive for this province. They should have done the right thing, and they should have looked at where the expenditures were, and worked within the budget that they had.

* (17:00)

There are warning signs in the Budget. For instance, the fact that they project corporate income to be down by \$230 million should send alarm bells ringing on the other side. We see the members opposite shouting out of both sides of their mouth, seeing as that is what they seem to be doing a lot of lately from the Premier (Mr. Doer) on down; shouting their answers and their speeches. They should calm down, and look at the fact there are problems in the economy being down \$230 million. We have seen our stats where we have dropped in the employment rate. We used to be the province with the lowest unemployment rate. We have now dropped to second spot. Even that is a little bit tenuous.

I think this Budget bodes poorly for the province. I believe we are back on a tax-and-spend Howard Pawley style of government. We know that the Premier in fact is a student, is a child, of the Howard Pawley government. Why would we expect anything different? This speaks to the kinds of actions that we have seen the Government take, not well thought out, not well planned out.

I take, for instance, the whole amalgamation issue where punitive politics were brought into it, where Transcona was split off with the tax base from Springfield, added on to River East

School Division. They got caught at that one. That was far too blatant for even our colleagues across the way to swallow, so they moved the tax base back. They have got problems all over the place. We have heard that it was because of size, No. 1, and it was supposed to save money on the other side. Yet some of the smaller school divisions in marginal NDP seats are left standing. We know that there is no cost saving. This is going to be terribly expensive for the school divisions, yet they proceeded.

So this is how we have seen this administration. When they do move it is always very, very political. It is unfortunate for the people of Manitoba that they are going to have to suffer for whatever the duration of this Government will be. With the help of our new colleague from Lac du Bonnet (Mr. Hawranik) and other colleagues on this side, we hope that we will put an end to that.

I find it interesting that over the last months we have seen, in fact, on this one I do owe the Premier (Mr. Doer) a thank-you for staring down the unions at Motor Coach Industries, and forcing a second vote, and for going over the heads of his union boss pals, and going to the membership and saying: do the right thing, and revote, and vote for the new contract. Only this Premier could actually get away with that. We are pleased that he did the right thing. However, we feel that the best way to have gone about this whole issue would have been to create a far better business climate, a healthier business climate that businesses do not have to start struggling as soon as the NDP come in and need bailouts. That actually does not set a good precedent.

So, on behalf of the citizens of Springfield, I have to say that I am very disappointed in the way the Government has presented this Budget. Not just have they done a lot of damage in the school divisions with their boundary review and with their distribution, they are doing a lot of damage in health care with the things that they are going about, the proposed closings of hospitals, and we have seen the way that they have messed up the whole hydro issue.

In East St. Paul the minister did not even have the courage to meet with the citizens. He

rammed it through without proper environmental review, so on and so forth. This will not be a budget that I can support, certainly from the consultations that I have had in my constituency. The people are turning their thumbs down. We certainly hope that the Government comes to its senses, and gets its spending under control. More than likely they will not do that, in which case we will have no choice but to vote against this Budget.

So I would like to thank you for having the opportunity to put a few comments on the record.

Mr. Gregory Dewar (Selkirk): Mr. Speaker, it is an honour to be able to rise today and to put a few words on the record in terms of our Government's third Budget that we have brought down. I have argued that, I think everyone would agree, this is a very responsible Budget in a very difficult financial time. It is, however, a Budget that is balanced, a Budget that is bringing in tax cuts, and a Budget that is maintaining health and education at incredibly good levels for the province.

It has been, I believe, one of the major banks across Canada refers to our Budget as "A Steady Budget in Choppy Waters." But, you know, members opposite, they cannot have it both ways. They stand up in this House every day, and they are being dishonest with Manitobans. What they are saying on one hand is, you know, they are concerned or they raise the issue of this Government taking a dividend from export sales in Manitoba Hydro; using those things to help us through these difficult times, but they would not say what they would do differently. They would not say which hospital they would close. Would they close the hospital that was opened in Beausejour by this Government? Would they not proceed with the new hospital that is going into Gimli, which was announced by this Budget, by this Government? Or, would they prefer to not proceed with the investment into the Food Development Centre in Portage La Prairie, which was announced and supported by this Government? They would not say what they would do.

All they would do is say, oh, it is bad, do not take that money. We did it, of course, when we

were in government. We sold off MTS. We took the profits from that, used that to balance our books. They rammed the sale of MTS through this House. I recall being in the back of this Chamber with many of my colleagues on this side of the House as we fought the sale of MTS, which the members opposite campaigned on, saying they would not sell it. Then they proceeded. They flip-flopped on that and they sold it.

The reason why we are in this situation has been well-documented. There have been some slow-downs in the international economy. Corporate taxes are down \$200 million, but we are fortunate because of the foresight of past NDP governments who invested in the North and developed hydro projects up north, that we now have a dividend from Manitoba Hydro. This Government has decided to use that dividend to bridge the economy. I do not know about the members opposite, but people in my community are very pleased with this Budget. They can stand up in this House, and they can go on and on about Manitobans being disappointed, but it is incorrect.

In fact, the headline yesterday in the paper, for example, was not about the Government using Hydro funds, it was about our Minister of Family Services and Housing's (Mr. Sale) commitment to daycare. That is the headline. Mr. Speaker, that is what Manitobans can expect from our Government. My good friend the Member for Gimli (Mr. Helwer) is in the House, of course, and I know that he, really deep down, would like to support this Government, because there are so many good things in this Budget for Selkirk and for his riding as well. You know, there is more money for drainage. I think all rural members recognize the problems out there in the rural communities dealing with the matter of the shortfall in the drainage budget over the past years. Well, we have increased that this year. As well, in my own community, we have put a 6% increase in the Selkirk Mental Health Centre. This will be used to benefit patient programs, retain proper staff levels.

As well, in this Budget there was a commitment to the Western Canada Summer Games. Now those games are going to be held

next year in Selkirk, in Gimli, in Beausejour and in Stonewall, the Western Canada Games.

Now my colleague, the Member for Gimli, I am predicting he is going to stand up in this House tomorrow and he is going to vote against that.

An Honourable Member: No.

Mr. Dewar: Yes. It is regrettable. He is going to stand up, and he is going to vote against a brand-new Gimli health centre. He is going to stand up, and he is going to vote against that money that is going into his riding to help his constituents in terms of highways. He is going to stand up in here tomorrow, and I encourage the member to join with us and support the Budget. We supported your Budget. You know, I stood up and I voted for your Budget when it was good for my community, and I urge the members opposite to do likewise.

The Member for Gimli (Mr. Helwer), a good chunk of his riding includes the Lord Selkirk School Division, which this year received, due to the efforts of our Education Minister, \$800,000 more. Now this is allowing the school division to maintain important educational programs, but as well allows the school division to make a very, very small modest tax increase. The first time there has not been a double-digit increase in a long, long time.

This Budget includes a CT scanner for the Selkirk Hospital, and it is regrettable that the members opposite will not be supporting this. Two new ambulances are going to be coming to the Interlake Regional Health Authority.

So I encourage the members opposite to join with us and demonstrate to Manitobans that we can speak with a common voice, that this financial document, this financial blueprint has the unanimous endorsement of all members in this Legislature. So tomorrow you will have to listen to your Leader. Do what you know is right. Support this Budget for Manitobans. Thank you very much.

Mr. Rocan: Thank you very much, Mr. Speaker, by the way, for clarifying the speaking order as you did a few minutes ago. I really appreciate it.

On behalf of the constituents of the wonderful constituency of Carman, I am pleased to rise today to put some comment on the record about the 2002 Budget. I know members opposite are expecting to hear the beefs I have with this year's Budget. Well, Mr. Speaker, they will not be disappointed. However, I do have one bouquet to offer them. I would like to congratulate them for putting an end to the injustice of gender-based taxation in this province.

On two separate occasions in this House, I spoke out urging members opposite to eliminate the provincial sales tax on feminine hygiene products. Needless to say, I was quite pleased to hear on April 22 that this had been achieved. I congratulate this Minister of Finance (Mr. Selinger), and indeed the Premier (Mr. Doer), indeed members of caucus in Cabinet and Treasury Board, for taking the advice of an individual who actually sits on the Opposition side.

I still have in my possession the notes that I have received from the ministers that had sat there on the Government side thanking me very much for bringing this issue to the forefront, pushing very hard on their behalf.

* (17:10)

Unfortunately, Mr. Speaker, upon close inspection of the Budget, any positive feelings I had had about this change in taxation was soon replaced by feelings of disappointment. I was disappointed for the people of my constituency who are again victims of this Government's uncontrolled spending habits. I was disappointed knowing that I would have to deliver the news to them that the current Government is not doing anything to facilitate growth and prosperity in the communities of the Carman constituency or in the province as a whole.

I begin, Mr. Speaker, with a meeting I had with a group of gentlemen in my office on April 23. These individuals are heavily involved in Manitoba's harness racing sector. They had found out at five o'clock on Budget day that the cancellation of their program was inevitable due to a lack of funding from the provincial government.

I would like to read now from an advertisement they gave me at this meeting: For over a century, the Manitoba Great Western Harness Racing Circuit has provided entertainment and excitement to those who have come to witness its fast-paced action. During the 23 days of the 2002 harness racing season, people of all ages will enjoy watching some of the best racers in Canada complete. So this summer enjoy Manitoba's hospitality and get on track.

Over 100 years of history ignored by this Government, Mr. Speaker. For over 100 years, the harness racing industry has entertained the people of the province of Manitoba, while at the same time providing jobs and opportunities in the rural economy. Yet the provincial government wiped out the entire industry with one stroke of the pen, with no thought to the consequences of this short-sighted decision.

It is interesting to note, Mr. Speaker, in how the salaries in the Department of Industry, Trade and Mines alone increased by \$104,000 last year. Yet this same department could not manage to scrape together \$491,000, less than a half a million dollars, to sustain the life of an industry that has been a part of rural Manitoba's heritage for over a century. Surely the Government should have been able to recognize that the \$491,000 investment was a very small price to pay to help maintain over 500 jobs in this province. The Minister of Industry, Trade and Mines (Ms. Mihychuk) and the Minister of Agriculture (Ms. Wowchuk) have tried to downplay the number of jobs in the harness racing industry, arguing there were fewer than a dozen.

Let me talk a little bit about the 500 jobs. They included breeders, drivers, judges, secretaries, starting-gate attendants, veterinarians, test inspectors, photographers for photo finishing, video-patrol personnel, timers, pari-mutuel workers, security personnel, ambulance attendants, bookkeepers, outriders, track maintenance people, farriers, breathalyzer analysts, food-booth personnel, people who build trailers, and the list goes on and on. That is an awful lot more than 6.

Mr. Speaker, the \$491,000 is a small price to pay to give the people of rural Manitoba 23 days

of summer to congregate, to share fellowship, to elevate community spirit, to cheer, to laugh, to enjoy, to take time out for family togetherness. It is unconscionable.

How does this Minister of Industry, Trade and Mines sleep at night knowing that she has destroyed an entire industry that has had such a rich and colourful history in this province? Is the minister comfortable with the fact that she has left a large portion of Manitoba's rural population devastated and angry? Perhaps the minister is a little confused about her job description. I always thought that the Minister of Industry was supposed to promote industry in this province, not to eliminate it one piece at a time. Who will be on the chopping block for the next Budget? Which industry representatives will be meeting with me after the next Budget to say that the Government is cutting their lifeline? Who will be fighting to preserve their livelihoods?

Mr. Speaker, I would like to read further from the advertisement that I quoted before. The following are the anticipated race dates and locations for the 2002 racing season: June 30 to July 1, Holland, Manitoba; July 6 and 7, Glenboro, Manitoba; July 11, Carman, Manitoba; July 13 and 14, Deloraine, Manitoba; July 20 and 21, Portage la Prairie, Manitoba; July 27 and 28, Killarney, Manitoba; August 3 and August 4, Killarney, Manitoba; August 10 and 11, Miami, Manitoba; August 17 and 18, Wawanesa, Manitoba; August 24 and 25, Minnedosa, Manitoba; August 31 and September 1, Bottineau, North Dakota; September 7 and 8, Dauphin, Manitoba; and finally the Manitoba Great Western Stake, August 24, in Minnedosa, Manitoba.

So many afflicted communities—a great deal of planning had already gone into these events and now they must be cancelled unless the harness racing community can scrape together the funding from other sources. In addition, and this will break the heart of all the animal lovers out there, there are over 200 horses racing on the Great Western circuit. What is going to become of those horses? They are no good to the owners anymore. Is the Minister of Industry, Trade and Mines (Ms. Mihychuk) going to offer a new purpose for those 200 horses? The members

opposite have clearly no consideration for the people nor for the horses involved in this long-standing and well-loved industry.

On that note, Mr. Speaker, I would like to leave the topic of harness racing for a moment and focus on other areas of concern in my constituency. It breaks my heart knowing that Carman could experience such an increase in prosperity if only members opposite would recognize its considerable potential.

I begin with the water situation. Perhaps it would be more appropriate to refer to it as the no-water situation. There have been ongoing discussions about the safety of the water supply in my constituency. In September of the year 2000, the community of Haywood was placed under a boil-water advisory after 90 percent of the 55 wells sampled showed evidence of bacterial contamination.

Now, Mr. Speaker, under the Canada-Manitoba Infrastructure Agreement, a 16-kilometer water line is to be constructed from the Stephenfield Regional Water Treatment Plant in the R.M. of Dufferin to the town of Haywood in the R.M. of Grey. At the end of this water line, a treated water storage reservoir will be built to provide one- to two-day water storage as well as rechlorination and fluoridation prior to distribution.

Water system and sewage collection mains will be installed providing connection to Haywood residents. A sewage lagoon will be built that will satisfy federal and provincial environmental standards. The water system will include conservation devices such as water meters to ensure that water is being used efficiently.

Well, good news for the people of Haywood, you say, Mr. Speaker. Wrong. Do you know why I am saying that it is wrong? Because construction on their project has not even begun yet. Where is this phantom water line? The 200 residents of Haywood have been waiting almost two years for potable water, something people who live in Winnipeg take for granted. Let us not forget that the whole project is estimated to take a year to complete. So the longer the project gets delayed, the residents of Haywood must wait before they can, once again, drink water

that meets safety standards. Does that sound fair to you, Mr. Speaker? Why must the members opposite bring forward a project that breathes some hope into the people of Haywood that they will have clean drinking water, only to torment them by postponing the start of this project indefinitely?

* (17:20)

If the members opposite concern themselves with the prospect of rural development, they would ensure that vital projects such as this one could get underway as quickly as possible. The goal is not to drive people away from these communities. The goal is to attract people to rural Manitoba, to give them viable reasons to live there, to create jobs and opportunities that will attract others to the region. Mr. Speaker, I want to see the communities in my constituency, grow and prosper. Unfortunately, this year's Budget tells me that the members opposite do not share my vision.

I move now to a question that the Member for Arthur-Virden (Mr. Maguire) posed in this House on April 25 regarding the CareerStart Program. Mr. Speaker, it is nothing short of astonishing that this Government has chosen to decimate this long-standing and extremely valuable program. It is well known that some of the key beneficiaries of this program were small businesses, non-profit organizations, municipalities, agricultural producers, and the young people who were employed by them. When you begin to think about where many of these types of businesses and organizations are located, the answer is obvious—rural Manitoba.

We have small businesses and non-profit organizations located in communities scattered throughout the province. Thanks to partial wage subsidies from the CareerStart Program, many of these organizations were able to create jobs for young people. If young people are able to find such employment in their own communities, they will not have to go elsewhere, namely the cities, to work. Youth all over the province benefited from the program, gaining invaluable work experience and money needed for their studies.

Interesting, is it not, Mr. Speaker? What kind of a message is doing away with the

CareerStart Program sending to the youth of our province? Are they to believe that this Government is not committed to its youth, nor to its communities? The irony is that this was an NDP government that established the CareerStart Program nearly two decades ago. After witnessing for years the extent to which both the youth and employers of our province benefited from the program, instead of taking pride in the fact that they had themselves in part to thank for CareerStart's success, the members opposite chose to axe it. It really is unthinkable.

If that was not enough of a blow to the youth in this province, the Minister of Advanced Education (Ms. McGifford) has begun to phase out the learning tax credit in our province. As the member from Tuxedo has pointed out, the average amount received by students via the learning tax credit has decreased over the last two years by approximately \$322, or 108 percent. Students who used to receive \$622 are now receiving \$300, and that is just for this year. This year's Budget indicates that absolutely no monies have been allocated for the learning tax credit.

We are all aware of the trials and tribulations of that time of the year we call tax season. In fact, that time of year is upon us right now. I would like to point out that it is also the end of April, the time when many students are making the transition between university exams and summer employment. It is the end of the school year, and for some students it could be a matter of weeks before they start earning money. Many have used up the financial resources they had allocated for tuition, books and living expenses for the recent school year. Mr. Speaker, some students lacking other resources at this time of the year depend on money they receive through their tax return to ease the transition from the end of the school year until they get their first paycheque of the summer. I believe this happens in more cases than the Minister of Advanced Education (Ms. McGifford) would like to believe.

So, at this rate, with this Budget and under this Government, it appears as though the fate of youth in our province is to be unemployed and treated as second-class citizens when it comes to the tax credits they receive; that is, unless the

members opposite prove to the people of this province of Manitoba that they are willing to recommit to the youth of the province by bringing back those programs that they have destroyed.

Along the same line of broken commitments, Mr. Speaker, the provincial government demonstrated a painful lack of understanding of agriculture by making cuts in essential areas in the Department of Agriculture and Food's budget. Prior to the Budget, the Premier (Mr. Doer) said, on a rural radio station, that the priorities for his Government were health care, education, family services and agriculture. This is interesting because on Budget day the Government released a flurry of self-congratulatory press releases. One in particular caught my eye. It read: "Only priority areas such as health, education, justice and support for families and communities receive increases."

What happened to agriculture? I am really curious to know why the members opposite do not consider the backbone of the provincial economy to be one of its priorities. Why would the Premier deem it to be a priority for this Government before the release of the Budget and then discount it after?

Not only did agriculture funding not increase, seeing as it was not one of the Government's so-called priorities, as per its news releases, but many areas suffered critical cuts. Funding for agriculture disaster aid programming fell by 16.7 percent, and funding for research and development fell by 2.5 percent. Agriculture is one of the province's key economic drivers. For every dollar of net farm income produced in Manitoba, almost two dollars are generated in the overall provincial economy.

Why are the members opposite wasting money on the Manitoba Comebacks campaign to lure people who have left for lower taxes and better job opportunities when agriculture, such a vital part of our province's economy, is experiencing all of these funding cuts? You would think that the priority of members opposite should be to sort out the province's financial affairs before throwing money away on

trying to lure people back into our province. The Doer government believes they have found the answer. Yes, they have taken a page from Robin Hood's book, rob from the so-called rich, in this case Manitoba Hydro's bank account, and to give to the poor, the Finance Minister (Mr. Selinger) who is incapable of balancing budgets past or present.

Sadly, Mr. Speaker, even living in a world of fairy tales, the members opposite have still managed to get it wrong. A reality check, namely an examination of Manitoba Hydro's financial records reveals that Manitoba Hydro is clearly not as rich as members opposite seem to believe it is. The \$288 million withdrawal the members opposite wish to make from Manitoba Hydro's account, of which \$150 million will be needed to balance last year's Budget, is ludicrous. First of all, Manitoba Hydro's cash balance as of December 31 was only \$14 million. Yet the members opposite expect to squeeze \$288 million from the utility. I am curious to find out how they expect to turn \$14 million into \$288 million. My guess is that it will be at the expense of Manitoba Hydro ratepayers who will ultimately be forced to pay, seeing as there is no minister in this House who is looking after their interests. Since the members opposite are so convinced Manitoba Hydro is experiencing such financial gain, why do they not turn what profits Hydro does have into a rebate for the ratepayers? No, that is not the way that this Government operates when it comes to the province's Crown corporations.

* (17:30)

You may recall, Mr. Speaker, back in November of 2000, Manitoba Public Insurance announced that they had plans to contribute \$20 million to infrastructure at several Manitoba universities and \$10 million to the department of motor vehicles. That is right. The Premier (Mr. Doer) and his spend-and-spend-some-more party saw \$30 million burning a hole in the MPI's pockets and just had to get rid of it as quickly as possible, except at that time he could not bring himself to return at least a portion of this money to the people who had put it into MPI's pockets in the first place. Needless to say, many of MPI's ratepayers in this province were none too pleased.

Mr. Speaker, I read now from Keystone Agricultural Producers news release dated November 7, 2000: Keystone Agricultural Producers has added its voice to the growing chorus of anger over MPI's surprise announcement to spend \$20 million of their surplus to repair crumbling universities. Last Thursday, MPI announced it would give \$14 million to the University of Winnipeg, \$5 million to Brandon University, and \$1 million to the Collège universitaire de Saint-Boniface. The members of Keystone Agricultural Producers are extremely upset with this decision. Farmers, by the nature of their work, must insure more than one vehicle and do not appreciate having potential savings given away, said Don Dewar, president of Keystone Agricultural Producers. When MPI ran a shortfall, it raised insurance rates. When it has a surplus, it should reduce rates or give something back to the ratepayers.

This is only but one small example of the chorus of public opposition that was raised to the Government's decision to try to transfer Crown corporation funds.

Members on this side of the House launched a campaign urging Manitobans to express their disapproval of the Government's decision to wrongfully take \$30 million from MPI. We even had coupons ready for them to fill out requesting that the Government give them a rebate of \$38.73 per insured vehicle, money that rightfully belonged to those who paid their Autopac premiums, money that was not meant to be used for government operations.

We told the Premier (Mr. Doer) he should do the right thing and put the money back where it belongs, back into Autopac and give it to the ratepayers. By the same token, were the \$288 million the Government intends to take from Manitoba Hydro divided by the approximately 403 000 Hydro ratepayers, each ratepayer could receive a rebate of \$715. But instead, the Finance Minister, unable to control the runaway spending of both himself and his colleagues, has instead chosen to retroactively balance last year's budget to the tune of \$150 million raided from Manitoba Hydro's coffers.

Mr. Speaker, last week we had visitors from the Manitoba Society of Seniors up in the

gallery. Many seniors in our province are on a fixed income. They are worried that these payments from Hydro to the Province may result in increased Hydro rates. They cannot afford to pay more for Hydro, and, unfortunately for them, the Consumers' Association tells us, consumers with the least disposable income often live in poorly insulated housing with older appliances that use more electricity.

The Premier has said in this House that hydro rates are frozen, but for how long? They are frozen today, but what about next week, next month, next year? With the potential for drought conditions looming on the horizon, what will happen to export revenues? I am fearful, Mr. Speaker, fearful for the seniors of the province, fearful for those others with a lower disposable income, fearful for the businesses and industries who rely on competitive hydro rates, and fearful for the livestock producers whose hydro bills are already a hefty sum compared to the average city dwellers.

Although the members opposite may disagree with me, raiding Crown corporation profits to repair universities' infrastructures or to balance grossly mismanaged budgets is simply not the answer. Believe it or not, there are viable alternatives in our province. Instead of using public monies for whatever reason they see fit, have the members opposite ever considered consulting businesses within the private sector? There are many generous corporations, citizens in our communities. I am sure many of them, if approached, would be happy to consider making a contribution to the betterment of, as an example, higher learning in the province. It would, after all, be in their best interest because they would want to be able to hire educated people so a contribution to post-secondary education is only fitting. Would you not agree, Mr. Speaker?

Have the members opposite ever considered asking businesses such as Great-West Life? Maybe Great-West Life would be interested in providing funds to our colleges or maybe our universities. I would leave that with them to ponder because I think there is a great opportunity for us as parliamentarians to make overtures towards individuals such as Ray McFetors or Jim Grant over at Great-West Life

in the hopes that they would want to assist us to try and leave a better institution such as University of Manitoba.

Mr. Speaker, I would like to move along to another area of concern to my constituency in other areas of rural Manitoba. It is the Government's gambling policies.

In March of this year, our Lotteries critic, the Member for Russell (Mr. Derkach), discovered that the Government had significantly increased the minimum amount of money each VLT in Manitoba must take in. If site holders fail to bring in the higher amount for each machine, their VLT machine will be pulled out of their facility and relocated to another site. These new revenue thresholds are proving problematic in rural areas. The required coin and threshold for VLTs located in rural areas increased by \$73 per VLT per day from \$226 to \$299, a 32% increase. By establishing such stringent revenue requirements, they are making it extremely difficult for some of the facilities to retain the VLTs. This, in turn, hurts these businesses' bottom line. What is even more upsetting is that in the meantime the Government has spent \$1 million on advertisements for Winnipeg casinos.

Mr. Speaker, I have three good reasons why this advertising was a terrible decision made by members opposite. First of all, some of the advertising was targeted at youth. Again, what message is the Government sending with regard to its youth? Secondly, it was a huge waste of taxpayers' dollars. Manitobans are well aware that the casinos are there and are free to use them at will. They do not need \$1 million worth of their hard-earned money telling them to go for the fun of it. Thirdly, and what I find to be the biggest slap in the face for rural Manitoba, is that the members opposite are threatening to remove VLTs from businesses in rural Manitoba, while at the same time, they are trying to lure all Manitobans to the Winnipeg casinos. The province's gaming revenue all ends up in the same place. Why do they want so badly for the source of this revenue to be Winnipeg, and not rural Manitoba?

* (17:40)

Once again, the members opposite seek to punish the small businesses in rural Manitoba while trying to maximize the gambling take in the Government-run casinos.

I would just like to close by again expressing my extreme disappointment with the Doer government's latest Budget. It fails to provide meaningful tax relief for Manitobans. It fails to provide a vision for the future of agriculture and rural development in this province. It is a budget that cuts jobs for students and offers them no tax incentive for bettering themselves. It is a budget that raids the profits of Crown corporations in order to pay for this Government's voracious spending habits. This Budget is a grave disappointment and I will be voting against this Budget. Thank you very much, Mr. Speaker.

Hon. Eric Robinson (Minister of Aboriginal and Northern Affairs): Thank you, Mr. Speaker. I am pleased to have the opportunity to mention a few items pertaining to the 2002-2003 provincial Budget. Allow me, before I begin, to congratulate the new Member for Lac du Bonnet (Mr. Hawranik). I am sure he will find his experience here to be memorable and treat it as all of us do, as an honour to represent our fellow Manitobans in the Manitoba Legislature.

I would like to begin by saying that I will not speak too long, but I do find it proper to have a few words on the record as a result of the Budget being tabled last Monday. Let me begin at this point, Mr. Speaker. The events of September 11 last year and the resulting deterioration of the North American economy and the discovery of a federal accounting error, all meant that Treasury Board and Cabinet were faced with some very tough decisions.

I want to congratulate the Premier (Mr. Doer), the Minister of Finance (Mr. Selinger) and my colleagues for keeping the needs of northern Manitoba in mind when the Budget was prepared. I believe that the decisions that were made will benefit all of Manitoba. Our focus on moving forward on northern development through the priority areas of transportation, health care, housing, education and training, along with economic development, are vital to the prosperity of the province as a whole.

The Province recognizes the strategy by addressing employment and sustainable development issues, funding for water treatment plants, additional support for staff certification, training and monitoring of water and sewer treatment plants, amongst other initiatives. We see more funding to enhance a winter road system and realignment of winter roads, off lakes where possible, funding increases for Northern Airports and Marine Services Program, support through the Canada-Manitoba Infrastructure Program which, as we heard last week, is concentrating on improved water safety and waste management, increased support for Aboriginal nursing stations in order to better service northern communities, improved delivery of health care through Telehealth video conference facilities in Flin Flon, Churchill, The Pas, and more than a dozen other sites in rural and northern Manitoba, and also the expansion of community and mental health services.

Budget 2002 continues to support the Government's efforts to increase the participation of Manitoba's Aboriginal people across the education system, the economy and the administration of public services and, for the third consecutive year, the Manitoba government will increase support for ACCESS, a program providing bursaries for Aboriginal students for their enhancement of a college expansion initiative is also included in Budget 2002.

Earlier today, we announced the increased distance education through the Red River College by \$600,000, I am advised by my colleague, the Minister of Advanced Education (Ms. McGifford), and I am sure that the Minister of Education, Training and Youth (Mr. Caldwell) will have further to add on his speech that he is going to make tomorrow.

Budget 2002 further equips northern and Aboriginal communities to create jobs and economic development opportunities through funding for development of immediate and long-term strategies for action in response to the Aboriginal Justice Implementation Commission Reports, something that was largely ignored prior to our taking office, Mr. Speaker, an increase in support for the Rural Economic Development Initiatives, the REDI program,

offering more opportunities for job creation and diversified rural economic development. Last fall, the REDI Program in northeastern Manitoba came under the jurisdiction of a development fund, a change, we believe, that will result in more job creation and opportunities in that region. TEAM, under the development fund, continues to expand as, last month, there were 17 new businesses across northern Manitoba that we are very proud of and are members of this new program that we introduced not too long ago. TEAM, of course, is under the acronym, T-E-A-M.

Earlier this week, I was very pleased to be part of the announcement with the Minister of Family Services and Housing (Mr. Sale) in announcing an increased funding, a new milk initiative that strengthens the already-successful Healthy Baby Program that provides benefits and community programs for pregnant women with low incomes to help their babies to get a healthy start in life. We believe that to be a very positive initiative. Over 4600 pregnant women now have received Healthy Baby Prenatal Benefits, with nearly a quarter of them living in First Nations communities. This program is the only one of its kind in a country with some 65 sites across Manitoba. Healthy Baby Community Programs are involved in nutrition, health and parenting activities. This year's Budget also increases funding to Healthy Child Manitoba by \$4.6 million, or 30 percent. Our goal is to strengthen families with increased funding for early childhood development.

The Manitoba government has initiated the process of wide-area planning for land and resource use on the east side of Lake Winnipeg. Last month, the Province appointed a prominent Manitoban, former national chief, Phil Fontaine to chair the East Side Lake Winnipeg's initiative, more commonly referred to as the Round Table, and stakeholder advisory committee. There are some 37 communities in our province with approximately 34 000 residents lacking all-weather road access. As such, we are improving northern transportation access through a number of different ways, primarily through the efforts of the Minister of Transportation and Government Services (Mr. Ashton) being our lead minister on many of these initiatives, upgrading existing winter and forestry roads,

exploring enhanced rail and ferry services, constructing new roads and building permanent bridges at key river crossings, re-aligning some of our winter roads in preparation for the possibility of future all-weather road construction, as we further develop northern Manitoba.

Also, increasing unreliability of winter roads due to global climate change means that we need to consider options sooner rather than later. The Province is reviewing the existing winter road system to incorporate proposed routes for all-weather roads, reducing costs on the future construction of permanent roads. The lack of all-weather highways results in high costs with respect to transportation. This leads to a lower quality of life and health and higher living costs for communities compared to those connected to a provincial highway.

We are also improving northern airports. In January, I was very pleased to be with the leadership in Garden Hill, along with the Minister of Transportation and Government Services (Mr. Ashton), our Member of Parliament for Churchill, Bev Desjarlais, in opening a new airport terminal at that community. Garden Hill happens to have the third busiest airport in the province of Manitoba, as well.

Treaty land entitlement progress continues to be made. We were able to turn over land to Red Sucker Lake this winter, nearly doubling the size of the community. This is land, of course, that is owed under land that fell short during the time of the making of the treaties.

The Department of Aboriginal and Northern Affairs which I am responsible for is also funding a new bursary to be delivered through the Helen Betty Osborne Memorial Foundation to assist northern students and Aboriginal students, generally, pursuing a future in engineering and civil technology. The bursary will be funded by the Province for a period of three years with a contribution of \$20,000 to support four students. Individuals pursuing studies and civil technology or engineering are eligible to apply. It is expected that demand for these skills will be met in part through the new civil technology program at the Thompson campus or the Keewatin Community College.

The Department of Aboriginal and Northern Affairs will also be providing summer employment to three students from communities within the department's jurisdiction.

* (17:50)

The Helen Betty Osborne Memorial Foundation was established by an act of the Provincial Legislature in December of 2000 in memory of Helen Betty Osborne. I never had the opportunity earlier, Mr. Speaker, but allow me to congratulate all the members of this Assembly who stood on their feet in support of that act that was proposed by the Minister of Justice (Mr. Mackintosh). The scholarship fund established by the foundation honours her memory and will help others pursue post-secondary education.

There are many other projects and developments that I would like to talk about, but I know that many members on our side of the House and other members on the Opposition side would like to speak as well. There are many things that I could talk about with respect to hydro development, some of the export sales that are occurring there. I could say some things on that, especially with the fact that in the past, hydro development has impacted Aboriginal people the most in northern communities, so we are reinvesting for the suffering and the misery that occurred to many of our people in northern communities, I believe, to a large degree with this year's Budget, but more so, further sharing the good things that have happened to Manitoba as a result of hydro development by sharing it province-wide.

Quite simply, the Budget that we are introducing this year builds upon the work of the past two budgets in delivering and fostering opportunities and increased support for northern Manitoba and, indeed, all of our province.

So I do thank you for the opportunity to say these few words, Mr. Speaker. I look forward to the support of this House in passing this Budget tomorrow when we do vote for it.

Mr. David Faurshou (Portage la Prairie): I appreciate the opportunity to make a couple of points in regard to the Budget as proposed by the New Democratic Party in the province of Manitoba.

In quoting from the Budget speech we, meaning the Government of Manitoba, firmly believe that we cannot have effective economic strategy without strong education strategy. Mr. Speaker, I believe in this document, there is neither strategy within the area of education nor within the area of the economy. I believe that there is a great deal of room for improvement, being as I have been raised to provide alternatives and positive commentary in critiquing the Budget, and so I will not criticize for the matter of criticizing, but I will try and point out some of the deficiencies that are here within this document.

First of all, I want to take this opportunity to welcome to the Manitoba Legislative Assembly here the new Member for the Lac du Bonnet constituency, Gerald Hawranik. I believe that he will be a valued addition to this Assembly.

Mr. Speaker, I would like to welcome the pages, once again, to our Chamber and hope that they have an experience that will last a lifetime.

In regard to the Budget, I am pleased to begin with highways, as it is my critic's responsibility for the Official Opposition within the House to bring to the attention of the minister and to the Government some of the deficiencies within that particular portfolio.

I would like to begin, though, with a compliment that the Government has seen fit to go in the right direction. They have yet to return to the level of support for capital expenditures that was provided for by the previous administration in 2000 when \$125 million was expended. It was in two columns, one being for the province and the other identified for the city of Winnipeg for a street renewal program of \$15 million, and, between the two, \$110 and \$15 made a capital expenditure of \$125, which is still more than what this Government has allocated, but I will say you were going in the right direction.

The announcement of a base capital funding for five years at \$100 million per year is indeed a positive announcement. I hope that this will be coupled with a report, or at least an engineering outline, as to the projects that will be able to come to be supported within the five-year capital

project. So I encourage the minister to work with the industry and his department to lay out a five-year capital expenditure plan which effectively will, as has been suggested by Chris Lorenc of the Manitoba Heavy Construction Association, a 15% savings in the capital expenditure for projects because planning is done in advance and therefore can achieve this level of savings.

I also want to encourage the Government to continue to support the highways program, but support it to the very extent of the income of the Manitoba highways department. Currently, within the Budget, we are led to believe that the Government is expecting \$304 million to be collected through the highways department, and yet a lot is made that every dollar of gas tax is returned to the roadways of Manitoba. There is a deficiency yet within the expenditure.

I know that there is sometimes confusion when Government Services and Transportation being that they are within one portfolio, but I would like to assure the minister that these calculations are very much identified to Transportation through the sale of permits, and licences, and registrations that accumulate as I have looked into the automobile and motor carrier licence and fees line, and they expect to have almost \$70 million, up \$10 million over last year because, as we have heard in earlier debate in this House, they have doubled in some cases the registration fees. I know that the licence at the dealers here within the province are having to accommodate a significant rise in the charge for a dealer's licence, and this Budget document expresses what kind of revenue is going to be received by the Province year over year with this type of increase to the Transportation Department.

I do want to encourage the Finance Minister to recognize the importance of the Transportation Department. Everything, and I mean everything we receive as goods or services comes to us by way of our highways' network. The vital importance of the highways' network to our economy and to each and every one of us must be recognized by a greater expenditure in this area.

I know my time is short, so I would like to move on to three other points that, I believe, are

very, very important as this document has addressed them. One being the chiropractic care that is receiving less support in this Budget. Chiropractic care works with the medical care here in the province and is a significant element to the well-being of all Manitobans.

I believe that this is extremely shortsighted to look to reducing the support in the area of chiropractic care within the province. In fact, nowhere in the nation has this type of dramatic reduction in support to this field—and I plead with the Government to reconsider their position in regards to chiropractic care, because I believe that this particular service is one that is value for dollar.

Another point that I would like to bring forward which affects Portage la Prairie and a number of small communities within southern Manitoba is the removal of support for the harness racing industry here in Manitoba. I want to convey to the ministers opposite the very important event that this is to small communities within rural Manitoba. The harness racing industry works in conjunction with the fairs to draw people into the small communities. It is the lifeblood to these communities to provide this level of entertainment and competition and social gathering that we need to have in the rural areas of Manitoba.

Our rural Manitoba is under duress because of factors outside our borders through world trade organization that are attempting to address some of the commodity prices, but this Government has stuck a stick in the eye of these communities that were looking forward to the economic activity that the harness racing industry provides. I implore this Government to reconsider their decision not to support this particular endeavour.

I would, though, like to leave in my final minutes with my compliments to the ministers that have effectively provided, through announcements to Portage la Prairie constituency, support for two projects which, I would like to say, are welcomed in Portage la Prairie, and that is the rebuilding of Provincial Road 227, which I know some of my colleagues take home, and I also would like to thank the Minister of Agriculture (Ms. Wowchuk) for attending to

Portage la Prairie for the announcement last Friday which included \$11 million of funding over the next number of years to the Food Development Centre in Portage la Prairie.

I look forward to working with the minister on that, and I have suggested some positive contributions, I believe, that could be—

Mr. Speaker: Order. When this matter is again before the House, the honourable member will have 30 minutes remaining.

The hour being 6 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Wednesday).

Corrigendum

Vol. LII No. 21, 10 a.m., Friday, April 26, 2002, page 812, the second column, last paragraph, should read:

Mr. Lathlin: Mr. Speaker, since this issue came about I have had meetings with the executive of the Cottagers Association in Clearwater Lake.

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, April 30, 2002

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