



Third Session - Thirty-Seventh Legislature

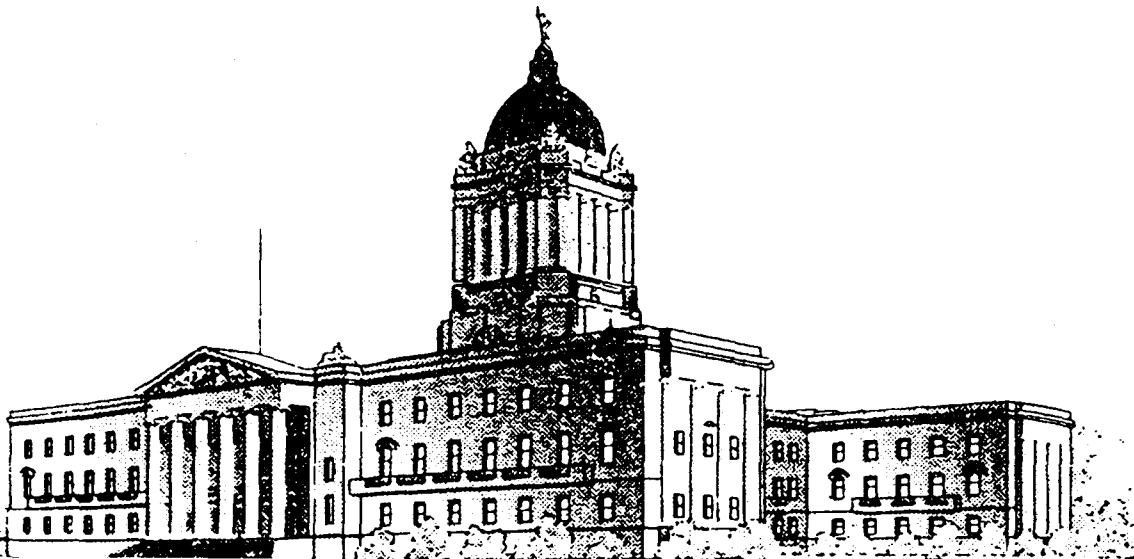
of the

**Legislative Assembly of Manitoba**

**DEBATES  
and  
PROCEEDINGS**

**Official Report  
(Hansard)**

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authority of  
The Honourable George Hickes  
Speaker*



**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Seventh Legislature**

<b>Member</b>	<b>Constituency</b>	<b>Political Affiliation</b>
AGLUGUB, Cris	The Maples	N.D.P.
ALLAN, Nancy	St. Vital	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
ASPER, Linda	Riel	N.D.P.
BARRETT, Becky, Hon.	Inkster	N.D.P.
CALDWELL, Drew, Hon.	Brandon East	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CUMMINGS, Glen	Ste. Rose	P.C.
DACQUAY, Louise	Seine River	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
FRIESEN, Jean, Hon.	Wolseley	N.D.P.
GERRARD, Jon, Hon.	River Heights	Lib.
GILLESHAMMER, Harold	Minnedosa	P.C.
HAWRANIK, Gerald	Lac du Bonnet	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
LOEWEN, John	Fort Whyte	P.C.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
MAGUIRE, Larry	Arthur-Virden	P.C.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McGIFFORD, Diane, Hon.	Lord Roberts	N.D.P.
MIHYCHUK, MaryAnn, Hon.	Minto	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
MURRAY, Stuart	Kirkfield Park	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
PENNER, Jack	Emerson	P.C.
PENNER, Jim	Steinbach	P.C.
PITURA, Frank	Morris	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack	Southdale	P.C.
ROBINSON, Eric, Hon.	Rupertsland	N.D.P.
ROCAN, Denis	Carman	P.C.
RONDEAU, Jim	Assiniboia	N.D.P.
SALE, Tim, Hon.	Fort Rouge	N.D.P.
SANTOS, Conrad	Wellington	N.D.P.
SHELLENBERG, Harry	Rossmere	N.D.P.
SCHULER, Ron	Springfield	P.C.
SELINGER, Greg, Hon.	St. Boniface	N.D.P.
SMITH, Joy	Fort Garry	P.C.
SMITH, Scott, Hon.	Brandon West	N.D.P.
STEFANSON, Heather	Tuxedo	P.C.
STRUTHERS, Stan	Dauphin-Roblin	N.D.P.
TWEED, Mervin	Turtle Mountain	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

## LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, June 18, 2002

The House met at 1:30 p.m.

Mr. Speaker: Clerk, please read.

### PRAYERS

Madam Clerk (Patricia Chaychuk): The petition of the undersigned citizens of the province of Manitoba humbly sheweth

### ROUTINE PROCEEDINGS

### PRESENTING PETITIONS

#### Transcona-Springfield School Division

Mr. Ron Schuler (Springfield): Mr. Speaker, I beg to present the petition of D. Mercier, L. Campbell, D. Panchyshyn and others praying that the Legislative Assembly of Manitoba request the Minister of Education (Mr. Caldwell) to reverse the decision to split the Transcona-Springfield School Division and allow it to remain as a whole or to consider immediately convening the Board of Reference to decide the matter.

THAT on November 8, 2001, the Minister of Education (Mr. Caldwell) announced a split in the Transcona-Springfield School Division but despite repeated requests has been unable to identify any benefits of this decision to the students and taxpayers of said school division; and

THAT this decision was not preceded by adequate public consultation as outlined in section 7 of The Public Schools Act; and

THAT this decision would result in significant hardships for the students in both Transcona and Springfield that would affect the quality of their education; and

#### Universities Property Tax

Mrs. Joy Smith (Fort Garry): Mr. Speaker, I beg to present the petition of Bronc Juskow, John Pennington, Janine Pennington and others praying that the Government of Manitoba consider ensuring that local property and education taxes do not rise as a result of the offloading of provincial responsibilities onto the City of Winnipeg, the City of Brandon, Fort Garry, Assiniboine South, Winnipeg One, St. Boniface and St. Vital school divisions.

THAT the proposal by the Minister of Education on February 12, 2002, neither alleviates nor remedies these hardships; and

THAT this decision results in an increased financial burden on the taxpayers of both the Transcona-Springfield School Division and the province of Manitoba; and

THAT on March 13, 2002, the number of resident electors required by The Public Schools Act requested the Minister of Education to convene a Board of Reference to decide the matter.

### READING AND RECEIVING PETITIONS

#### Transcona-Springfield School Division

Mr. Speaker: The honourable Member for Springfield (Mr. Schuler), I have reviewed the petition and it complies with the rules and practices of the House. Is it the will of the House to have the petition read?

WHEREFORE YOUR PETITIONERS HUMBLY PRAY THAT the Legislative Assembly request the Minister of Education to reverse the decision to split the Transcona-Springfield School Division and allow it to remain as a whole or to consider immediately convening the Board of Reference to decide the matter.

Some Honourable Members: Yes.

### Universities Property Tax

**Mr. Speaker:** The honourable Member for Fort Garry (Mrs. Smith), I have reviewed the petition and it complies with the rules and practices of the House. Is it the will of the House to have the petition read?

**Some Honourable Members:** Yes.

**Mr. Speaker:** The Clerk, please read.

**Madam Clerk (Patricia Chaychuk):** On January 11, 2002, the Government of Manitoba announced a five-year phased-in property tax plan for four of the province's universities.

The Government of Manitoba's plan shifts the universities' property tax bill directly onto the taxpayers of Winnipeg and Brandon.

\* (13:35)

The cost to the City of Winnipeg for 2002 will be \$1.3 million, rising to \$6.64 million in 2006, for an accumulated loss of \$19.9 million over five years.

The loss of almost \$20 million over five years will have negative consequences for the City of Winnipeg's efforts to lower property taxes and make Winnipeg more competitive.

While all taxpayers in Winnipeg will be adversely affected, those taxpayers residing in the school divisions of Fort Garry, Assiniboine South, St. Boniface, St. Vital and Winnipeg No. 1 will also see increases in their local education taxes.

The Fort Garry, Assiniboine South, Winnipeg No. 1 and St. Boniface school divisions will lose \$1.86 million in total this year, rising to \$9.34 million in 2006, for an accumulated revenue loss of \$28 million over five years.

The Government of Manitoba has made it clear that it will not in any way make up the loss of tax dollars the universities currently pay to municipalities and school divisions.

We petition the Legislative Assembly of Manitoba as follows.

We request the Government of Manitoba to consider ensuring that local property and edu-

cation taxes do not rise as a result of the offloading of provincial responsibilities onto the City of Winnipeg, the City of Brandon, the Fort Garry, Assiniboine South, Winnipeg No. 1, St. Boniface and St. Vital school divisions.

### MINISTERIAL STATEMENTS

#### Flood Forecast

**Hon. Oscar Lathlin (Minister of Conservation):** Mr. Speaker, I have a statement to make to the House.

I rise today to update the House on the flooding that continues to affect areas of southern Manitoba. Floodwaters are generally declining across the flood zone, however some increases will occur during the second crest due to inflows from the United States which are expected to cross the border beginning approximately June 23.

The water levels being experienced on the Roseau River, 25 miles upstream from Manitoba and Ross, Minnesota, are about 50 percent higher than the previous records that were set there in 1950. This should provide some indication of the volume of water we will have to deal with in the coming weeks.

Although we are not expecting further rises in the Red River, Rat River and Joubert Creek, it is clear that southeastern Manitoba's flood season is not over. The provincial government is continuing to work with communities and local governments to assist with people who have been affected by the flooding.

We are working in close conjunction with local governments to provide resources in dealing with floodwaters and we are also coordinating assistance efforts by the many agencies that have come forward to help. We have held community meetings in Vassar, La Broquerie and Vita. Understanding how stressful these situations can be, we will continue working to provide residents with current information as quickly as possible.

While the decline of water levels in some areas has helped in keeping roads open, a number of provincial highways remain closed.

The water level on the Red River in downtown Winnipeg has reached 17 feet. There is considerable concern regarding basement flooding in the city. Thunderstorms later today may produce 20 to 30 millimetres of rain in a band from the Manitoba-Ontario border south to the United States.

Therefore, the Winnipeg Floodway Committee has recommended that the Winnipeg floodway control structure be operated today. Accordingly, the floodway gates were activated at 1 p.m. today to provide necessary protection to the city of Winnipeg. The activation will produce an upstream rise of less than one-half foot. Notice is being provided to municipalities and individuals upstream of Winnipeg.

Mr. Speaker, floodwaters of this magnitude need to be treated with caution and an incident where a boat capsized in St. Malo is a painful reminder of that. Fast-moving and cold rivers need to be respected and navigated very carefully at all times, particularly when rivers are elevated and unpredictable. I hope Manitobans will take this as a reminder of the need for caution whenever we approach the water. The RCMP, the Office of the Fire Commissioner and local emergency responders are continuing the search following a suspected drowning Sunday evening at St. Malo on the Red River.

\* (13:40)

**Mr. Jack Penner (Emerson):** I thank the minister for the statement and the update of the flood situation in southern Manitoba. The pain of the reality of the flood is starting to set in in many homes where people have been given the opportunity to move back in and start the clean-up process. The damages that have been caused by this flood are very significant.

One has no knowledge yet of what the actual amount of damage will be in amount of dollars. However, we do know the pain and suffering that has already been caused will be extended for some period of time till these people get their properties rebuilt and reinstated.

Many of them are starting to ask questions. Many municipalities are starting to ask questions. The questions they are asking: Will we be

compensated as they were during the 1997 flood in the Red River Valley? The questions are: Will programs such as the JERI program be reinitiated in the province of Manitoba in 2002, as it was in 1997? Will the damages that have been caused to crops that no crop insurance coverage levels can ever insure, will they receive special consideration in respect of the huge damages that have been caused? The damages that have been caused to the infrastructure, will the municipalities be compensated?

Many of the municipalities are telling me they are still waiting for the final payout of the flood two years ago from the Province of Manitoba. They have not yet been paid. They say: Will we have to wait that long again for this flood compensation to kick in and be paid out?

I think the provincial government owes many people an answer. The sooner that answer can be provided, the lesser the pain will be of the dramatic event we have just experienced and in many areas are still experiencing. We hope the Gardenton Floodway will hold when the peak levels from Roseau, Minnesota, hit this area. We hope there will be no further cause for flooding. We hope that people will use common sense and not open up areas that would cause extensive further flooding in this event.

Again, I thank the minister for the update and certainly wish him well in his endeavours to deal in a dramatic way to ensure and give a level of comfort to those people who have been affected by the flooding.

**Hon. Jon Gerrard (River Heights):** I ask leave to speak to the minister's statement.

**Mr. Speaker:** Does the honourable member have leave? Leave has been denied.

## INTRODUCTION OF BILLS

### Bill 36—The Drinking Water Safety Act

**Hon. Dave Chomiak (Minister of Health):** Mr. Speaker, I move, seconded by the honourable Minister of Justice (Mr. Mackintosh), that leave be given to introduce Bill 36, The Drinking Water Safety Act; Loi sur la qualité de l'eau potable, and that the same be now received and

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

***Motion presented.***

**Mr. Chomiak:** The Drinking Water Safety Act establishes the Office of Drinking Water and provides the legislative framework to provide for the improved protection of Manitoba's drinking water, which includes increased licensing, trading, monitoring and reporting requirements for water providers and testers, improves the powers available to officials to protect the public and allows for the establishment of a provincial database to track drinking water risks and trends.

***Motion agreed to.***

\* (13:45)

**Introduction of Guests**

**Mr. Speaker:** Prior to Oral Questions, I would like to draw the attention of all honourable members to the public gallery where we have with us 53 students from Winkler Elementary from Grade 5 under the direction of Mr. Eckhard Claassen and Mr. Lawrence Seimens. This school is located in the constituency of the honourable Member for Pembina (Mr. Dyck).

Also in the public gallery we have from Dugald School 19 Grade 6 students under the direction of Ms. Karen Luchak. This school is located in the constituency of the honourable Member for Springfield (Mr. Schuler).

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

**ORAL QUESTION PERIOD**

**Manitoba Hydro  
Export Sales**

**Mr. Stuart Murray (Leader of the Official Opposition):** Mr. Speaker, because of this Premier's irresponsible spending he is forcing Manitoba Hydro to give their Government a million dollars a day. Minister of Finance documents show that in the first three months Manitoba Hydro sales are down 12.8 percent.

I would like to ask the Premier: How can he possibly justify raiding a million dollars a day from Manitoba Hydro when their sales for the first three months are down 12.8 percent?

**Hon. Gary Doer (Premier):** The profit of \$209 million includes the first three months of this year.

**Mr. Murray:** Well, according to the Minister of Finance document that was released, it shows that Manitoba Hydro export sales are down almost 40 percent for the first three months. How can the Premier possibly justify raiding a million dollars a day from Manitoba Hydro when the Manitoba Finance Department says export sales are down almost 40 percent for the first three months?

**Mr. Doer:** The first answer is applicable to the second.

**Rate Increase**

**Mr. Stuart Murray (Leader of the Official Opposition):** Manitoba Hydro has been forced by the Doer government to take a million dollars a day from Manitoba Hydro. They forced them to write a cheque for \$288 million and Manitoba Hydro officials have admitted they do not have the money to write the cheque. So now we see Manitoba Hydro does not have the funds to fund their deficit. They are forcing them to take a million dollars a day because they need the money. Does it mean with all of these expenditures that hydro rates are going to go up, and when?

**Hon. Gary Doer (Premier):** It looks like the veracity of members opposite is contagious. Just a couple of weeks ago the Member for Russell (Mr. Derkach) stated that the Minister of Education (Mr. Caldwell) on April 23, 2002, broke the law. He did not have the mandate to amalgamate school divisions. I thought today the Leader of the Opposition would be apologizing for the Member for Springfield (Mr. Schuler) and for the Member for Russell, but, no, Mr. Speaker.

I will say this. Manitoba Hydro is not running a deficit. Manitoba Hydro, as I just said in my first answer, I do not know who writes your

questions and I do not know whether you listen to the answers, but Manitoba Hydro will make \$209 million in the '01 year. That is not a deficit. When you subtract a \$150-million bridge that is based on revenue from export sales, you are still left with a surplus at Manitoba Hydro. The only part of Manitoba Hydro, regrettably, that did not generate a surplus is the subsidiary of Manitoba Hydro called Centra Gas, a utility that was purchased by members opposite and was never put into the loan authority under the previous budgets and was never on the books. Shame on you.

### **Manitoba Hydro Export Sales**

**Mr. John Loewen (Fort Whyte):** Mr. Speaker, on a number of occasions the Minister of Finance has tried to lead Manitobans to believe that Manitoba Hydro found out about their plan to raid the coffers of \$288 million on Budget day. This contravenes sworn testimony before the Public Utilities Board that, in fact, Manitoba Hydro officials were informed in January and were running numbers.

\* (13:50)

I would like to ask the Minister of Finance, who is responsible for Hydro: Why did he go ahead and allow his Government to withdraw \$288 million from Hydro when he knew full well that Manitoba Hydro would have to borrow the full amount of the \$288 million to make the payment, and not only that, he knew that the Department of Finance had numbers that showed that during the first quarter of this year, and in fact prior to the Budget he knew that Manitoba Hydro's export sales were falling by about 40 percent?

**Hon. Greg Selinger (Minister charged with the administration of The Manitoba Hydro Act):** Well, Mr. Speaker, the Member for Fort Whyte has a two-part question. He indicates that export sales were down for the first quarter of 2002. The Premier has made it very clear, and I will reaffirm, that first quarter is the last quarter of the financial year for Manitoba Hydro and during that year they project profits of \$209 million. Out of that \$209 million a special payment will be made of \$150 million, based on the total year's experience of successful export sales.

**Mr. Loewen:** Well, Mr. Speaker, it is the minister's own department that is indicating export sales are down 41 percent.

### **Minister of Finance Conflict of Interest**

**Mr. John Loewen (Fort Whyte):** I would ask the minister: Did he not take the time to inform the Premier prior to Budget day that he had conflicting interests in attempting to manage the Department of Finance versus his conflict with managing Hydro, when he knew full well they would not only have to borrow the \$288 million but there was a good chance that Hydro's export sales were falling dramatically?

**Hon. Gary Doer (Premier):** Mr. Speaker, the Crown corporation's responsibility was under the purview of the previous Minister of Finance under the former government, Mr. Stefanson, I believe. They made decisions to increase many of the charges of some of the Crown corporations, including capital tax. We did not consider that a conflict, never alleged it, and it is not now either.

### **Manitoba Hydro Export Sales**

**Mr. John Loewen (Fort Whyte):** Mr. Speaker, I should remind the Premier that never did Mr. Stefanson dip into the coffers of Manitoba Hydro to rip out close to \$388 million.

My question to the Minister of Finance—

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

**Mr. Speaker:** Order.

**Mr. Loewen:** Thank you, Mr. Speaker. My supplementary to the Minister of Finance is: Will he just admit to Manitobans on Budget day he knew full well Manitoba Hydro did not have the financial capacity to write a cheque for \$150 million for last year's payment, let alone the full \$288 million? Will he just admit he knew they would have to go out and borrow the \$288 million, and at the same time he knew export sales were on the decline?

\* (13:55)

**Hon. Greg Selinger (Minister charged with the administration of The Manitoba Hydro Act):** Mr. Speaker, as I have said earlier, we knew that Manitoba Hydro was projecting a \$209-million year-end profit, which built on a \$270-million year-end profit the previous year, which built on \$152-million year-end profit the year before that, which built on a \$100-million profit the year before that, which built on a \$111-million profit the year before that, which built on a \$101-million profit before that, for a total of \$943 million of profits, \$461 million more than forecast. That we knew, and, on that basis, we made a decision to have a special payment from Manitoba Hydro.

Mr. Speaker, the previous government took money from Manitoba Telephone System, they took money from the lotteries in illegal borrowing, and they took money from Manitoba Hydro, and they knew it.

#### **Thomas Sophonow Wrongful Conviction Compensation**

**Mrs. Joy Smith (Fort Garry):** If there is one thing this Minister of Justice is known for it is his empty promises. The Thomas Sophonow case is a prime example. In the minister's November 5 news release, he stated, and I quote: It is also my sincere hope that compensation will help the healing process.

Mr. Speaker, can the minister advise how delaying full payment to Mr. Sophonow for over seven months is assisting in his healing process?

**Hon. Gord Mackintosh (Minister of Justice and Attorney General):** Mr. Speaker, I can confirm the promise made in November that the Province would be accepting responsibility for 40 percent of the award, as recommended by Mr. Justice Cory, a giant among jurists. The Province has indeed accepted that. I can confirm that over \$1 million has now been forwarded in respect of that to counsel for Mr. Sophonow.

We followed through on our commitment. We committed, and we delivered.

**Mrs. Smith:** Mr. Speaker, can the minister explain why Mr. Sophonow had to be re-victimized by this Government for over seven months, as the minister was more concerned

about arguing with insurance companies and city officials than resolving a miscarriage of justice, now something that is going to cost this Province even more in court costs?

**Mr. Mackintosh:** Mr. Speaker, it was legal advice with regard to continuing court costs that was a consideration in our forwarding of the Province's portion of the amount that was recommended the Province pay in respect of the tragedy of Thomas Sophonow. So I am pleased to confirm the Province has now fulfilled what it set out to do. Unfortunately, it has taken some time as a result of assuring that the appropriate body, the appropriate payor, was making the payment; that if there were parties, for example, the insurer that should in fact be paying the amount, the insurer was pursued.

\* (14:00)

A decision has been made, a decision was made by the Government, and I am pleased to confirm that now over \$1 million has flowed to counsel for Mr. Sophonow.

**Mrs. Smith:** Well, Mr. Speaker, when is this Attorney General going to show some leadership? It has taken so long to pay Mr. Sophonow all of this outstanding compensation. Surely, Mr. Sophonow cannot continue to be held hostage just because the minister cannot get his act together and get this settlement settled, because obviously it is not. It is still on the books.

Can the Minister of Justice explain why this has happened and what he is going to do about it?

**Mr. Mackintosh:** Mr. Speaker, I do not think the member has listened to the answers. I can confirm in my recommendation dated October 15, 2001, Mr. Justice Cory recommended with regard to Winnipeg that its proportion of the compensation should be at least 50 percent of the total award. With regard to the Province of Manitoba, the Province should be responsible for 40 percent of the award. With regard to the Government of Canada, it says if equity were to prevail the federal government would be required to accept 10 percent of the responsibility.

Mr. Justice Cory was there as an entirely independent observer of all of the evidence. He



is a highly regarded giant among jurists. This Government respects the recommendation from Mr. Justice Cory, not only respects it but it has followed through and has flowed the monies accordingly.

### **Gardenton Floodway Premier's Involvement**

**Mr. Jack Penner (Emerson):** Mr. Speaker, flooding is still a major concern in southeast Manitoba. Reeve David Kiansky of the R.M. of Stuartburn, the former NDP candidate in the last election for the NDP party, indicated to me he had, at the meeting at Vassar the Premier attended, approached the Premier of the province and asked the Premier whether he would look into the possibility of breaching the dike at Roseau, Manitoba.

My question to the Premier is: Did he in fact look into and did he look after and order the cutting of the dike at Roseau, Manitoba?

**Hon. Gary Doer (Premier):** Mr. Speaker, I recall the discussion on the Gardenton protection, the floodway and the commitment we made to have devices. I think we moved 12 pieces of equipment in that evening. I also recall at a subsequent meeting with the R.M.s that the reeves were concerned—this is a very important point for the member opposite. The reeve raised the issue of the fact that the R.M. could order an evacuation and the RCMP at that same meeting indicated they could not enforce an evacuation order. It was pointed out by the emergency personnel that Bill 2 in this Legislature expands that ability to enforce evacuation orders for safety purposes in the bill. So I hope we can get that moving in the House. I do not order specific culverts.

**Mr. Jack Penner:** My question to the Premier, and this is a very serious question. The breaching of a water retention dam that holds back eight feet of water is a serious matter. I ask the Premier: Did he in any way at all involve himself with the department of natural resources to instruct or suggest they should go down there and cut the dike to allow a freer flow of water from that retention area?

**Hon. Oscar Lathlin (Minister of Conservation):** I want to indicate to the member

whatever work is being carried out there with respect to the flooded areas to protect the people, property, businesses and so on, whatever remedial work needs to be done is usually at the advice of professional people in the department. As the Minister of Conservation, I rely solely on the advice of those professionals who give us the advice. I am not an engineer, so therefore I am not qualified as those engineers to go out and order changes to different projects. I leave all that work to be done by the professional people, so long as they advise us as to what they are doing. We rely on the advice of the professional people.

**Mr. Jack Penner:** Mr. Speaker, this morning at a meeting on the dam area with the three municipalities of Franklin, De Salaberry, and the reeve, the former NDP candidate had a meeting and the former reeve—

**Mr. Speaker:** Order.

### **Point of Order**

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

**Hon. Gord Mackintosh (Government House Leader):** Yes, Mr. Speaker, I certainly recognize the importance of this matter, but I think it emphasizes even more so why it is important to have the question. Would you please remind the honourable member that supplementary questions require no preamble.

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

**Mr. Jack Penner:** Well, Mr. Speaker, I think this is an extremely important issue and what is an important issue is that the reeve, the former NDP candidate indicated to the other R.M.s that he was in charge not only of his municipality but of Franklin, Stuartburn, Piney and La Broquerie, and the question that I ask is a valid one.

**Mr. Speaker:** Order. On the point of order raised by the honourable Government House Leader, he does have a point of order. *Beauchesne* Citation 409(2) advises that a supplementary question should not require a preamble. I would ask all honourable members to please

put their questions without a preamble for supplementary questions.

\* \* \*

**Mr. Jack Penner:** I would like to ask the Premier: Did he, in his conversation with the former NDP candidate and the Reeve Kiansky, give any indication that he would intervene on his behalf to open that dike?

**Mr. Doer:** There were a number of people at the meeting. All the technical information, procedures and protocols were communicated by the Southeast Regional Health director; the public health doctor; the water individual, Mr. Topping, who is responsible for water; Mr. Sanderson in charge of EMO; Mr. Anderson, who is deputy director of EMO; the Conservation staff, about water; and all areas of protocol and technical decision making were dealt with by officials at the meeting that was held with the people.

#### **Workers Compensation Investments—True North Project**

**Mr. Leonard Derkach (Russell):** My question is to the Minister of Labour (Ms. Barrett). Mr. Speaker, the Minister of Labour has repeatedly denied any discussion, or any influence, or any interference in the decision that was made by the Workers Compensation Board to invest money in True North, yet through Freedom of Information we know that four documents were sent to the Minister of Labour regarding the investment in True North. I would like to ask the Minister of Labour if she could tell the House and Manitobans the nature of these four documents and the contents of them.

**Hon. Becky Barrett (Minister charged with the administration of The Workers Compensation Act):** Mr. Speaker, the four documents in question the member is referencing were in a response that was sent to the staff of the Conservative Party, and they were advisory notes to the Government. They were dated between April 19 and May 14 and, as the member knows from his questions yesterday and last week, he received a letter from the chair of the Workers Compensation Board, Wally Fox-Decent, on May 31 saying that, and I quote: "Decisions are made by the Investment Committee without any direction or interference from government."

**Mr. Derkach:** Can the minister explain her denial of any influence or discussion about the matter when in fact, Mr. Speaker, the Deputy of the Department of Finance sits on the investment committee? Who does the Deputy of Finance report to, if not the Minister of Finance?

\* (14:10)

**Hon. Greg Selinger (Minister of Finance):** Mr. Speaker, the Deputy Minister of Finance sits on the investment committee of the Workers Comp Board at the request and support of the Workers Comp Board investment committee and acts independently of my office.

**Mr. Derkach:** Well, Mr. Speaker, if the documents that we have requested through Freedom of Information are so benign, why has the Government refused access to these documents, citing that these documents will not be released because of Cabinet confidentiality?

**Ms. Barrett:** Mr. Speaker, the documents in question were not FIPpable because they are advisory notes. They were denied pursuant to subsection 19(1)(e) of The Freedom of Information Act, which provides that a public body can not disclose the substance, including a record prepared to brief a minister.

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

**Mr. Speaker:** Order. It is Question Period, not time for debate.

#### **True North Project Private Sector Financing**

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, on May 22 the Premier in Executive Council Estimates indicated that the private-sector financing for the arena project had been fully achieved. With the news today that David Graves has withdrawn to a large extent from True North, I ask the Premier to clarify for the Legislature today whether or not private-sector financing for True North is complete.

**Hon. Gary Doer (Premier):** The statement I also made in the Estimates, both last year and this year, is that the project will be private sector driven. We remain committed to a private-

sector-driven project, Mr. Speaker. Unlike the Member for River Heights, we do not have two different positions on building an arena, one with the developers and another one with the other part of the community or the media.

We believe in downtown redevelopment. We believe this project is private sector driven. We have confidence in Mr. Chipman and his group of individuals, and we are optimistic about the future of downtown Winnipeg. That is why we are continuing.

**Mr. Gerrard:** Mr. Speaker, if it is a good project, we should be able to get clear answers.

I ask the Premier whether there will be a hold on demolition of the Eaton's building until it is absolutely clear that there is full private-sector financing in place.

**Mr. Doer:** First of all, Mr. Speaker, we do not own the Eaton's building. It is private-sectorally owned. Does the member opposite want us to go around and dictate to all the private-sector owners of buildings that they can or cannot do anything with their building?

Secondly, I would like to remind the member opposite on his changed position. On May 16, 2001: I rise to compliment Mr. Chipman and the three levels of government for the exciting Winnipeg True North arena proposal. Their arena proposal can be an important step in the revitalization of downtown Winnipeg.

He goes on to say: This will be a "chance to provide for a major facelift for downtown Winnipeg with the development of this arena comes only once in several decades."

Shame on the Member for River Heights for taking two different positions on this proposal.

**Mr. Gerrard:** Mr. Speaker, as new facts and concerns emerge, it is important to be able to reassess the situation.

I would ask the Premier: In this circumstance where private sector financing is a question, why is the Premier still committed fully to providing all the public sector financing?

**Mr. Doer:** Mr. Speaker, the member opposite will know the statement he made in May

supporting the project in letters that he wrote to Mr. Chipman, he contradicted that. When Christine Common-Singh put out a press release, he jumped to get behind that parade. You cannot follow two different parades going in opposite directions. That means you have two different positions on the same project.

So do not for a moment say it is because of today's headline. You took a different position from May until October, and we are keeping track of your duplicitous positions on this downtown arena.

Now, Mr. Speaker, the term sheet has not been amended. The term sheet has been tabled in this House, was commented on glowingly in this House 12 months ago. This project is designed to be public-sector contributions. We put \$13 million in, we get \$11 million back in return, but it must be private sector driven.

We have said that over and over again. The present structure of this proposal requires a considerable amount of private-sector money. If one individual decreases their investments other individuals must increase their investments.

Having said that, we, the City of Winnipeg, and the federal Liberal government remain committed to rebuilding downtown Winnipeg. We do not have two positions on the same building. We are going ahead, but it must be private sector driven, and I am confident it will be.

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

**Mr. Speaker:** Order. I have risen so many times in Question Period lately. I am going to ask the co-operation of all honourable members. I am not going to resort to start yelling aloud order, order. The public is viewing the actions of all honourable members, and I am not going to start shouting, shouting, shouting. I have asked for order. I have asked for co-operation. We are all adults, and we are all responsible members.

I will once more ask for full co-operation. We have 40 minutes for Question Period. The longer the disturbances, the less questions we get to ask. I hope I have the co-operation of all honourable members in the future.

### School Divisions Amalgamation Benefits

**Ms. Nancy Allan (St. Vital):** My question is to the Minister of Education, Training and Youth. Over and over again, the doom-and-gloom MLAs for Fort Garry (Mrs. Smith) and Tuxedo (Mrs. Stefanson) have said mistakenly, Mr. Speaker, mistakenly, that there is no benefit to amalgamation.

**Mr. Speaker:** Order.

### Point of Order

**Mr. Speaker:** The honourable Official Opposition House Leader, on a point of order.

**Mr. Marcel Laurendeau (Official Opposition House Leader):** Could you remind the honourable member that all members are honourable members in this Chamber, Mr. Speaker.

\* (14:20)

**Mr. Speaker:** On the point of order raised, the honourable member does have a point of order. When making reference to members, all members are honourable members, and they should be referred—

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

**Mr. Speaker:** Order. The honourable member does have a point of order. When members are making a reference to other members in the House, they are supposed to address the members by their constituencies and ministers by the portfolios they hold. I would like the full cooperation of all honourable members.

I would kindly ask the honourable Member for St. Vital to withdraw "doom-and-gloom members for Tuxedo and Fort Garry" at this time.

**Ms. Allan:** Mr. Speaker, over and over again, the MLAs—

**Mr. Speaker:** Order. I ask the honourable Member for St. Vital if she would withdraw the words "doom-and-gloom members for Tuxedo and Fort Garry" and then continue on with her question.

**Ms. Allan:** Absolutely, unequivocally, I will withdraw the words "doom and gloom."

**Mr. Speaker:** I thank the honourable Member for St. Vital.

\* \* \*

**Mr. Speaker:** The honourable Member for St. Vital has the floor on the questions.

**Ms. Allan:** Over and over again, Mr. Speaker, the MLAs for Fort Garry (Mrs. Smith) and Tuxedo (Mrs. Stefanson) have said mistakenly there is no benefit to amalgamation, and over and over again the Minister of Education has said the benefits to amalgamation will be determined at the local level.

Could the minister update the House on the benefits of amalgamation between Assiniboine South and Fort Garry school divisions?

**Hon. Drew Caldwell (Minister of Education, Training and Youth):** Mr. Speaker, it is an opportune time to praise the good work of trustees and administrators in the Fort Garry School Division and the Assiniboine South School Division, because children in those school divisions will benefit from amalgamation.

We need look no further than today's *Winnipeg Free Press* under the headline Assiniboine South kids get a break on busing, and I quote: Children throughout Assiniboine South School Division will no longer pay \$35 a month to ride the school bus next fall, thanks to amalgamation with Fort Garry School Division. The story goes on to read: Assiniboine South also plans several program improvements for the fall.

These decisions are locally made by trustees who are responsible for putting the interests of children first. I urge members opposite to do the same, put the interest of children first and get Bill 14 before committee.

### Workers Compensation Investments—True North Project

**Mr. Mervin Tweed (Turtle Mountain):** Mr. Speaker, we know that the Workers Compensation Board has been asked and has put forward a \$7.5-million standby line of credit for the True North project.

I would like to ask the Minister of Labour (Ms. Barrett) if any or all of that money has been flowed.

**Hon. Becky Barrett (Minister charged with the administration of The Workers Compensation Act):** Mr. Speaker, I would like to take this opportunity to again suggest to the members opposite that they take advantage of the May 31 letter from the chair of the Workers Compensation Board, Professor Wally Fox-Decent, who offered to brief any and all members of the Opposition as to the status and the background of the \$7.5-million line of credit. I urge the members to take advantage of Professor Wally Fox-Decent's very generous offer.

The answer to the specific question is no.

**Mr. Tweed:** On a new question, Mr. Speaker.

**Mr. Speaker:** The Member for Turtle Mountain, on a new question.

**Mr. Tweed:** Mr. Speaker, can the minister inform the House and all Manitobans if the True North project is using the \$7.5 million that has been issued as a standby line of credit as a guarantee to seek the lost private investments announced earlier today?

**Ms. Barrett:** Mr. Speaker, Professor Wally Fox-Decent is the chair of the Workers Compensation Board. He very generously offered to fully brief the Opposition on all of the details of the standby line of credit. I would like to quote the letter that went to the Leader of the Opposition (Mr. Murray). Unfortunately, it did not go to the de facto leader of the Opposition, the Member for Springfield (Mr. Schuler), but he could have access to this. In this letter, it says, and I quote: Decisions are made by the—

**Mr. Speaker:** Order.

#### Point of Order

**Mr. Speaker:** The honourable Official Opposition House Leader, on a point of order.

**Mr. Marcel Laurendeau (Official Opposition House Leader):** On a point of order, Mr. Speaker, *Beauchesne* 417: Answers to questions

should be as brief as possible, deal with the matter raised and not provoke debate.

It is very simple. If the minister does not know the answer, all she has to do is say no.

**Mr. Speaker:** On the point of order raised by the honourable Official Opposition House Leader, he does have a point of order; *Beauchesne* 417: Answers to questions should not provoke debate.

\* \* \*

**Mr. Speaker:** The honourable Minister of Labour and Immigration, to conclude her answer.

**Ms. Barrett:** Thank you, Mr. Speaker. The Member for River East (Mrs. Mitchelson) asked from her seat who is in charge, and who is in charge of this \$7.5-million standby line of credit is the Workers Compensation Board investment committee. The chair of the Workers Compensation Board offered to brief the members of the Opposition fully. If they do not want to take advantage of it, if they want to take cheap pot shots and make off-the-record, negative comments about the chair of the Workers Compensation Board, on their heads be it. Clearly, they do not care about the development of downtown Winnipeg.

**Mr. Tweed:** Mr. Speaker, it is pretty obvious the Minister of Labour is not in charge of the Workers Compensation Board or the compensation fund. Maybe I should ask the de facto premier of Manitoba, Mr. Wally Fox-Decent, whom this minister is using as a pawn in her game with the Workers Compensation Board.

I ask her again, a very simple question to the minister: Is she using the \$7.5-million standby line of credit from the Workers Compensation Board as a guarantee to private investment, as they are seeking private investment as was lost today in the announcement?

**Hon. Gary Doer (Premier):** To have that kind of language posed by the members opposite dealing with an individual that has worked for Duff Roblin, the word "pawn" was used—

**Mr. Speaker:** Order.

### Point of Order

**Mr. Speaker:** The honourable Member for Turtle Mountain, on a point of order.

**Mr. Tweed:** On a point of order, Mr. Speaker, *Beauchesne* 417, that the Premier should not provoke debate. It was his Government that brought Wally Fox-Decent into this debate in this House by asking and urging him to write a letter on their behalf.

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

**Mr. Doer:** Mr. Speaker, on the same point of order. The word "pawn" was used in connection to Mr. Fox-Decent, or puppet. I will look at Hansard, but it was a very disparaging comment about his character.

This individual has been the chair of Workers Compensation with the previous government. We respect his abilities and have kept him on as chair on behalf of the employers and employees of Manitoba. He worked for former Premier Duff Roblin. I served with Wally Fox-Decent on the Meech Lake Task Force, an all-party committee. I was proud to do that. Mr. Speaker, the member from The Pas served with him on the Charlottetown Accord. Manitobans have been proud to see him solve many labour-management disputes. I do not think his integrity should be put into question by members opposite. That is my point of order. People should not be denigrated in this Chamber by members opposite, I think, for political purposes.

\* (14:30)

**Mr. Speaker:** On the point of order raised by the honourable Member for Turtle Mountain, I would like to take this opportunity to remind all honourable members that points of order should not be used to debate or rebut points that are made by members.

On the point of order, he does not have a point of order.

\* \* \*

**Mr. Speaker:** The honourable First Minister, to conclude your comment.

**Mr. Doer:** I would suggest members opposite meet with Mr. Fox-Decent, as he has offered. He is a person whom I have always respected and I will continue to respect.

### Workers Compensation Investment Committee Composition

**Mr. Leonard Derkach (Russell):** Mr. Speaker, the sadness of this entire situation is that the minister and the Premier both refuse to answer the questions. They both mislead the House in terms of the details of this issue.

I want to ask the Minister of Labour (Ms. Barrett) about the investment committee. My information is there are three members on the investment committee: one Mr. Wally Fox-Decent, one Mr. Cal Roberts and one Mr. Pat Gannon. The adviser to the investment committee is Mr. Sherman Kreiner, who is the chair of the Crocus Fund.

Mr. Speaker, I want to ask the Minister of Labour whether in fact Mr. Sherman Kreiner also gets a vote on the investment committee.

**Hon. Becky Barrett (Minister charged with the administration of The Workers Compensation Act):** Mr. Speaker, the investment committee composition is directed by The Workers Compensation Act, which was in place when the former government was in place.

No, the adviser does not, to the best of my understanding, get a vote. But, again, the person who knows the details, who can give the accurate answers, the person whose credibility and integrity have been sadly maligned here in the Chamber, is the one the Opposition refuses to talk to because they do not want to know the real, accurate truth. They do not want to support the development of downtown Winnipeg. They are using one of the finest Manitobans of our generation for their own partisan, political purposes. Shame on them.

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

### Speaker's Ruling

**Mr. Speaker:** I have a ruling for the House.

Order. While we are waiting for the rulings to be delivered, I would like to once more remind all honourable members, when a Speaker stands, all members should be in their seats and the Speaker should be heard in silence.

The reason I do this is that it would be totally unfair to make a ruling on an individual if they are not in the House. That is why I do this right after Question Period. I stand so the individuals that need to be here—hopefully everyone stays so they will be in their seats—will still be here. That is the reason I do that.

During Members' Statements on June 11, 2002, the honourable Member for Interlake (Mr. Nevakshonoff) raised a point of order regarding comments said by the honourable Member for Lakeside (Mr. Enns) while speaking on a member's statement. The honourable Member for Interlake asserted that the honourable Member for Lakeside had called him a Neanderthal and also asserted that the Member for Springfield (Mr. Schuler) had referenced the Member for Interlake as being the member from Albania. The honourable Official Opposition House Leader (Mr. Laurendeau) also spoke to the point of order. The Deputy Speaker took the matter under advisement in order to peruse Hansard.

On page 2399 of Hansard, the honourable Member for Lakeside is recorded as stating the following words during his member's statement: "to forget about the Neanderthals in her party, like the Member for Interlake and others who are there trying to scare the general public—" I would note that the honourable Member for Lakeside, in speaking in debate on June 13, voluntarily withdrew the words complained of. I believe this concludes that part of the point of order.

Also on page 2399 of Hansard, the words "The honourable member from Albania." do appear in Hansard. However, the comments are not attributed to any particular honourable member. Given that the words were not attributed to a particular member and given that the Member for Springfield did not identify on the record whether he did or did not say those words, I cannot call upon the honourable Member for Springfield to withdraw. I would, however, like to remind all honourable members that we should be temperate in our choice of language, particularly when referring to other members.

## MEMBERS' STATEMENTS

### Community-Based Language Training Programs

**Mrs. Joy Smith (Fort Garry):** Mr. Speaker, on May 9, women from more than a dozen countries gathered at the Mary Mother of the Church parish where they were honoured for their participation in the community-based language training programs.

At the award ceremony, 15 of the 30 language students received certificates for attending 100 hours or more of classes and 2 more received achievement awards for perfect attendance. By providing transportation and babysitting, the program has encouraged women to attend classes as often as three times per week since last September.

Mr. Speaker, many immigrant women with children face additional difficulties when trying to learn a second language. While their husbands may be able to practise English at their place of work, immigrant wives are often left at home to be the primary caregivers to their children. By offering babysitting and transportation and also the option to take courses in various locations across the city, community-based language training programs are able to extend their services to a segment of our population that would otherwise not be able to participate in these programs.

Students in the programs learn many practical language skills such as how to explain a child's symptoms to a doctor. The classes also cover practical skills such as using a bank machine, reading a bus schedule and how to use the telephone to make appointments.

Improving their English gives many of the women in this program more confidence to make friends, to get involved with their children's schooling and to adapt to life in Canada. I would like to take this opportunity on behalf of the PC caucus and myself as MLA in Fort Garry to congratulate all of those who take part in the community-based language training programs for all of their hard work and dedication. Your efforts are truly commendable. Congratulations on your spectacular achievements.

### Deer Lodge Centre Retirement Luncheon

**Ms. Bonnie Korzeniowski (St. James):** It is with great pleasure and pride that I stand to

speak of a recent event held at Deer Lodge Centre. On May 23, Deer Lodge Centre administration successfully hosted the first annual retirement luncheon. It was a heartwarming event which I was honoured to attend, not only as the centre's local MLA, but also as a Deer Lodge employee myself.

Luncheon invitations were sent out to 120 retirees as well as to those employees currently working at Deer Lodge with 30 or more years of service. I was happy to see that 84 retirees and 7 long-service employees were able to make it to the event. There they were honoured with a lunch put on by Deer Lodge Centre's own Dietetic Services under the supervision of Robyn Bernhard.

At this prestigious gathering Tim Duprey, CEO; Diane Peterson-Razos, Veterans Affairs Canada; Denise Koss, Deer Lodge Centre board chair; Michael Spiers, Assistant CEO, and myself each brought our greetings.

Mr. Speaker, I would like to take this moment to congratulate the 10 long-service employees who were honoured: Jan Bremner, 40 years; Terry Slator, 37 years; Penelope Wilwand, 35 years; Susan Cancilla, 34 years; Janice Saunders, 30 years; Edith Stephenson, 30 years; Cynthia Klinkhammer, 30 years; Ronald Hawryshok, 30 years; and Julita Mah, 30 years. Congratulations to them all.

Also of significance to the luncheon was that it was held in their new conference area, the Life and Learning Centre. To cap off a great day of renewing acquaintances and fellowships, 25 people went home door-prize winners, taking with them a sweatshirt, T-shirt or coffee mug emblazoned with the Deer Lodge Centre logo. Memorabilia had been set up in the foyer for all to enjoy.

Mr. Speaker, the day was a great success, and I am happy to hear that this will now become an annual event. My congratulations to the administrative team and all who organized this production. I look forward to next year.

\* (14:40)

### **55-Plus Games**

**Mr. Peter Dyck (Pembina):** This morning I had the opportunity to attend the opening ceremonies

of the 20th Annual MSOS 55-Plus Games. They were held in the Morden Recreation Centre in Morden. There were a number of people out there, and I just want to highlight a few of them. First of all, for the last 15 years the 55-Plus Games have been hosted by various rural communities, and we expect over 1400 people to visit the Morden area this year. I also trust that the people who are giving the hospitality out there such as those who own the local hotels, restaurants and businesses will continue to demonstrate the tremendous accommodations that they have and also be able to give their friendship to the people who are visiting the area.

I must mention at this point in time that the chair of the games, who is Dr. Jim Menzies, indicated that it was fun, friendship and fossils. Of course, with the 55-plus the inference was that these were possibly older people. However, he corrected that. He said: We welcome everyone to come to Morden to see the museum, that is where we house all the fossils. So this had nothing to do with the lively young people who were 55 years and older who were participating in these games.

I also just want to give a special thank you to Dr. Jim Menzies; he was the chairman of the Morden host committee, Co-Chair Donna Barnet, 55-Plus Games Co-ordinator Lois Dudgeon and two very hardworking volunteers, Bert and Sally Chubey. They have contributed a great deal of their time and effort to make this event a success.

So, with that, Mr. Speaker, I just want to thank all the volunteers who worked so hard, and they will have three great days of fun. Thank you.

### **NOR-MAN Regional Health Authority**

**Mr. Gerard Jennissen (Flin Flon):** Mr. Speaker, I rise today to say how pleased I am to report that the NOR-MAN Regional Health Authority has been awarded a three-year Accreditation Award. The Canadian Council on Health Services Accreditation, CCHSA, gave the NOR-MAN Regional Health Authority the Accreditation with Report.

In the accreditation process, the RHA's services were measured against and compared to



national standards. The CCHSA survey particularly praised the NOR-MAN RHA for its introduction of Quality Scorecards based on the CCHSA's four quality dimensions.

The report stated that the "scorecard is now a model for Manitoba and is being used as a prototype by other regional health authorities." As well, the CCHSA reported that the RHA staff felt that communication had improved greatly in the last two years.

Once again, I thank the NOR-MAN Regional Health Authority on their striving for continued improvement in the delivery of health services, their ongoing dialogue with stakeholders and their unstinting efforts in providing quality health services to northwestern Manitobans.

I thank all those involved in making this accreditation award possible. I acknowledge the hard work done by the NOR-MAN Regional Health Authority health care professionals, staff, the board, board Chair Linda Lautamus and CEO Drew Lockhart. Congratulations. Thank you, Mr. Speaker.

#### **Volunteerism—Flood Protection**

**Mr. Jack Penner (Emerson):** Mr. Speaker, I want to rise today and pay tribute to the tremendous number of volunteers who have pitched in and shown their true hearts in supporting their friends and their neighbours during times of need. I want to pay tribute to all those people who served food and drinks at those events where flooding occurred and flood protection was necessary, all the people who helped sandbag and indeed all the people who helped prevent disasters further than what we have seen so far.

I want to also thank the people who provided the lodging for those who had to be moved out of their homes. I want to say to all the members of this Legislature I think we should be very proud to represent the people of Manitoba who not only are willing to give of themselves in times of need but truly give from the heart.

I think that was demonstrated over and over and over again in all the communities from La

Broquerie to Middlebro on the east side, from Middlebro all the way to Plum Coulee and back again, and indeed all the communities that were inundated with water such as Marchand, such as Sprague and the communities at Moose Lake, and with the difficulties that they had when the bridges went out and they were not able to move from one community to another.

Yet, even though emergencies occurred, emergency services were provided by the volunteer fire brigades and by volunteers who provided medical services in those areas, and indeed I think that is a memento that will seldom ever be forgotten in the province of Manitoba.

I also want to say that it is time now for this Province, the provincial government, to step up to the plate and make the announcements that they are looking for to ensure that they will receive the kind of treatment that was received by the people of Manitoba and southern Manitoba when the Red River flood was on.

### **ORDERS OF THE DAY**

#### **GOVERNMENT BUSINESS**

##### **House Business**

**Hon. Gord Mackintosh (Government House Leader):** Mr. Speaker, would you canvass the House to see if there is leave to sit after private members' hour, from six to ten, to deal with Bill 14.

**Mr. Speaker:** Is it the will of the House to cancel private members' hour to sit from six till ten?

**Some Honourable Members:** No.

**Mr. Speaker:** No. There is no agreement.

**Mr. Mackintosh:** Mr. Speaker, would you please call debate on second reading on Bill 14.

**Mr. Speaker:** The honourable Member for Springfield, on a point of order?

**Mr. Ron Schuler (Springfield):** No. I am asking for leave, Mr. Speaker, to call Bill 29, The Engineering and Geoscientific Professions

Amendment Act, and Bill 30, The Architects Amendment Act, for debate and then move them on to committee.

**Mr. Speaker:** Order. Orders of the Day is to deal with government business, and it is up to the Government which bills are to be called. So the honourable member does not have the ability to ask for a bill to be called.

**Mr. Marcel Laurendeau (Official Opposition House Leader):** On House business, Mr. Speaker, I understand the urgency sometimes to pass bills, because we often have a large number of bills. We have co-operated in the past, as we did on Bill 9, because we saw that there was a reason that Bill 9, The Canadian Forces Personnel (Amendments Relating to Voting Rights and Driving Privileges) Act, should be passed and put through this House so that these privileges could be passed on to our armed forces. May 2, we passed it through the House, yet today we have not heard of a committee being called for this bill.

Seeing as there was an urgency, could the House Leader inform the House when Bill 9 will be going to committee?

**Mr. Speaker:** Order. Negotiations between House leaders is not usually done on the floor of the Chamber. I would ask both House leaders that they please not negotiate House business on the floor of the Chamber, but if the honourable Government House Leader wishes to respond, he has that ability.

**Mr. Mackintosh:** Let us put on the record, Mr. Speaker, that we are very eager to see Bill 14 go to committee so that there can be public representations made on that bill. We are asking the Opposition to respect the interests of moving this bill forward.

#### DEBATE ON SECOND READINGS

##### Bill 14-The Public Schools Modernization Act (Public Schools Act Amended)

**Mr. Speaker:** Resumed debate on second reading of Bill 14, The Public Schools Modernization Act (Public Schools Act Amended), and the proposed motion of the honourable Member

for Lac du Bonnet (Mr. Hawranik) in amendment thereto, standing in the name of the honourable Member for St. Norbert (Mr. Laurendeau), who has 18 minutes remaining.

**Mr. Marcel Laurendeau (St. Norbert):** Mr. Speaker, let me start by stating a line from a member across the way. The line was said a year ago, and it said: Assured school trustee that there would be no forced amalgamation. That is not the Manitoba way. Those were the words spoken by our Premier (Mr. Doer). That is not the Manitoba way. Then why is this Premier turning around and allowing his minister to force this amalgamation?

Mr. Speaker, there were amalgamations in the process throughout the province. There were school divisions that were agreeing to amalgamation, and they were blending together and becoming as one. This minister decided upon himself and a few of his back-bench colleagues—*[interjection]* Upper benchers as we used to call them—upper benchers to bring an act that would force amalgamation. Seeing as the Premier disagreed with this, and he stated so only a year ago that there would be no forced amalgamations, that it is not the Manitoba way, why is the Premier not removing this minister from this portfolio? This minister is not even following the guidance of his First Minister. His First Minister made a very clear statement to the school trustees that that was not the Manitoba way, so how can this minister disagree with his minister and still remain in his seat?

Mr. Speaker, I am starting to understand where this Government is coming from. Each day we see the House leaders stand up and try to move things without negotiations. Yet, when we negotiated in the past on bills—and we did on previous bills, including Bill 9, which has now been waiting since May 2 to get to committee—what do they do? They hold it up.

\* (14:50)

I guess they have something against the armed forces, because we have asked for it to go to committee, and it cannot go to committee. Mr. Speaker, we have asked for other bills to go to committee on mining, so the mining industry on the diamonds could have that bill brought

forward, but, no, they are worried about this minister, so they refuse.

Mr. Speaker, we are prepared to pass the bill for the architects. Will they bring it forward? No, because they want to hear about Bill 14. Well, let this Government know that they will hear about Bill 14 from now until probably December, because this bill will not go to committee. This bill will not see the light of day, because we as the Opposition have a job to do. Our job is to see that we critique the types of legislation that this Government is bringing forward.

Mr. Speaker, the people out there are not supporting it. The only ones who are supporting it are the ones who this minister has put the fear of God into, that if they do not write the letters on his behalf he will fire them. This is the way this minister works.

So, Mr. Speaker, how is it we can turn around and force trustees to write letters, and if you do not write the letters, we will fire you? We can draw the school division boundaries where we want, with the line we want and with every crayon we want. It does not matter as long as it does not affect an NDP riding, because if it affects an NDP riding, we cannot put the boundary there, not unless we have total co-operation, or there is a benefit to that riding.

We know that because if there was a benefit to that riding, we heard about it in this House from members across the way. Members across the way always made sure they pointed out that there was a benefit to their ridings when some of these amalgamations were being done, and, in some cases, it was just, well, we are getting even with the riding next door because they have done it to us for years on in the past.

Mr. Speaker, being in government is not about being vengeful, and yet that is what this Government seems to be doing. It is called get even. Let us get even for the 10 years when we were in opposition. Let us get even, and make sure that we punish them for everything they did to us in the past.

Mr. Speaker, we did not do anything in the past to these members across the way. I do not feel it is fair that they turned around and used

this type of politics against us today. Our municipal taxes went down in my riding, but my school taxes went up. The school taxes went up dramatically in my riding. As a matter of fact, they went up so dramatically we ended up having an increase instead of a decrease in a lot of cases.

Mr. Speaker, that is the decrease when you use NDP math. I cannot understand where this Minister of Education (Mr. Caldwell) is coming from when he has the people at MAST, the Manitoba Association of School Trustees, sending him a letter only yesterday, after having discussions with him back on June 4 and explaining to him that the process that he was undergoing was flawed.

Mr. Speaker, he was advised that it was flawed, yet he still continues on this path. MAST informed the minister that he did not need this legislation, that he could do everything he wanted just by using the Norrie report, which is one of the things that the minister keeps standing on in this House and saying I am using the Norrie report. Why is this minister so willing to sacrifice certain ridings for others?

Mr. Speaker, here is a minister who says I am going to pass this legislation, and not only that, I am going to make sure that I shut it down in the House so that I could move it ahead; and then after that, I am going to make sure nobody can challenge me in the courts. *[interjection]* That is better. Theresa must have dressed you today. I could tell. *[interjection]* Good.

Mr. Speaker, if we take a sampling of boards across the province that are being amalgamated, yes, there are some benefits to some of them, but some of them were already into the volunteer amalgamation. Some of the boards which this minister is now attempting to bring together and marry together, sort of like a shotgun wedding, you know, you are forcing them together. This minister is standing there and saying you will be married. I want to advise you that I would not doubt if there could be an annulment in a few years, because—mind you, I think he will make it so that an annulment is not allowed. He will probably make it that you cannot even have an annulment. I do not think the courts can look at it.

This is better than any marriage in any church, because this is for life. Because this minister says so. I am telling you we are really going all the way here now. We are making sure that this lasts forever. You cannot have a court challenge. I am just wondering if we ever got back to the board of revisions, if this could go there or if he would block that as well.

The people have to have an opportunity to speak. Their voices have to be heard. Why is this minister so afraid to go out and use the process that is available to him today in the existing legislation? He has not risen in his place and given us that. He has not told us the reasons why he does not want to see the people on this. Instead they went out to their own little ridings and had some talks behind the scenes and said, let us have our little reunions and let us see what is going on, but did they come out to Fort Garry? Did the minister come out to Fort Garry and see us? No, he did not. He did not ask us. If he had asked us there would have been some other questions that would have been brought to his attention that we had some concerns with within the school divisions. It would have been some of it in the Seine River and some of it in the Fort Garry.

The minister was not there. He was not there to talk to the people. He was not there to talk to the school trustees. He is being very dictatorial in deciding what is best for education in Manitoba.

The First Minister stated that this is not the Manitoba way and we will not force amalgamation. I am waiting for this minister to tell us when the First Minister changed his mind. From last year till now, when did the First Minister change his mind? When did the First Minister tell this minister: I want you to go out and force the amalgamation? I want you to go out and create some divisions that will assist us in creating more divisions in the real world? That is what he has done. He has created divisions within divisions, because now you are going to see these marriages, these shotgun marriages, in some cases are going to have some very difficult times over the next two to three years.

If he had taken his time and done as the Norrie report said, and laid it out and said, let us

do the structure and lay it out over a three-year period, I think it might have worked. He could have had those voluntary amalgamations. He could have put in place the process that would have brought those that did not want to come into the amalgamations into the system. He did not need this legislation. He could have done it with due process by giving the people the opportunity to speak out on the issue.

If you look at the defined process, the guidelines, amalgamation efforts have created tremendous stress and enormous workloads for division administrators and trustees. Look at the costs that have been put on the school divisions alone right now. We know that they do not have to do that. Actually, the only reason they are doing it is because the minister has threatened them. He sent them a memo and said you shall amalgamate.

If you look at the courts, yesterday the courts said there is no amalgamation. They have ruled that there has been no amalgamation. They are saying that until this bill is passed there is no amalgamation. The only problem is, once the amalgamation is concluded in the way the minister is doing it, again those people will be silenced because this bill makes sure they cannot go to court to challenge the new divisions established by the Minister of Education.

The scope of Bill 14 extends far beyond the current round of school divisions and district amalgamations of Manitoba. In effect, provisions in the bill transfer from school boards to minister significant decision-making authority in regard to the budget and to the program and service delivery. We do not necessarily want the minister deciding every program that is going to be offered in our schools. That was under the autonomy of the school boards in the past, but now, with this bill, over the next three or four years this minister will have an opportunity to take a look at our budgets and say, no, you are not within the budget, and we want this out, we want this out. Yet this minister and his Finance Minister were able to turn around and take out a good portion of our ability to raise our funds by taking the university out of our tax side.

Mr. Speaker, that is a great idea. Let me support the minister, that I support taking the

taxation off the University of Manitoba, but it should have been on general revenues. He should not have laid it back on the taxpayers of Fort Garry, and now it is Fort Garry and Assiniboia. Mind you, it should not surprise me because they look upon my riding as a rich riding, and it is still that same policy. I saw it painted under the bridge the other day, a make-the-rich-pay sign, and I was looking for the minister's name and it was not there. I thought maybe the minister was autographing these make-the-rich-pay signs. He has not been, but that is what he is doing. You know, it is make the rich pay.

\* (15:00)

Well, we are not all that rich in our constituency, Mr. Minister. We do not all have that high-volume cash that can just pour out, Mr. Minister. I want you to know that a lot of our people just live within their means, and it is taking everything in their powers to live in the homes that they are living in. We have families that are working two jobs to try and keep their houses so their kids can live there. Mr. Speaker, for this minister to think that we are a rich class and we deserve to pay, well, he is wrong.

I would only hope that he would revisit this issue and give us an opportunity in the communities to come forward and voice our concerns about this amalgamation. We do not have concerns with Assiniboia. They are a great school division in their own right. They have done a great job in the past, but if you are going to amalgamate, you do not do it, bang, over a one-night stand and you are married. You take three years and you do the courting process, and you do a few other things. Then you make it happen. Then we have the marriage. *[interjection]* Ask Theresa. She will tell you. I am sure Theresa could inform you on all the things that are necessary during the courtship.

Mr. Speaker, there is just not enough transitional time being allowed. This minister has decided that there will be no transition time and that the courts will make sure that nobody can challenge him for what he has done.

I am trying to figure out what it is about the old process that this minister did not like. Why

was he afraid to hear from the people? That is what this amendment is doing. It is giving this minister an opportunity to reconsider. It is saying, go out to the people. Hear what they have to say, and do exactly that. Get some meaningful representation so that we can see if that is what the people really want throughout the province of Manitoba.

It is hard for me to understand how this minister could vote against such a reasoned amendment. Mr. Speaker, here we have an amendment that is asking him to do what elected officials are supposed to do, and that is listen to the people. Mind you, I guess you do not have to listen if they have not voted for you. That might have something to do with it. We have seen that when it comes to allocating funds by some of these ministers.

Let me say not all the ministers are that way. Some of them do not draw those lines. Some of those ministers are very good that way. The Minister of Family Services (Mr. Sale) is one of them who does not draw those lines in the sand and say that is not my area and we do not support it. He goes where the people see that he is needed. He does what is necessary in all areas. When he sees a need, he takes it and covers it off.

But then we get a vengeful minister like the Minister of Education (Mr. Caldwell), who says, no, they did not support us and I am not going to support them. Mr. Speaker, that is wrong. That is what we usually call liberal-gutter politics, and I am surprised that the minister is lowering himself to that standard.

But, Mr. Speaker, I am really concerned that the people just have not had a chance to come out and make representation and be heard on this bill.

I am just going to start wrapping it up here, Mr. Speaker, because I know I have a number of other members who are prepared to speak this afternoon. I want the minister to take a very close look at the letter that he received from MAST. I think it is the last line; it goes: To do so is congruent with government statements concerning the Boundaries Review Commission as the origin of the proposed amalgamation, and

honours both the responsibilities and accountabilities for elected school boards as prescribed in the current legislation.

Why does this minister want to take away the accountability of those elected officials? If that is what he is seeking to do, why does he not just eliminate all the school trustees altogether? Why does he not just eliminate all the boundaries all together? That is where he is headed. That is what he is about to do, because he has taken the powers into his own hands. He wants to see that everything is controlled and run by him, the Minister of Education (Mr. Caldwell). He wants to have that big power to be able to say I am in control. Well, Mr. Speaker, let it be known that this minister is not in control.

We do not concur with Bill 14, and I will do everything in my power as an opposition member to see that this bill does not see the light of day. I will do everything in my power to see that this bill does not get moved any further than second reading, because I do not believe this bill deserves to go to committee when we have already got enough opposition to it, Mr. Speaker. People are speaking out and saying enough is enough. This minister has too many powers already.

It is time for this minister to resign and move out of the way. We have some members on the back bench, the Member for Dauphin-Roblin (Mr. Struthers) who is a teacher who could replace him like that and do a heck of a job. We have the member—[interjection] No, you are going to be Health. No, you are going into Health. We are going to take you apart. So, Mr. Speaker, there are a number of good people in the back benches. We should put this minister back in the back bench, because that is where he belongs if he is going to treat Manitobans with disrespect the way he is doing with Bill 14.

Mr. Speaker, it will be a long hot, hot summer, but I am enjoying it because I know the minister will be here with me every day in this House as we debate this bill over and over and over again.

Thank you very much, Mr. Speaker.

**Mr. Jim Penner (Steinbach):** Mr. Speaker, I think that applause was for the previous speaker,

and I think we should applaud him, too. It was a wonderful job, and we must continue to debate a bill, an amendment to the bill that requires serious, serious consideration before this House ever adjourns.

We are talking about forced amalgamations, and, like the previous speaker mentioned, there is no provision for divorce. There is no provision for conflict resolution, and that is a dangerous marriage, because times change. This bill does not understand that times change, and that, maybe in the future, this process needs to be reversed, and probably we should reconsider some of the draconian and dictatorship methods proposed in this bill.

Mr. Speaker, the amendment to Bill 14, which is The Public Schools Modernization Act, the amendment proposed by the honourable member from Lac du Bonnet says:

*THAT all the words after the word "THAT" be deleted and the following substituted therefore:*

this House declines to give second reading to Bill 14, The Public Schools Modernization Act (Public Schools Act Amended), until such time as the Minister of Education, Training and Youth undertakes meaningful consultations with all affected stakeholders within Manitoba's education system.

It is so important that we understand this amendment. It says: "until such time as the Minister of Education, Training and Youth undertakes meaningful consultations." Mr. Speaker, we are not saying that some of the amalgamations should not take place. We are not saying that voluntary amalgamations are not in place. We are saying, however, that voluntary amalgamations do not need a draconian law like Bill 14, and we are saying that the consultations are extremely important to retaining a sense of democracy in the province, which apparently this minister has trouble understanding.

We want to amend this bill, because this bill amends The Public Schools Act to enable the minister to make regulations. Mr. Speaker, I do not think you would tolerate that in your own home family, because within a family you make arrangements by discussion. But, within the

Province, there is a dictatorship taking place. This bill enables the minister to make regulations. It also allows for a Board of Reference, but the dating on that Board of Reference has expired, so that is not really relevant.

This bill also provides that a school board must have between five and nine trustees, Mr. Speaker. That means that some of the school boards will certainly have to cut down, and who is going to decide whether it is five, six, seven, eight or nine? Well, who would decide? Most likely Mr. Dictator.

\* (15:10)

Mr. Speaker, this bill enables the minister to set the limits on prescribed administrative costs of school boards. Again, there is no possibility here for a democratic process, for open discussion, for meaningful debate. It is so important that we understand that various school boards have different requirements, and we cannot just have one set of rules that establish the requirements for all of the school boards. I would like to see meaningful debate between the school boards in reference to the size of their work, in reference to the amount of time that they have to take, in reference to the distance they have to travel, and, you know, just as to the expense of their service so that the cost of their services would be somehow ameliorated.

Mr. Speaker, I represent a riding called the Steinbach constituency. The Steinbach constituency happens to be exactly the boundaries of Hanover. The boundaries of the municipality of Hanover are also the Hanover School Division. Now, fortunately, we were not noticed when the draconian rules were brought into play for changing boundaries. Somehow or other our boundaries were not visible, and hence, we have no changes to the R.M. of Hanover. But only now are the board members at the R.M. of Hanover starting to realize that some of the rules in Bill 14 could very well affect them soon, or in the future. These rules are becoming cause for numerous letters and concerns by the board members in the school divisions that are not affected.

So, Mr. Speaker, I am very proud of the R.M. of Hanover, and it is probably the fact that

they behave in a very, very responsible manner, and it is probably that fact that has contributed to the fact they have not been disturbed at this time. Also, the minister might not want to take on a bear in his den.

Mr. Speaker, the R.M. of Hanover, which is the Hanover School Division, has the lowest cost per student in the province of Manitoba. We get the smallest grant per student in the province of Manitoba and so probably nobody wanted to touch the boundaries there because the allowance, the amount of money that is given per student for the Hanover School Division, is so low that Bill 14 might have caused the Government to have to legitimately fund the school division more adequately. So I can see them avoiding touching the boundaries of the R.M. of Hanover because we do get the least amount of money per student of any school division in the province of Manitoba.

Having said that, Mr. Speaker, I have to go to the next point. I think we have one of the highest standards of education in the R.M. of Hanover. Why is this? It is simply because of a tremendous concern by families for their kids, and the family ethic and the work ethic is alive and well in the Hanover School Division. You know that the school division of the R.M. of Hanover has more home schooling than any other area of the province, and home schooling kids when they enter other institutions are found to be very, very adequate. So Bill 14 and the amendment thereto does not interfere with the home schooling that is giving a lower cost per student in the R.M. of Hanover.

We also are noted in the R.M. of Hanover, the Hanover School Division has the highest number of private schools. We have faith-based schools. We have specialized schools, and so a number of the schools operate outside of the Manitoba Teachers' Society but within the requirements of the law as far as education is concerned. Here, again, the cost to the taxpayer is minimal. When you have a private school, the formula for funding is to pay the private school half of the operating cost of the student based on where the student came from. For example, if the student came from Beausejour and the cost of a high school student in Grade 10 was \$2,400 a year and that student went to MCI on

Henderson Highway, the school would receive \$1,200 per year. So the private schools are a tremendous tax saving for the taxpayers in the province of Manitoba.

The Hanover School Division abounds with private schools. That reduces the cost per student on average in the division. At the same time, we have been very fortunate in the R.M. of Hanover to attract teachers who really care about students. They are not there just for the money. They are there to fulfil their professional commitment.

We feel that it is extremely important not to tamper with school boards because as taxpayers we do not want to deal with dictatorship, we want to deal with representation. When we see changes to the funding of the system we are very concerned that our tax dollars will not be well spent. I must commend the Hanover School Division for doing a fantastic job with students. I know that some of them are not fully aware that there is a dictatorship having risen here, jack-boots and all, and that we are going to have a difficult time in the years to come because there is no consultation, there is no system of listening to people, there is no concern for what the taxpayers think.

You know, Mr. Speaker, it is a pretty major move when you go from 54 school boards to 38 school boards, when you eliminate a whole bunch of school boards and amalgamate. If this was done on a voluntary basis, and there are such, then I would say that we should just modify Bill 14 so it is cleaner and more up to date. Our party would approve the volunteer amalgamation of school boards. We cannot approve dictatorship. There are so many people who want to express their concerns to this dictatorship that we will have to just take some time in discussing it.

Let me just quote a little bit about an article in the *Lance* newspaper. It is a Winnipeg local newspaper. It says that Bill 14, which was introduced by the Doer government, buries the rights of all voters to request a Board of Reference which reviews educational disputes. It says if this bill is passed all residents of Manitoba will mourn the death of their right to speak.

The Minister of Education touts synergy among provincial boards as motivation. If this

was truly the point, he would have increased the required number of resident electors to 25, as required with municipal boards, rather than eliminating our rights entirely. What a dangerous precedent. Voters in Springfield and Morris-Macdonald have challenged the provincial decision. They request a right to be heard. However, I think if this bill is passed they have no rights.

Who dares to challenge dictator, the Minister of Education? He simply changes the rules of the game. He even does it retroactively to predate any challenges already made. Then he caps it off by attempting legislation which declares his decision to be legal and lawful. My goodness, we have to change the laws to comply with the laws. That is a new scene. I question why, if these decisions are around, does he need to declare himself lawful? So we are encouraging ongoing consultations by delaying this bill so we can hear what people have to say. We need to get the news out before this bill falls into place and takes away the rights of people to speak.

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

What we are looking at here are some concepts. We are talking about principles. The principles that are very vital in governing in the province of Manitoba is the difference between centralization and decentralization, Mr. Deputy Speaker.

Do we put all the authority for education into the minister's office or is it representation by taxation? There is a huge difference between centralization and decentralization. I had an experience 12 years ago, when I started working in the former Soviet Union, that indicated to me the value of consultation, the value of putting authority where it works, the value of decentralization. As you know, up until 1990 the Soviet Union was run as a central agency. Everything was centralized. Everything went to Moscow. Everything went to the government. You know, only about 5 percent of the people in the Soviet Union, in those 16 countries, had anything to say. Ninety-five percent of the people could not speak up.

\* (15:20)



We are very proud of our contribution there today to see businesses taking hold and free enterprise taking hold and Christianity taking hold, and my goodness, the mafia that some members speak of is not like the Italian or Sicilian Mafia. The mafia that they have dubbed the mafia is former KGB members who really know their way around, and that is something like some of the NDP party. They really know their way around when it comes to dictatorship. I would say that we do not need that. This province does not need that centralization.

What they had in the Soviet Union was a command economy. I do not know if you have ever heard about the term "command economy," but everything was done by command. The price of bread was done by command. Whether or not you could go to that school was done by command. Whether you would be an educator or an engineer or a doctor was done by command. It was a command economy and 5 percent or less, some of which today is called the Russian KGB, made the commands because they were the people who knew how to make choices. Ninety-five percent of the people in the Soviet Union were slaves.

We are going to be slaves here if we do not fight this legislation. We have to really look at the centralization of authority into the minister's office, not giving us choices. I am saddened by this bill. We are destroying diversity. We are taking out the hands-on decision makers. We do not understand the sensitivities, in the minister's office, of what people are thinking and what people need.

You know, the school boards have been so capable. I relate back to a late uncle of mine who was the chairman of the Hanover School Division for over 20 years. He was on that school board for almost 30 years and he listened to people. He cared about people. His door was always open. Mr. Albert Loewen, what a great man who was a leader in education, who just died recently. There are people like Albert Loewen there today who really, really care about the citizens, about taxation, about productivity, about quality.

What is going to happen when that all ends up in the minister's office? Can you imagine? He will not know what is happening, but he is going

to make decisions and this is going to be devastating for the province and for the system of education. We are going down the wrong road, and it is going to take a lot of cleaning up later on unless we can stop this bill and rewrite some of this bill so that it accommodates decentralization, so it accommodates local authority, so it promotes the responsibility of the local school boards.

I spent quite a bit of time in the former Soviet Union and I saw what centralization did. I can see now where it buries a country. It is so dangerous to play with this thing, and I really think that we have to look at rather decentralizing than grabbing all the authority and putting it in the minister's office. We need to decentralize. We need to encourage school boards. If anything, enlarge the school boards but rather have taxation by representation than by dictatorship from the minister's office.

I would like to also give another personal illustration of why I am so concerned about Bill 14 and the amendment to Bill 14. I was trained to be a teacher. I actually did my practice teaching, teaching Grades 11 and 12 U.S. history and English, and so I have a little bit of an idea about teaching. In fact, it was in Chicago and the system of training teachers and training educators was considerably different than what you will see here right now. For example, there were five tracks that you could follow after the basic education courses. One track was for primary ed. One was for middle ed, and one was for senior matric. Then there were two more tracks. One was for administration, and one was for management. A management would be the principals of the school. Administration would be the school boards.

Mr. Deputy Speaker, they actually specialized in training, a university degree, to accommodate being a member of a school board. You could actually get a university degree which majored you as a principal. You were a manager, not just an educator, but you had to be a manager of the school.

If you taught in Grade 11, that was a different requirement than if you taught in Grade 5. Not that one was more important than the other, it is just a different education track.

Mr. Deputy Speaker, I really appreciated the education I got, and I have often tried to use some of those concepts in working with citizens of my constituency.

I was also fascinated, Mr. Deputy Speaker, how the decentralization worked at the school level. Instead of a dictatorship Bill 14, they actually required, if there was a problem with a student, that the teacher had to go to the home of the student. Instead of the teacher sitting on his big rear end and making the parents come in with the student, the teachers had to go to the home of the student and had to understand what was happening in that home because, if you see the home, then you understand the system. I just say that is decentralization. When you go to the home, it is different than if you demand people to come in. I have told my friends who are teachers here that I support the idea of the teacher going to the home. I am not slamming the teachers. I am slamming dictatorship, and sometimes I do not agree with the system.

The other thing that I thought was really interesting, when you get to decentralization, Mr. Deputy Speaker: if I had a BA degree with two years of experience and I did not take at least two university courses during every three years that I was teaching, I went down one notch on the pay scale. Did you get that? When I am teaching in Illinois, if I do not take two university courses in my area of teaching during every three years of teaching, I drop one notch on the pay scale. Is that not something? So that is what you call local autonomy and control from the bottom up.

You know, I can also draw examples from business. I have seen many, many businesses that are run from the top down, where the CEO and the president of the company makes all the calls because he thinks he is the smartest man in the world sometimes because he got to be CEO. Mr. Deputy Speaker, the top person in the company is not the CEO, it is the customer. The customer is the most important person because the customer provides all the means for that company.

Next to the customer, which in my case I am talking about schools, it would be the students. They would be next. The triangle is inverted.

Just imagine an inverted triangle with the customers or students on the top, on the flat top, and then the next row would be those people who are in daily contact with the students or the customers. The next row would be the people who would be in contact with the teachers. The bottom of this triangle, Mr. Speaker, whether it is a business or whether it is a school division, the bottom line is the minister. The minister is a support person. That is what he is supposed to be, a support staff. He is not supposed to be the dictator. The real information that is effective in making decisions comes from the students on down.

Mr. Deputy Speaker, I will give you another example. I have been on the board of governors of a university in British Columbia for 21 years. We consider the opinions of the students as about the most important thing we can find.

The professors and counsellors will try to gather those opinions, and ultimately it gets down to the president of the school and the board of governors. The board of governors and the president of the school feel that we are facilitators. We find out what is needed. Then we facilitate that. We make it happen. We do not start from the top down. We turn the triangle around.

This dictatorship thing is a triangle with like a top down, with a CEO and the Treasury Board and the Minister of Education, they are all on the top, and they are ruling. They are ruling from the top down. How can the information from the bottom flow up when you are ruling from the top down? It just does not work.

The whole concept of Bill 14 is that supposedly when we get elected we are smarter, that we are dominant, and that we can dictate. In fact, we are servants of the people, and we are trying to facilitate what they need. It should not emanate from the minister's office, it should be facilitated by the minister's office. That is a huge, huge difference in how things are run.

Whether we look at different systems of education in other countries, whether we look at dictatorship in the former Soviet Union, or whether we look at how businesses are run, I cannot find an example of a Bill 14 in a

common-sense system that it actually is capable of running.

\* (15:30)

We notice some other disparities, Mr. Deputy Speaker. I was looking at the news magazine from the Manitoba Teachers' Society. I noticed that the percentage of funding by the province has gone from 82 percent to 59 percent over a period of years, 59.5 percent. Now, this was brought to the attention of the House the other day. Then somebody denied that it was 59.5 percent, that it had been going down every year. Then I went and found some notes from a letter that emanated from the Minister of Education, Training and Youth (Mr. Caldwell), Room 168, Legislative Building, April 19, 2002, and I quote: In addition the province provides 59.2 percent of the ongoing operating costs of school divisions. Now, the teachers' magazine said 59.5, the minister said 59.2, that is close enough.

But, when you listen to some of the debate here, the facts are not being appreciated. When you listen to the disparity between what is quoted on one side and the other, we need to understand something. We need to understand that the minister's office is not capable of running the school division. It is too big. It is over a billion dollars. It needs the support of the taxpayers. It needs the support of the students. It needs the consideration of the teachers. We just cannot continue to run an office with a dictatorship like that.

Mr. Deputy Speaker, it has been drawn to my attention that Bill 14 was not necessary. Did you know that? Section 5 says the minister may merge or amalgamate or dissolve school divisions or school districts if he receives (a) a written request from a school board or a municipal council; or (b) a written request from 10 or more residents entitled to vote in the school division. Then the minister refers the request to the Board of Reference, which will decide the position.

Without Bill 14 the minister can effect the amalgamation of school divisions by utilizing the provisions under section 5 and by referring the matter to a Board of Reference or under

section 7 by regulation after referring the matter to a boundary review commission.

So why are we doing this? We are doing this to force some school divisions to be split apart or to be amalgamated unnecessarily. We are tampering with the democratic rights of people. Then we are saying retroactively that everything will be legal. Can you believe that? I think it is just something that should not have happened in Manitoba. We always say all honourable members and we really want everyone to believe that. We need to behave a little differently.

We would like this bill to be withdrawn and restudied so that we could have some practical input from more citizens of the province, especially when, once it gets to committee stage it can be gerrymandered and manipulated in such a way that the hearings can be very brief and very abbreviated. At committee stage there is often not a sense that the people have been heard. That is why we feel that it should not just be rushed into committee stage with no proper consideration.

So I really had a lot of trouble with the fact that our government system just allows some of these things.

I was listening to the Premier's (Mr. Doer) comments on June 11 at the Canadian Club at the Fort Garry Hotel, where we enjoyed a lovely lunch. On one of his five points, he talked about education and training. He talked about the 10% university tuition fee reduction. He talked about the 50 percent of our out-migration. He talked about, oh, he got some flak for reducing the taxes for our universities. Well, that is just a redistribution of tax. It is not reducing the tax, and then he said we are going to patch up the roof at the engineering building. He got some chuckles over that, but, Mr. Deputy Speaker, if you read the entire script on that speech on education and training, you know something? He never referenced once the public school system. You know why? It is in turmoil over Bill 14, and that is why it needs to be amended.

He completely omitted the public school system. He only referenced the universities. Can you believe that? I think it should be drawn to the attention of people that we could have a

discussion at a public meeting on education and never once mention anything from kindergarten to Grade 12, never once.

So we are looking at a lot of people with concerns who will show up at the committee stage, and, in particular, Assiniboine South says: In reviewing the changes to The Public Schools Act through Bill 14, our specific concerns relate to the following areas and one of them is section 22. I guess I should not name it, but the amalgamated divisions to submit budgets.

In the proposed legislation, Mr. Deputy Speaker, it is required that amalgamated divisions submit their annual budget for ministerial review and approval. For three years following amalgamation, the minister may direct a revision to the budget, and failure to comply with the directive may result in a withholding of provincial operational support.

Yes, here you go. First of all, you take away authority and then you add a threat. It is like grabbing a guy by the throat and punching his teeth out. This legislation effectively provides the minister with full authority to make any change to a school division budget without being accountable for the budget changes decided.

\* (15:40)

Now, who is accountable? Who gets the blame? Who gets the blame in Morris-Macdonald? The school board, right? The taxpayers get the blame, but now the decisions are not going to be made at a democratic level. They are going to be made at a dictatorial level in the minister's office, from the top down, command economy.

Mr. Deputy Speaker, we have a lot of things to think about, and that is why we are talking about this bill. It is just a deep, deep concern that we cannot have encouragement, you know, when you think about the name of the Government today, they call themselves the New Democratic Party. Well, for one thing, when you look at Bill 14 and you think back to the word "New," it is the same Schreyer-Pawley thing. Nothing has changed. Then when you say "Democratic," it is a Soviet socialist style right from the top down with the dictatorship.

So control of the administrative costs is out of their hands, and the regulations, you know,

this is another thing that I keep on wondering about. If I was a Cabinet minister, would I want to have all the authority that these people are grabbing? Would I not want to share the authority? Would I not want to share the responsibility? Do I want to just pile it all onto myself, that I can make the regulations subject to the minister, subject to the minister, subject to the minister. Mr. Deputy Speaker, it is pretty rough. This is pretty rough. We would welcome anyone on the other side who is now convinced that the bill is a dangerous, dangerous thing. We would appreciate them coming forward and being honest, being open.

I was looking at the Boundary School Division. That is division No. 16, Dominion City. They wrote to the members of the Legislative Assembly and said: The trustees and staff of Boundary School Division, Rhineland School Division, the southern portion of Red River School Division and the Consolidated School District of Sprague have been hard at work over the last two years. We are dismayed to hear that the legislation in the form of Bill 14 is going to be withdrawn before we get consultation. We respect the fact that it is your duty to debate legislation.

We go to the Mountain School Division: As trustees in Mountain School Division, we have some concerns with regard to your Government's stance on property taxation and the planned removal of the education.

We go to the MAST, Manitoba Association of School Trustees: Bill 14, The Public Schools Modernization Act, it was introduced in the Manitoba Legislature on May 2. This legislation purports to provide school boards with the legal framework necessary to implement the school divisions' amalgamation direction. They are very, very concerned that the amalgamation process has been flawed from the outset. There was no public consultation and enabling legislation and regulation preceding this legislation. Bill 14 does not provide school boards with the legal framework they require to fulfill their responsibilities in which they have been charged re amalgamation.

There are many, many more letters of expression. One is the compressed timeline,

from MAST, the Manitoba Association of School Trustees: The compressed timeline and lack of defined process to guide amalgamation efforts have created tremendous stress and enormous workloads for divisional administrators and trustees. To minimize the difficulties and understate the resources demands of the amalgamation process is to deny the complexity and ignore the reality of what government-mandated amalgamation has meant to staff, to trustees, to parents and to communities across the province.

People want a chance to be heard. In my mailbox, it said: Few things are more important to the future success of our children and our province than the quality of education we provide. Do you think the quality of education is going to improve by the Minister of Education having authority? It certainly has not been the case now. When you look at the R.M. of Hanover, the Hanover School Division, you see the students doing extremely well when they get into university. Why is it? It is the homes. It is the families. It is the support of the division. It is the on hands of teachers and trustees and parents. When it comes to quality education, that is not a top-down system. That is a bottom-up system.

Over the past few months, hundreds of residents in the Springfield area have expressed concern over the provincial NDP's plan to force the Transcona-Springfield School Division to dissolve. Under the plan, Springfield would be amalgamated with rural Agassiz School Division and Transcona merged with the urban River East School Division. Concern has been expressed over there by many of the residents of Springfield that the process by which amalgamation has been directed has been flawed and undemocratic, Mr. Deputy Speaker.

We would plead with the government of the day to recognize the meaning of their name. The democratic party. Are they the democratic party, or are they the dictatorship party? Is it the new dictatorship party? It is expected that the amalgamation will transfer the majority of revenue from the old Transcona-Springfield Division to the Winnipeg division while leaving the majority of the costs with the rural school division.

I could go on with letters and quotes and continue to vent my concerns and my displeasure with the way this bill has been handled.

But I would certainly want to plead with all the 57 members in this House that we do not do legislation the way Bill 14 is done, that we need to do something that is logical. We could keep education out of the political spectrum. We do not have to debate teaching kids in this House if we do it right, and that is why I think this bill should be withdrawn. I think we should all get together and decide what is good for the kids. We do not have to just serve the Manitoba Teachers' Society. They may not be in control in a few years.

So we need to serve the students; we need to serve our society; we need to serve our communities all over Manitoba, and I really wish that we could get together and get rid of this Bill 14 and start over. Thank you, Mr. Deputy Speaker.

\* (15:50)

**Mr. Leonard Derkach (Russell):** Mr. Deputy Speaker, I rise today to put a few comments on the record with respect to Bill 14, a bill that has most Manitobans worried because of the implications of this bill on school divisions who, up until this day, have been fairly autonomous bodies who are accountable to the taxpayers, who are accountable to the people who elect them and who are accountable to the students whom they have jurisdiction over.

This bill is, in fact, going to take away that autonomy. It is going to take away that accountability. As a matter of fact, it is going to decrease their ability to provide for their students the quality and the kind of education that their taxpayers demand of them.

But, Mr. Deputy Speaker, today I am speaking to the amendment to this bill, because the amendment is one where we as an opposition have taken the liberty to put forward an amendment that will, in fact, allow for the Government to reconsider its position and to take the entire article, the entire Bill 14 out to the public to consult with the public and get a

reaction from the public as to what it really needs.

Mr. Deputy Speaker, time and time again we have seen this Government ignore what the public really wants, and what is most amusing about this particular piece of legislation is that the Premier (Mr. Doer) and the now ministers who are sitting on the front bench have said that it is not the Manitoba way. Forced amalgamation is not the way that Manitobans want to proceed, and I do not understand why there has been a shift in the thinking of these people in a few short months.

I see the Minister of Intergovernmental Affairs (Ms. Friesen) who has before her a request for amalgamation from two municipalities, two willing partners who want to merge into one entity. The minister, quite rightly, has said that we should hear from the public, that we should have a public consultation process before I give the go-ahead for the amalgamation of the two jurisdictions. Well, that, to me, seems to be prudent thinking. To me, it seems to be a logical process in how we should I guess proceed with the amalgamation process, and the minister then will know whether or not the public are in agreement with what these two jurisdictions want to do. So I commend her for that.

But at the same time, within her Cabinet, we have one of her colleagues who has made a decision that it no longer matters what the public thinks. It no longer matters what Manitobans think about amalgamation. He is going to force it, Mr. Deputy Speaker, and we object to that. We object on the basis that Manitobans usually know what is best for them. Manitobans can make decisions for what is best for their jurisdictions, and I think that they will be giving this minister, who probably has a very short life in that portfolio, a very strong message.

**An Honourable Member:** Longer than you were there, Len, already.

**Mr. Derkach:** Well, the minister shouts from his desk that he has been there longer than I was. Well, I think he better check the record again, Mr. Deputy Speaker, because I was there a full four years.

This minister has taken it upon himself to make decisions for many Manitobans who have

not said to him that in fact they agree with the process of amalgamation. Instead of doing it for the entire province, he has picked and chosen. He has hand-picked the divisions that he wants to amalgamate. If you ask for the rationale why these divisions were chosen and not others, you do not get any answers. As a matter of fact, when you look at the patchwork that has happened in the province in terms of how these divisions have been chosen, it really makes no sense.

I go back to my area, the area of Roblin and Russell. In that area of the province you have the Intermountain School Division, the Dauphin-Ochre School Division, Pelly Trail, Birdtail River and Swan Valley. Well, the minister chose to leave the Intermountain School Division, with less than 900 students in it, out of the amalgamation process. Now, the people there decided that this was the wrong thing to do. Why were they being left as an island? Now, the reason the minister had done it in the first place is because his MLA in the area had recommended that maybe we better leave Intermountain alone, but Intermountain said: Why are we being left out of the amalgamation process? You are amalgamating everybody around us and you are leaving us alone. Do you think this is going to help you in an election campaign? Well, yes, that was the reason.

Mr. Deputy Speaker, the superintendent and the board said to themselves we better find out where we belong. So they decided on their own, they decided against the minister's wishes for that matter, that they should amalgamate with Dauphin. They are very smart people in that area, a lot smarter than what their MLA gives them credit for, because they were the ones who signaled that they should become part of the amalgamation.

You look into the city of Winnipeg. All of a sudden the division of St. James has been left intact, and you have to ask yourself the question: Why was that division singled out and left alone? Well, if it was not for the political agenda of this Government, they probably would have been merged with somebody else as well, but this Government is so intent on its own political agenda that it does not care what it does to people. That is a tragedy.

What I cannot understand is the double standard that we have within this Government. In one case the Minister of Education (Mr. Caldwell) says he will force amalgamation. In another instance the Minister of Intergovernmental Affairs (Ms. Friesen) says we need public consultation on amalgamation. As a matter of fact, if you look at the words of the Minister of Intergovernmental Affairs, who said—*[interjection]* Oh, the Minister of Agriculture (Ms. Wowchuk) now asks me when this was.

Well, Mr. Deputy Speaker, I would think that a view of an individual when in opposition would be very much the same as it is in government, or it should be, or how can you trust that individual then? The Minister of Intergovernmental Affairs said very clearly that there was no benefit to amalgamation. It was a destabilizing program if we went ahead with amalgamation of divisions. There was nothing to be gained. As a matter of fact, it would cost divisions, it would cost taxpayers, and it would be a burden on school divisions and troublesome for students.

The Premier (Mr. Doer) of our province said with regard to amalgamation that it is not the Manitoba way, forced amalgamation was not the Manitoba way. So what do the ministers and the MLAs on the opposite side of the this House have to say about that when their Leader, the Premier of our province, says to Manitobans he will not force amalgamation because it is not the Manitoba way?

Now, you have to ask the question: Who can you trust? This Government has become characterized by its untrustworthiness. Nobody can trust this Government anymore, Mr. Deputy Speaker, because they say one thing and they do another. Today, in Question Period, you know when you are getting to the Government when they start pulling out quotes and quoting you out of context in their responses. The Premier did that today for me. He said that I had used the quote that the Minister of Education broke the law. Yes, he is correct. I did say that, but it was not with respect to amalgamation. What the Premier did not say was that I said that the minister broke the law on three occasions with respect to The Public Schools Act. The Premier

did not say that today. He said I said that the Minister of Education broke the law with respect to amalgamation. Well, now you can understand why you cannot trust this Government anymore, because they cannot be trusted to tell the truth.

\*(16:00)

Now, Mr. Deputy Speaker, the truth is in Hansard. My comments are in Hansard. The Premier chose to pluck out of Hansard the quote that said the Minister of Education broke the law. But the Minister of Education did break the law.

As a matter of fact, the provincial auditor himself referenced the fact that the Minister of Education broke the law. It says in the provincial auditor's report that, with respect to how the TRAF money and the decisions with respect to the TRAF money for retired teachers had been deported by the Minister of Education, it was against the school act.

The other issue was the money that flowed to the Agassiz School Division. Mr. Deputy Speaker, it was quite clear that the money that flowed to the Agassiz School Division was not used for the intended purpose. A Minister of Education is not supposed to do that. That is against The Public Schools Act. You cannot give a division money under the table and say, well, we will identify it in our records that this money was used for this purpose when in fact the minister knew, when he gave the money to them, that the money was not to be used for that specific purpose.

Mr. Deputy Speaker, that is no different than what he disbanded the school board in Morris-Macdonald School Division for. He said that the enrolment numbers were fudged by Morris-Macdonald School Division. Well, I ask you, what was the process?

The process was this: The Department of Education flowed money to the Morris-Macdonald School Division on the basis of enrolments reported to the department by Morris-Macdonald School Division. Now, every one of us knows that, within the Department of Education, there is an internal audit department, a branch of the Department of Education whose

responsibility it is to do accounting and internal audits for the Department of Education. That department in itself had the responsibility to monitor whether, in fact, enrolment numbers were correct; whether the money that was flowing from the Department of Education was indeed accounted for by any school division, not just Morris-Macdonald School Division.

Mr. Deputy Speaker, the other issue was this: What happened to the money that went to Morris-Macdonald School Division? Did the taxpayers in Morris-Macdonald School Division put it in their pockets? *[interjection]* Oh, the Member for Assiniboia (Mr. Rondeau) says the taxpayers in Morris Macdonald School Division put it in their pockets. I wish he would stand up and put that on the record, because that would be a very interesting comment to have on the record. Which taxpayer in Morris-Macdonald School Division put the money in his or her pocket? No, what happened to the money, it flowed to Morris-Macdonald School Division. Morris-Macdonald School Division then shared that money, sent that money to the various institutions that were providing adult learning education. Who were the major beneficiaries of this money? Well, Classroom 56 is a prime example mentioned by the provincial auditor in his audit report, started in the year 2000 under this Minister of Education (Mr. Caldwell). The provincial auditor identifies Classroom 56 as a major problem in the area of adult education and inflated enrolment numbers.

Now, the Minister of Education knew this, but who ran Classroom 56? Can we take a guess? Well, it was one very friendly person of the NDP, a significant contributor to the NDP coffers.

Let us put this in context. We have a government that moved Bill 4 that said we will restrict who can contribute to political parties. But here we have an individual who gets money from the Department of Education, puts it in his pocket, and then shares it with the NDP party. Now, that is exactly how it goes.

The minister says, well, who was this? Well, we know the Orlikows are very friendly to this Government. We know the Orlikows have been major supporters financially of this Government.

As a matter of fact, the record speaks for itself. We know the Orlikows benefited greatly from the Morris-Macdonald School Division by inflating numbers that went to the Morris-Macdonald School Division. It was not the taxpayer who got the money. It was not the taxpayer who benefited from it in Morris-Macdonald. It was the Orlikows.

Then there was a centre called Anokiiwin. Who was running Anokiiwin? Well, again, another New Democrat former minister, former member, well, still a member of the NDP, but a major adviser of the NDP right now, Jay Cowan. The Cowan family, all of a sudden, the Orlikow family have become the major beneficiaries of monies that the minister says were used in an untoward way.

I ask you: The minister now has appointed his own trustee for the Morris-Macdonald School Division. This is a man who is now reporting to the Minister of Education. He is the official trustee of Morris-Macdonald School Division. Why does the minister not order his trustee, Mr. Krawec, to go after the monies that were paid to centres like the Anokiiwin Centre, Classroom 56, and others?

The facts speak for themselves. The facts are that it was not the Morris-Macdonald School Division taxpayers nor the board who put the money in their pocket. There was an administration cost to this, and, yes, the administration money went into the coffers of the Morris-Macdonald School Division. That is the money they need to be accountable for. The other entities, the adult learning centres have to be accountable for the numbers that they put forward to the Department of Education and to the Morris-Macdonald School Division.

This is a tangled web that is being woven by the NDP, Mr. Deputy Speaker. When you listen to the chatter that we are hearing from the other side of the House, there is some sensitivity about all of this, but that is okay. That is okay. It sort of enriches the debate.

Now let us go back to Bill 14. The minister now says we are going to amalgamate some school divisions. Others we will leave. But those that are going to be amalgamated now have to



report to me as minister in terms of their budgets. The ones that are not going to be amalgamated can carry on life the way it was, but those that are going to amalgamate now have to report to the Minister of Education regarding their budgets.

So, all of a sudden, the trustees, who are duly elected by the citizens and those divisions, no longer are accountable to the division residents, to the division people who elect them, the ratepayers. Now they have to be accountable to the Minister of Education, which is not a bad thing. However, somebody from Portage Avenue here, at the Fletcher Building, or the minister's office is going to make a decision whether or not the budget of that school division is really appropriate.

Now I thought in all of my years in dealing in public life, and I was on school boards. I have been involved with the teachers' association. You know, through life you get involved in many kinds of organizations.

Mr. Deputy Speaker, there was always the premise that school boards were autonomous and that they were accountable to their taxpayers provided that they lived within the confines of The Public Schools Act.

We all respect that, Mr. Deputy Speaker. I do not care whether it is people on this side of the House or that side of the House, that principle has to be the same or else this process in this Legislature becomes a sham. This is not worthy of the time that we spend here, the time that we spend debating the legislation that is put into place.

Mr. Deputy Speaker, you cannot have a minister going out and breaking his own act, the act that he is responsible for. That is exactly what has happened under this minister.

The other thing that you cannot have is the minister trying to take unto himself extraordinary powers that really do not belong in his purview. Mr. Deputy Speaker, whether or not we like it, the Minister of Education (Mr. Caldwell) should not, and I say should not be saying to school divisions that I will be the authority in terms of your budgets, not you who are

accountable, who are supposedly accountable to the taxpayer.

I do not think Manitobans would approve of that. I do not think the ratepayers in the school divisions would approve of that. I do not think Manitobans in general would agree that that is the way this Legislature should conduct itself in terms of passing that kind of legislation.

So, Mr. Deputy Speaker, we bring back the issue of the amendment. The amendment says this, that this House, this Legislature declines to give second reading to Bill 14, The Public Schools Modernization Act (Public Schools Act Amended) until such time as the Minister of Education, Training and Youth undertakes meaningful consultations with all affected stakeholders within Manitoba's education system.

Now, Mr. Deputy Speaker, I genuinely believe in this amendment because if the taxpayers and if the ratepayers of Manitoba say that indeed we agree with the Minister of Education, I will back off. I will agree with the Opposition, but I do not believe that that is what would happen.

We all make mistakes. I think that the Minister of Education has moved too quickly and has moved in a way which is not in keeping with what Manitobans want and what Manitobans expect.

Mr. Deputy Speaker, I have watched other ministers across the way. I have watched the Minister of Family Services (Mr. Sale) who is here in the House right now, and I do not find too much wrong with the way that he is conducting himself in his department. There are always issues. I mean, we will always disagree in principle and perhaps the approach that we take to an issue and perhaps the way that we conduct our affairs in our departments, but, by and large, that minister I do not believe has transgressed the act that he works under.

I look at the Minister of Agriculture (Ms. Wowchuk), and I look at the way that she conducts her affairs as Minister of Agriculture, and, yes, we disagree on philosophy, we disagree perhaps on issues, but basically that minister has not broken the law in terms of how

she carries out her responsibilities—not that I know of anyway, Mr. Deputy Speaker.

So when I look at how the Minister of Education has conducted himself, I really have a lot of questions about that because this approach is not the Manitoba way. As the Premier (Mr. Doer) said, this is not the Manitoba way.

My colleague the Member for Lakeside (Mr. Enns) put on the record the other day that we were in tandem and in agreement with the Government when they said to Manitobans that forcing amalgamation was not the Manitoba way and that is not the way that we would proceed. So, therefore, you have to ask yourself why has the Minister of Education moved in the opposite direction on this legislation? What has caused him to move away from the principle of fairness, from the principle of involvement of Manitobans in the process?

He says to us that he has followed the Norrie report. Well, unfortunately, Mr. Deputy Speaker, there is nothing in the Norrie report that suggests that we should force amalgamation. The Norrie report speaks about amalgamation taking place over an extended period of time. It talks about extensive public consultation. It talks about ensuring that the public know what impacts there are going to be on individual ratepayers, on divisions and on students.

\* (16:10)

The Minister of Education (Mr. Caldwell) tells us there are going to be massive savings. The Norrie report speaks to the fact that there are not going to be any savings in amalgamation, that it is going to cost money. The Minister of Education tells us that he is going to save \$10 million. I heard it on the radio today. He said he is going to take \$10 million out of administration and he is going to move that into the classrooms.

Now, in principle, can we be against that? I do not think so. I say that if we can move \$10 million from administration directly into the classrooms and not impact the tax base and the ratepayers, then we should all be in agreement, but that is not what is going to happen. The reason it is not going to happen is as clear to us as the nose on our face, because what is going to

happen is the cost of doing amalgamation is going to far outweigh the benefits that we are going to have.

In the long term, Mr. Deputy Speaker, hopefully, the process of amalgamation is going to benefit the student. I do not think that we can stand in this House and say that we should oppose the amalgamation of school divisions in the province of Manitoba. Nobody should say that, because I think in the evolution of education or of any society there must be changes, but that change to amalgamating school divisions must be one that is supported by the people that it is going to affect.

Mr. Deputy Speaker, this kind of move is not being supported by the taxpayers. We have in our possession a letter from the Manitoba Association of School Trustees. The school trustees do not support the process that the minister has undertaken with respect to Bill 14, and they do not support it because of the unnecessary and extraordinary powers that the minister takes onto himself. The trustees very eloquently point out that this taking on of extra powers by the minister is nothing but an affront to all of the hardworking trustees who are elected by the ratepayers to work on behalf of the ratepayers, to provide quality education for the students of the ratepayers.

Mr. Deputy Speaker, we ask the minister to rethink his approach. I do not believe there would be a problem with the amalgamation bill if in fact these aspects of the bill were removed. As a matter of fact, it is quite clear that the minister does not need this bill to move forward with amalgamation. All he has to do is follow The Public Schools Act. With reference to The Public Schools Act, there is a process that can be followed and should be followed with respect to amalgamation.

As a matter of fact, if the minister were to look carefully at certain sections of The Public Schools Act, it explains very clearly how one can move through the process of amalgamation without having to have this type of regressive legislation before the House. The minister would have to go through the Board of Reference. There are two approaches that you can use in amalgamation. One is to make sure that you go

to the Board of Reference for each and every school division that you want to amalgamate, or you do it in a broad sense; which is a much simpler and more direct approach, by incorporating all of the school divisions that are going to be amalgamated and then going to the Board of Reference, striking a Board of Reference and then having them deal with the issue and then proceeding with amalgamation.

So, Mr. Deputy Speaker, at the end of the day the minister does not need this legislation to enact amalgamation. He can move forward with amalgamation provided that he follows The Public Schools Act. Now the Norrie report that the minister refers to as being the basis he used for amalgamation clearly points out there is a process that one has to follow in order to have amalgamation in the school divisions in the province of Manitoba.

So, Mr. Deputy Speaker, what is Bill 14 really about? It is not about amalgamation. It is smoke and mirrors. When the minister and the Premier (Mr. Doer) say that if we are interested in the welfare of children in our schools we will move on with Bill 14. Quite wrong, because what Bill 14 does is give the minister extraordinary power and authority over school boards which we feel is regressive, draconian and should not be used by the Minister of Education and Training (Mr. Caldwell).

The amendment says that the minister should conduct consultation, and we are encouraging him through this amendment to conduct those consultations before we move ahead with Bill 14. The Government has stated time and again that their process of consultation would be through the public hearing section of the committee hearings that we have for the bill. Well, Mr. Deputy Speaker, this does not allow for meaningful consultation with Manitobans. This does not allow for any input from people who are out there, whether it is in Roblin or whether it is in Neepawa or Killarney, whatever it might be.

\* (16:20)

There may be a few people who come in to express their concerns about Bill 14. There probably will be people who represent the

parents association, the school trustees, the teachers, who will come and express their concerns or their support for the bill, and that is quite acceptable.

But in terms of true, meaningful consultation, what should happen is that the minister should be appointing a board of people who will go from division to division, or into different regions of the province, and hear what people have to say about the amalgamation process and about Bill 14. Only in that way are we ever going to be able to move ahead in a way which is going to be productive and progressive in this province.

The minister and the Premier (Mr. Doer) would like this bill to move through the House very hastily, and they want it done before the end of June because, in July, a lot of people do take their holidays and are away from their jobs and away from their appointed positions, and trustees take some time off, and rightly so. But where was the Government in January, February, March, April? We said at the end of the pre-Christmas session that we were prepared to come back to the House on January 2 to deal with outstanding legislation and any legislation the Government wanted to bring forward. We had signalled to this Government early in the process that we were ready to come back to work early in January to carry on with the business of this House. It was the Government that chose not to come back to the House. It was the Government that chose to take extended holidays, and the House did not come back until the end of April.

The bill was not introduced into this House until the early part of May. In this short period of time, the Government wants to ram this legislation through, have the hearing process and pass this legislation and make it law. I say, no. No, we will take our time. We will do the Manitoba thing. We will take our time. We will examine this legislation. We will consult with Manitobans. We will consult with taxpayers, ratepayers, and we will ask questions about the implications of this legislation.

What do we know about the cost of this legislation? Well, not very much. We asked the minister to explain to us where the savings are

going to be. He has yet to do that. I do not think he knows where the savings are going to be. He makes broad, generalized statements, usually in defence, and never provides an answer. I guess, as he stated to one of the officials not that long ago, he said: Question Period is a time for questions not answers. So I can understand where he is coming from.

We have asked the minister where the saving are going to be and how much it is going to cost to bring all of the salaries within the amalgamated school divisions to one level. It will take significant dollars because the teachers, for example, are not going to negotiate salaries to the lower denominator. They are going to go up to the higher denominator. So, in two divisions where the salaries are somewhat different, you will find that the salaries will move to the higher level. When you come to non-teaching professionals, whether they are the custodial staff, the bus drivers, the non-teaching aides in the classrooms, the secretarial staff, whoever they may be, when you amalgamate two entities together. The salaries are not going to go to the lower denominator. They will always go to the higher denominator.

So, Mr. Deputy Speaker, that is going to be a significant plus. How much is it? The minister will not answer the question. I say, if you want this legislation, put the record straight. If you want this legislation, answer the question. If you want this legislation, provide the information to all Manitobans. I asked school divisions about what the cost of amalgamation is going to be and where their salaries are going to be. They have no answers, either. One school division will tell you we think it will cost us about half a million dollars to amalgamate. Another school division will tell you we think it will take a million dollars to amalgamate. Well, Mr. Speaker, who is paying this cost? Is it the Department of Education or is it the local taxpayer? My belief is that it is the local taxpayer who is going to be paying this cost.

\* (16:30)

Well, Mr. Deputy Speaker, so ratepayers out there do not have the answers. They cannot make any judgment on what this legislation will cost, and yet the minister is out there saying that

it will save money. Norrie said it right. The Norrie Commission said it right. He said there was going to be a cost to amalgamation, but at least he was putting the record straight. He was putting it on the table.

**An Honourable Member:** He was honest.

**Mr. Derkach:** He was honest in saying there is going to be a cost to amalgamation. Why is it so difficult for this minister to say: There is going to be a cost to amalgamation; this is what the cost is going to be; over time we hope that amalgamation will result in some major savings in administration that can be transferred over to the classroom. I think Manitobans may buy that. Then we can move ahead with amalgamation.

The questions I have for the minister with respect to Bill 14 are, why was it necessary for him to say in the legislation that, regardless of what actions he has taken in the past, the passage of this legislation will make all of those actions appropriate and lawful? Now why do you need that in the legislation? I do not see any other legislation that has been brought before this House which states that the passage of this bill will make everything that the minister has done in the past legal. I do not see that being incorporated in any other legislation, only in this minister's legislation. Why is it done?

Because this minister knows that he has moved in an inappropriate way, he has done things that are illegal, that he has broken the school act, and yes, if the Premier is listening I will tell him again that this Minister of Education has broken The Public Schools Act, not once, not twice but at least on three occasions. So now he is bringing in legislation that says, regardless of what I have done, this legislation will make it all right.

But he goes even further to state that even if a judgment is made against him by the courts, then it does not matter because this legislation will override what a judge says. Mr. Deputy Speaker, can you imagine this House passing legislation like that? Can you imagine us agreeing that we should move in that direction? I do not think so. I do not think that we will ever, ever be able to support anything like that and I would be surprised.

Now we have intelligent members on the opposite side of the House who sit at the Cabinet table. At least they should be cautioning this minister about the way he is moving with this legislation, and least of all, the Minister of Finance (Mr. Selinger), the First Minister (Mr. Doer) should be cautioning their Minister of Education (Mr. Caldwell) about the direction that he is moving in with this legislation.

Mr. Deputy Speaker, why the unnecessary powers? Why is it necessary for the minister to say that every school board that is being amalgamated will now have to have their budgets approved by the Minister of Education himself? Where else in government do we have that kind of situation where a minister has to approve the budgets of bodies that are elected by local ratepayers, accountable to those local ratepayers, responsible for being elected by those local ratepayers? I do not think the Minister of Finance would agree with anything like that. But yet he sits silently as his Minister of Education moves in this very negative and backward way.

Mr. Deputy Speaker, I see that my light is flashing. That must mean that my time is ending, and I would have to support the amendment that has been brought forward. Until this minister has some meaningful discussions and consultations with Manitoba ratepayers, with the advisory board, with the municipalities, with the school trustees and with teachers, this legislation should not and cannot be supported in this House. Thank you.

**Mr. Jack Penner (Emerson):** Just to put a few thoughts on the record on Bill 14, much has been said about this bill and the effects of this bill. What is interesting is that on a number of occasions the government members have identified my constituency or school divisions in my constituency, who by the way voluntarily merged, as having sent letters requesting that this legislation of Bill 14 indeed be passed and I respect that.

These people, those two school divisions of Rhineland and Boundary School Division and all the communities within, accepted the fact that they could work together and have some mutual benefits accrued to them, but at no time did any of them ever say to anybody in the school

division that the cost would be lowered because of it. The administrative cost might be. There might be a possibility that they might be lowered, but everybody knew that there would have to be an equilibrium reached somewhere when you do the negotiations and staff levels of compensation would have to be brought to an equal place.

So I say to you that any time these kinds of considerations and negotiations are made, it is normally the highest level of compensation that is used to bring about the changes, whether it is a company or whether it is a government that is merging staffing, those kinds of things. I think that is normal. That is normal practice and acceptable practice, and those negotiations I suppose, would have also had an effect on what the decisions were in the new school division that could be formed if the voluntary merger in fact would have taken place.

However, after all the work that had been done by the Boundary School Division and by the Rhineland School Division, all the consultations that had been done and the meetings held with staff, the department and the trustees, and indeed discussions that had been held with the public, then the minister chose to inject a new element of uncertainty into this whole matter of debate.

I think it is unfortunate that the minister will not even take the time to sit and listen to the debate that is going on, because if this is truly such an important debate in this House, and if it really makes any difference to him at all, he would sit in his chair and listen to the debate. It is unfortunate that the minister chooses not to be here.

I think that for the Minister of Education (Mr. Caldwell) to interject into a voluntary merger, such as Rhineland and Boundary had chosen to do, another element, forcing them to accept the Sprague School Division as part of the new division or the Sprague Consolidated School District—the only one left by the way in the province—and the huge uncertainty that that caused alone was reason to question the minister's motives for having done what he has done. One need only look around the province and look at the forced mergers that he is now

making to realize how political this whole process really was. That is unfortunate.

When a minister decides to leave the NDP ridings right out of the merger process, no matter how economical or non-economical that decision might have been, to leave that out of the equation, to leave those school divisions as they were without touching them and force others in other areas that were not represented by an NDP member I think is almost unthinkable injustice. I simply cannot imagine how the Premier (Mr. Doer) of this province would have consented to this kind of action.

This is not the fault of the minister. This is not the fault of the backbenchers sitting on the Government side. This is Cabinet allowing their Premier to dictate to his minister to not touch the NDP-held ridings and not at all giving any consideration to how we affect areas such as Sprague and others in doing what we have done.

I want to make a bit of a case for the area of the southeast part of the province. I have often said that they are very unique because of the sparse population in that area and how long a distance many of the small children have to travel to get to school. I have often wondered whether they might not have been a better suit for the Frontier School Division than to merge with other divisions in that area.

The funding formula certainly would have been different. The administrative process would have been different, and it would have given them the local autonomy that they have enjoyed and were able to use to keep a school functioning from K to 12 in Sprague, and a good school it was. They had high scholastic results in that school. They had high athletic achievements in that school. You need only go and look in their auditorium and look at the many banners from volleyball to all sorts of banners that hang in that auditorium of provincial championships that have been brought home to that little community of Sprague.

Virtually every child in that school participates. When there are sports activities or extra-curricular activities, they all participate because there are not enough what we call the best players to make up the teams. They are all part

of the best because the school is only large enough to put up one team, so they all play, whether it is hockey or basketball or volleyball. They have had some marvellous volleyball teams, women's teams. Similarly, their scholastic abilities have shone.

Now there is uncertainty here. There is even uncertainty as to where the kids will eventually attend high school. Will they have to travel 60 or 70 miles to attend a school? Some of the small children in that area do, you know. Some of them spend up to an hour and a half on the school bus every morning. Can you imagine one of your children in this city having to travel an hour and a half to get to school in the morning and an hour and a half to get back at night? Can you imagine that? Well, their kids do. Three hours a day, they are on a bus. Whether they are six years old to eighteen, that is the time they spend on the bus. That is a lot of hours a year for a very small child to spend on the bus. I make the case that if this Government had really, truly looked after and had wanted to look after the best interests of the child, they might have made a different decision.

There has been much said about the letters that the Rhineland School Division has written urging us to pass this legislation, pass Bill 14 before the beginning of July, and rightfully so from their perspective because they had been told by department staff that this bill must pass in order for their school division to be legitimately allowed to merge and form a board. That is almost unthinkable of a government wanting to put that kind of pressure on a school board or school boards wanting to merge, who voluntarily wanted to merge.

\* (16:40)

It is interesting to note the powers that are given under this bill to the minister. This minister and this Premier (Mr. Doer) might well think that under a dictatorial approach this is the only way they can operate. But let me say this to you. There was no reason in the world to put forward Bill 14 in order to merge. I think Judge Kaufman ruled very clearly that all these mergers could have taken place without any changes to the legislation. Yet the school divisions that were voluntarily merging were

told that they could not merge and that mergers could not take effect unless they passed this bill.

Nobody told them of the large power grab, that they would have to submit their budgets to the minister for approval by the minister and that the minister could, without questioning them, make changes to the budget, in other words force more local taxation on the people of the merged districts.

I mean, that we in a free society would allow our ministers to by legislation grab that amount of power is almost unthinkable. I think that the members on the government side of the House need to seriously reflect on what they are doing, what kind of legislation they are passing in a free and democratic society.

I know the Deputy Speaker has time and time again spoken in this House of the freedoms that we enjoy, of the democracy that he holds dear, and of the challenges that we are faced with day in and day out in the world that has been driven by dictatorial powers and the abuse that has been extended to the people that were ruled under those kinds of dictatorial powers.

Well, I say to you, Mr. Deputy Speaker, and all members of the government caucus that what you are seeing here is a direct move to inflict those kinds of dictatorial powers upon the people and the children of Manitoba. Never before have we seen a minister in this Legislature bring forward legislation that would take away the right of school boards to set their own budgets and have them permanently put in place by the decisions that local people made.

The previous government initiated the parent councils and strongly suggested that the parent councils should be involved in the process of determining what the budgets would be. The previous government gave the authority to the local people to choose how much taxes they were willing to add to the provincial Budget that had been set for education, to ensure that their children would be able to receive the kind of education that local people thought their children deserved.

*Mr. Speaker in the Chair*

Yet all members in this House now are faced with a situation where those freedoms, where

many of those freedoms will have been lifted should this Bill 14 pass. That is one of the main reasons why we have objected to this legislation. That is why we have moved an amendment to this bill. That amendment says

*THAT all words after the word "THAT" be deleted and the following substituted therefore:*

this House declines to give Second Reading to Bill 14, The Public Schools Modernization Act (Public Schools Act Amended), until such time as the Minister of Education, Training and Youth undertakes meaningful consultation with all affected stakeholders within Manitoba's education system.

The education bill clearly states that there is an opportunity to allow for the voluntary merged school division to appear before the Board of Revision and request their consent. There is nothing stopping them. Yet this minister says: No, I am not going to allow that any more, not going to allow the public participation in the decision making any more. I think, from a democratic society such as we still enjoy, at least I hope we still enjoy in Manitoba, the people of Manitoba will judge this kind of decision very harshly when they are given the opportunity to do so.

This is one thing. This is one issue that we will raise time and time again in the next election. This is one issue that we will make sure that everyone Manitoban knows as to what the effects of this kind of legislation are, and is.

It is interesting that my school division where I reside wrote this letter to the minister at the urging and after the consultation with some of the minister's staff and the department. I will read this letter to you because the Premier (Mr. Doer) made a big to-do in the House one day about this letter.

This letter says: We are writing to express our concern that enabling legislation for school division amalgamation may not be in place by July 1 if Bill 14 continues to move through the House at its current pace, and they are right. They are absolutely right. The steering committee for the new Borderland School Division has worked very hard to ensure that we will be

ready to move forward as a new school division on July 1, 2002.

It says: The administration team has been put in place, and the members of the interim board have been named in anticipation of the amalgamation taking effect on July 1. It further says: If the enabling legislation is not in place by July 1, the amalgamation process would, of course, have to be put on hold. Any delay in moving forward as a new division will result in an administrative nightmare for amalgamating school divisions.

Divisions would have to begin with the 2002-2003 school year as separate entities and then roll these entities together at a later date, resulting in a great deal of extra work for the administration and at additional cost to the school divisions, and ultimately to the taxpayer.

A number of divisions would find themselves in a tenuous position because, as a result of the amalgamation process, a number of senior administrators have either resigned or retired as of June 30. As a result, these divisions will have no one in place to carry out the day-to-day operation should they be required to continue as a separate entity after June 30.

While we request the fact that all proposed legislation needs to be fully debated and that some amendments to Bill 14 may be necessary, and we certainly agree with that, it is our hope that members of the House will work in the same spirit of cooperation as did the amalgamating school divisions to ensure that enabling legislation for school division amalgamation is in place for July 1. We urge all members of the House to give this matter their careful consideration.

It is signed Len Schieman, Chairman of the Rhineland School Division board.

We find it rather interesting that the minister has really not paid much attention to what that letter really said. That letter said to the minister very clearly: Give us the ability to do what is prescribed under the act without the amendments to the act. Give us the ability to appear before a Board of Reference to give the Board of Reference the chance to say go ahead and merge.

That is all that is required, yet the members of the back bench of this Government sit, and unbelievably, without taking action to ensure that properly and orderly process can in fact be taken.

\* (16:50)

We will not sit idly by and watch the power grab that is happening under this bill take place without proper public and debate in this House in that all consideration of all aspects of this bill must be made. That is our job. That is our elected responsibility. That is our job to ensure that the people's interests are in fact secure.

I would like to read another letter that I received last week that is addressed to the honourable Mr. Drew Caldwell, and this is from the Manitoba Association of School Trustees and is signed by the president, Ms. Linda Archer.

It says: Thank you for taking the time to meet with the MAST representatives on June 4, 2002, to discuss the proposed Bill 14 and report of the commission on class size and composition.

As explained to you, MAST and its member school boards have some serious concerns about the amalgamation process and Bill 14 now before the Legislature. Briefly, these are as follows: the compressed time line and lack of defined process to guide amalgamation efforts have created tremendous stress and enormous workloads for divisional administrators and trustees. To minimize the difficulties and understate the resource demands of the amalgamation process is to deny the complexity and ignore the reality of what government-mandated amalgamations have meant to staff, to trustees, to parents and to communities across this province.

School boards' calls for speedy passage of amalgamation legislation arise from the logistical imperatives of the restructuring process and cannot be construed as support for agreement with the Government's decision and approach to school board consolidation in Manitoba.

Aside from the what the letter says, Mr. Speaker, I think that paragraph spells it out very



clearly. I think that coincides with what I read in the Rhineland School Division letter to this House. I will continue with the letter:

The scope of Bill 14 extends far beyond the current round of school division district amalgamations in Manitoba. Provisions of the bill will, in effect, transfer from school boards to the minister significant decision-making authority with regard to budgets and to programs and service delivery at the local level. In so doing, Bill 14 effectively reduces local influence and involvement by the community in shaping education opportunities for its students and shifts the focus of accountability from elected school boards to the Minister of Education.

I think therein lies the problem. This is where the power grab takes place. I will continue with No. 4.

The language of various clauses within Bill 14 is open-ended, ambiguous and subject to interpretation. The transition period for amalgamating divisions, districts is undefined. There is no apparent congruence of timeliness between Bill 14 and regulation 61/2002. There is no limitation on the effective duration of any regulation made by the minister with regard to transition issues.

Government has stated repeatedly that the Manitoba School Division District Boundaries Review Commission 1994, conducted under the chair of William Norrie, constitutes the public review and consultation for amalgamation required by the existing section 7(2) of The Public Schools Act.

The Public Schools Act, as currently written, contains the necessary mechanisms and process to effect the amalgamation announced by the Government, subject to any such review. It follows, therefore, that for purposes of amalgamation Bill 14 is redundant and unnecessary.

As discussed at our June 4, 2002, meeting, MAST and its member boards are seriously disturbed by the thrust and the tone of Bill 14, and view it as a significant incursion by government into areas of decision making which more appropriately rests with elected school boards at the local level. Currently some 40 percent of divisional operating costs are raised

by local school tax levies. To contain school boards by ministerial regulation in areas of budget, program and service delivery contradicts the notion of school board accountability to its constituents and transferred that accountability to the office of the minister. For those who value diversity and community engagement and public education, the centralizing effect of Bill 14 is of grave concern.

Accordingly and in keeping with point 5, the above association of school trustees respectfully suggests that the Province of Manitoba withdraw Bill 14 and proceed with amalgamation under the existing provisions of the The Public Schools Act. To do so is congruent with government statements concerning the Boundaries Review Commission as the origin of the proposed amalgamation and honours both the responsibilities and accountabilities for elected school boards as prescribed under current legislation.

Now, Mr. Speaker, I think those two letters say it all. This is why I spoke so emotionally about the rights and freedoms of individuals in this province of Manitoba. This minister, by his single action, is taking away those rights and freedoms. That is unfortunate.

I want to quote the Member for Wolseley (Ms. Friesen). One of the difficulties I think that we have had as a community, and I mean Manitoba, is that second boundary commission or the final report, as the minister calls it, were all written submissions. There were no public hearings or discussion. There was a very short time period for people in various constituencies to have public meetings in order to have a general discussion about this. So I want to suggest to the minister that there are concerns that people feel that the second boundary commission, the final report, was very limited in its discussion of the representation that had to be made to it.

So I want to put on the record some of the concerns in the first instance from rural Manitoba that were raised in the second Norrie Commission. This is people reacting essentially to the map presented to them and to the rationale that he gave.

The quotes are: We remain unconvinced of either the need or desirability for amalgamation

for the students and the ratepayers. That comes from the Rhineland School Division, which, like so many, wanted some indication of the cost to be incurred by amalgamation. Schools are not only buildings where students are prepared for the future but where community is postured and practised in the present. This asks particularly for a fair process that provides for dialogue and consultation. We could see no economies and ask for more evidence of such savings. We believe to centralize the division goes against the philosophy of decentralization. We certainly believe these changes have the potential to damage some of the rural areas. We have concerns, many about our local jobs, the longer transport times, the only destabilizing effect of the provincial government threatening to amalgamate municipalities and school divisions.

Do not waste our time and money with structural changes. We must answer the questions and costs I believe that are asked in these quotes. That comes from the Rhineland School Division, that voluntarily merged in large part, Mr. Speaker, because of the so-called or perceived threats that they saw from the minister prior to the minister taking action to even force amalgamation, because the minister set the time lines and gave the parameters under which he would accept voluntary amalgamation. They saw fit to accept, even though under threat of those conditions involuntarily merged, and now they are asking for the process under the bill that we are now asked to support to be amended. That process would allow them to do what they asked to do, and that is appear before the board of revision to have the decision made in a public forum. That is all they are asking.

If the minister would choose to announce that tomorrow, it could be done at the drop of a hat. A process could proceed, and they could be merged.

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

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

**Mr. Speaker:** Is it the will of the House to call it six o'clock?

**Some Honourable Members:** No.

**Mr. Speaker:** No? Okay. The hour being 5 p.m., we will now move to Private Members' Business.

\* (17:00)

#### PRIVATE MEMBERS' BUSINESS

#### DEBATE ON SECOND READINGS— PRIVATE BILLS

#### Bill 301—The Assiniboine Memorial Curling Club Holding Company Ltd. Additional Powers Act

**Mr. Speaker:** Will we be proceeding with debate on second reading of private Bill 301, The Assiniboine Memorial Curling Club Holding Company Ltd. Additional Powers Act, standing in the name of the honourable Member for Pembina (Mr. Dyck)?

**Some Honourable Members:** Stand.

**Mr. Speaker:** Stand? Is it the will of the House for the bill to remain standing in the name of the honourable Member for Pembina? *[Agreed]*

#### DEBATE ON SECOND READINGS— PUBLIC BILLS

#### Bill 200—The Elections Amendment Act

**Mr. Speaker:** Will we be debating on second reading public Bill 200, The Elections Amendment Act, standing in the name of the honourable Member for Burrows (Mr. Martindale)?

**Some Honourable Members:** Stand.

**Mr. Speaker:** Stand? Is it the will of the House for the bill to remain standing in the name of the honourable Member for Burrows? *[Agreed]*

Now we will move to Resolution 17, Property Taxes.

#### PROPOSED RESOLUTIONS

#### Res. 17—Property Taxes

**Mr. Jim Rondeau (Assiniboia):** Good day, Mr. Speaker, I move, seconded by the honourable Member for Riel (Ms. Asper), the following:

WHEREAS the reduction of property taxes was a key election promise by the provincial government; and

WHEREAS the provincial government's \$75 reduction last year and the subsequent \$75 reduction this year for a combined \$150 over the last two budget years represents an average property tax reduction of 6 percent in Winnipeg and 9.4 percent in the rest of the province; and

WHEREAS Manitoba's Provincial-Municipal Tax Sharing program, the only such arrangement in the country, helps to curb the reliance on property taxes by municipalities by providing a share of corporate and personal income taxes to local governments; and

WHEREAS this property tax reduction affords a greater level of security to fixed income families, particularly seniors, by assisting them to remain in their homes.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the provincial government to consider continuing its efforts to provide fair and significant property tax relief; and

BE IT FURTHER RESOLVED that this Assembly urge the provincial government to consider continuing to provide meaningful property tax reductions to Manitobans.

*Motion presented.*

**Mr. Rondeau:** I am very pleased to put forward this resolution on property taxes. I am happy to do that because what it is doing is it is providing meaningful property taxes to people who really need it, and it is providing good basic savings for people, especially seniors, people on fixed incomes, et cetera, to really make a difference in their lives, to make a quality standard-of-living difference.

Just looking at some of the things we have done tax wise, I am very pleased to see some of the initiatives we have taken. The biggest one is the \$150 in two years for the education credit, and basically what we have done is moved it from the \$250 mark to \$400 a year. So the average property owner, the average renter is getting a break of \$400 on property tax.

Who does this help the most? The persons that it helps the most are the people on fixed

incomes, on lower incomes, so you have to take that type of impact and compare it to income tax savings. An example is a single person earning \$40,000 a year would have paid \$4,000 tax in 1999. Now, that has gone down a lot since then.

There was a decrease of \$218 in 2001 and a further decrease of \$335 in 2002. So that has gone down to about \$3,500.

Now, if they had gotten a \$75 tax break, that is about 2 percent. So when we are talking about a \$150 break, we are talking a 4% decrease, or it is comparable to a 4% decrease in their income tax rate. That is a significant decrease in just two years' time.

What is also important is that people are getting a basic income tax decrease. So not only is it on the property tax, it is also on the income tax rate. So they have had a 9.7% decrease. That family has had a 9.7% decrease in income tax and also has had a considerable decrease in property tax, and that makes a big difference.

You talk about a senior couple, two seniors who are earning \$40,000. Basically their tax rate would be about \$1,200 in provincial tax. So that same \$150 is a huge decrease. It is equivalent to almost a 10% decrease in addition to the already declining income taxes that we have been offering. So it makes a big difference.

Finally, I will give the final example which is that a family of four with one earner earning \$40,000 would pay about \$2,300 in taxes. They have also had about a 21% income tax decrease, and with the property tax decrease, they are saving an additional about 8 percent. These are real improvements to the standard of living for low-income families, families that are trying to make ends meet.

Now, if we went and did an across-the-board income tax and we did not look at doing property tax contributions and decreases, then what would happen is this. If you did a straight, say, 5% income tax decrease, what would happen is the person who is earning \$200,000 would save \$10,000. A person earning \$25,000 or \$30,000 on 5 percent would save considerably, considerably less. So what we are trying to do is we are trying to help the people

who need it the most. What this does is it focusses on the people with need, so the people who have the least amount of income get the highest assistance by government. They get the biggest break on property taxes.

That is where we should be. We should be providing those seniors on a fixed income a break. We should be providing a break to the single families and families starting out. You know, it is important to give them more support and a hand up, not a handout but a hand up, so that they can improve, they can spend the money in their community and on their families. So that is really, really important. I am proud of that.

So I look at that. I also look at the other property tax savings that we have been looking at. An example is the ESL. The education support levy is another tax that we have across the province that supports education. We have gone and we have pledged to eliminate this. This year we have taken a \$10-million bite out of it. What that means is that we are not taxing property owners for education. What we are doing is we are putting the burden on provincial revenue instead of just property. That way people who have acquired a house, who have paid it off, paid their mortgage, worked very, very hard, decided to stay in Manitoba, what we are going to do is we are not going to penalize them for staying in their homes. We are going to give them support. Where we are going to give them support is we are going to decrease the property tax burden by moving education funding away from property and onto general revenues. I think that is philosophically the way we want to go.

The ESL revenue was important because the mill rate was basically reduced by 16 percent to about 6.64 mill rates, and that is really, really important as far as a decrease in the burden on the taxpayers.

The other thing that we have done is we have also extended the property tax credit to renters. This is important because in general some people have asked why do renters get this break. Why do we give a \$400 benefit to each renter in Manitoba? The reason is quite simple. What happens is if there is a property tax put onto the property, the landlord passes it on in rent to the people who are renting the property.

So, therefore, they actually do pay the property tax, and they pay the education tax, within their rent. What we have done is said, okay, these people also deserve a break. So we have gone out of our way, and we have thought about this. What we want to do is we want to make sure that renters who pay this tax also get the break. So it is not just property owners, it is also renters. That is fair and equitable because, again, people who are renting do deserve the same break as the people who own the property, and so that is very nice.

\* (17:10)

Other things that we have done are for the middle income. You know, unless you get way up there and you have a huge house, or you have a huge income well in excess of \$100,000 a year, the property tax breaks are better or equivalent to the property tax decreases. So income tax and property tax, it would be a wash. So what we are saying is that, if you are a middle tax bracket, you get a little bit of a break on income tax rates. The income tax rates, they have gone down considerably. What we are talking about is a person who is earning \$70,000. A single person, since 1999, has had a 10.2% decrease in the income tax rate in addition to the property tax credit.

Single couple of \$60,000 has had a 14.4% decrease in income tax. A family of four with one earner earning \$60,000 has had a 17.8% decrease in taxes. So what we have done is we have decreased the income taxes. We have decreased the property taxes. I am also pleased to see that we are the first government that has decreased the corporate tax rate in many years.

Why that is important is we are encouraging investment. We are encouraging companies to invest in Manitoba and to expand in Manitoba. That is very, very important. So, therefore, I look at that. I look at some other important things that we have done. One of the very, very important things we have done that is fiscally responsible is we have started to pay down the debt. What that means is that we are taking the amount of money that is on the pension liability as well as the deficit and putting money into it. As a financial adviser, I thought this was important because what you are doing is you are investing in the future.

It would be crazy to pay off your house mortgage and not put any money into a pension or RRSP. So what we are doing as a provincial government now is we are addressing the pension liability by taking money and putting it into TRAF and Superannuation Board and having it so that these funds are funded. So we are not doing it and having an obligation without any money there. What we are doing is we are contributing money into each of these funds. We are building it up so that, in the future, not only will we not have a provincial debt, but we also will not have a liability to those people, the public servants who have worked in our province. So that becomes very, very important.

Also, it is important to note that, as we are investing in the pension funds, these pension funds have traditionally returned between 8 and 12 percent. Then our borrowing costs are about 5 percent. So what the important part is, is we are earning a profit by investing in these pension funds. We are earning the split between 5 percent, the cost of borrowing, and the 10% cost that we get on revenue from those. So we actually make money by paying down the pension liability, and that becomes important. The most important part is that we are being fiscally responsible.

I know, in the times of September 11, we had a choice between not paying down the debt obligations, not paying down the pension liabilities or other cuts. I think what we have done is, by taking a one-time draw from Hydro, what we have done is taken money, fulfilled our obligations to the people who have worked in the province, we have paid down the debt as appropriate. We are helping those people on fixed incomes, seniors who have worked hard to maintain a standard of living. What has happened is they are able to stay in the homes. With home care, with some programs of support, they can afford to legitimately stay in their homes and have a decent lifestyle. That is important.

I think that our moves on increasing the property tax credit from \$250 to \$325 and then to \$400 and this year the removal of 10 percent of the education support levy tax is a good move to decrease the cost of education off the backs of property owners. It is moved to fund education at the appropriate level.

It is nice to see that what we are doing is, when we are putting money into schools, there is always the debate about what the level of funding is. I know the members opposite talked about 59 and we are talking about 76. I think it is important to note that \$400 per taxpayer, that is the difference. The revenue to the pension liability is the difference. The revenue to the schools, building the schools, the d-grants, the building of new facilities are a part of the contributions that the Province makes, which gives us 76 percent.

If we did not give the \$400 to the property owners, if we did not do it as a credit, then they would end up paying more. So I think it is appropriate to be counted as part of the contribution to education because, if the Province was not putting that money to credit for each property owner, to each renter, then that money would have been necessary to be acquired to run the schools. So what we are doing is we are putting in the \$400, we are putting the money for the ESL to effectively run the schools.

I think it is good that we are spending more money into the schools. I think it is good that we are focussing on education and putting money in, and I think it is good that the Province is focussing on funding education centrally and its commitment to good, positive education. So I think that is very important, and I think it is also important that we are supporting seniors, those on a fixed income and those people who wish to remain in Manitoba and maintain a good standard of living. So thank you very much, and I hope that the Chamber passes this important resolution.

**Mr. Jim Penner (Steinbach):** Mr. Speaker, I was looking at a news article here. It says tax relief, question mark, and then it says don't make me laugh. Well, why are people laughing? All around this House, all through this building, all over the province, people are laughing. Why are they laughing? You know what, do you know how much \$75 a year is? You know, divided by 365, do you know what it works out to? Less than 21 cents a day. Wow, are we happy. We are laughing. I mean, 21 cents a day for the poor people and for the rich. What a great thing this Government has done. How come they could do such a wonderful, wonderful thing? Tax relief, do not make me laugh, 21 cents a day.

Do you know what? Most of you use more Kleenex than that, 21 cents a day. I cannot believe that they call this tax relief. How the dickens can you call that tax relief, 21 cents a day? My goodness. Do you know what, I pay \$1.25 for coffee in the morning, a big mug of coffee. Am I going to quit buying coffee if I do not get 21 cents a day? My goodness, this is the biggest joke that I have ever seen. Tax relief, do not make me laugh. I cannot believe that we are even talking about this.

However, you know, not to belittle everything, there has got to be some way that the Government has recovered this. Why do I say that the Government had to recover it? Well, somewhere in this budget book we had here a few weeks ago, it says that we are going to spend. We are going to spend over \$6.928 billion, the budgeted expenditure this year. Now, that is higher than last year. It is higher than the year before. So the expenditure is going up. How can taxes go down and the expenditures go up? Revenue is going up. Revenue is going up from \$6.8 billion 2001-2002 to \$6.941 billion in 2002-2003. Tell me, Mr. Speaker, how can the revenues go up, the expenses go up and the taxes go down? I do not know. This is really funny, especially 21 cents a day. I cannot forget 21 cents a day. I will remember that for as long as I live, 21 cents a day. That is such a great big thing.

You know what, Mr. Speaker, talk about 21 cents a day, what would have happened if they had not added one line to the revenue estimates in their budget book? In 2001-2002, under Hydro, there was a zero for revenue, a zero. Then, all of a sudden, in 2001-2002, as a forecast, there is \$150 million coming out of there. You know what, if they had not robbed Hydro of \$150 million, they would have only had revenue of \$6,750,000. That would have been the real revenue, but all of a sudden, retroactively, \$150 million comes out of there and now they can, so called, balance the budget.

You know, when you take that money out, 21 cents a day does not look like a whole lot of money, does it? I really thought that 21 cents a day—*[interjection]* No, we wanted to call it six o'clock. We did not want to pass. Anyway, there have got to be other places where they are getting the money from.

\* (17:20)

I just noticed, looking since 1999, the NDP cash grabs are for licence of manufactured products, an increase of \$300, 300 percent; for dealer plate fees, an increase of \$77 or 160 percent; for dealer permits, an increase of \$75 or 167 percent; for notaries public, an increase of \$75 or 50 percent; for filing a statement of claim, an increase of 25 percent; for filing a petition for divorce, 13 percent; for registration fees for farm trucks, 29 percent; for vehicle registrations for cars, trucks and motorcycles, 20 percent; renewal of appointment for Commissioner of Oaths, 42 percent; filing a statement of defence, 17 percent; filing for a garnishment order, 20 percent.

You know, it just goes on, private vehicle inspection, 67 percent; driver's licence fees were increased 15 percent. That is how they loaded their tax coffers. Private vehicle safety inspections, 13 percent; Hydro water rental rate, 86 percent. It went from an increase of \$48 million. Then they are giving a tax reduction. Where is this tax reduction? That is why we are laughing so hard. It is 21 cents; 21 cents a day they gave. My goodness, what a gracious bunch of people. If that would have just kept us competitive with other provinces, then 21 cents would have been the winning mark, but 21 cents causes us to fall further and further behind. Then the Hydro debt guarantee rate went up to \$17 million or an increase of 29 percent. The video lottery terminal threshold, up 23 percent. The list goes on. You know, there is just a learning tax credit of \$74 and a green tax on insecticides, fertilizers and weed control. An increase of 100 percent brought in an extra \$2 million.

Of course, the tobacco tax, which I do not entirely disagree with, and we noticed that there is an increase in the deductible for Pharmacare, and something that thousands and thousands of people are concerned about, a tax on the poor, is the delisting of some of the medical services, particularly the chiropractors. If you look at a 21-cent-a-day rebate and then you think about what was taken out of the pockets of people who need the services of a chiropractor, I really wonder how people could even get up and stand up and say we are going to give you a 21-cent-a-day break. What a break. Wow. This is really

fabulous and some people, you know, tax relief, do not laugh.

So, if you do the math you will discover the Doer government raised your taxes by nearly \$3 million a year in last year's Budget. It is not exactly what you heard from the Budget coverage, is it? What you probably remember is the NDP telling you that it is giving Manitobans modest tax relief, right? Well, it is simply not true. If you get the calculator out and add up all the tax cuts and the tax hikes for individual Manitobans, you will find you are paying more, not less. That is because a lot of the tax increases in the Budget went largely unnoticed.

For example, did you know propane taxes for your barbecue jumped 43 percent? How about the new administration fee you are going to pay on your vehicle sales tax refunds? How about the tax on labour for plumbing and electrical, the 7% PST on plumbing and labour? It is another tax.

We are being taxed every which way, and it is like somebody once said: There is not a tax this Government has ever seen that they do not like. So there was a \$10 million cut to property taxes, and then they talk about less borrowing and the fact that they are going to save money because we are going to have less borrowing. Well, the truth is if you take all of the debt of the Province of Manitoba, including the \$6.3 billion of the Province and the \$6.2 billion of Hydro plus the \$288 million that we have to borrow to cover the deficit, if you take all of the debt together, one year ago it was \$19 billion. This year it is \$20 billion. So it has gone up a billion dollars. If the honourable members would just take their book and read their own literature, their own printing, their own words, this is exactly what they are saying. Then we get back to the 21 cents. Well, we are hoping to get a break from the federal government. But nobody has said that this is for certain. We have budgeted actually for an 11% increase from the federal government, over what we received a year ago. That does not even seem to be exactly certain.

Mr. Speaker, there is one more very important thing that I have to put on the record today because, when the honourable member

puts forward a private member's resolution and says we are saving the poor people money, 21 cents a day, you know what, I think it is very honourable, the idea, but I think it is very, very lacking in integrity.

Mr. Speaker, do you know that all the taxes that have been reflected on business, the increased taxes resulting from the reduction in property tax, or the reduction in schools, the 10% reduction of tuition fees, where was that tax made up? That tax was made up by businesses. Who pays the business tax? Only one person pays tax in this country. It is the consumer. He pays the provincial sales tax. He pays the federal sales tax. The businesses have no money, just like governments have no money. All the money comes from the citizens. Some people think that the Government owns the money. Well, businesses have no money except for the taxes they collect. By the way, businesses have become professional tax collectors. They have to collect the tax that is payable on payroll tax. They have to collect the tax that is payable on property tax. They have to collect the tax that is payable on income tax. They are collecting taxes constantly from the consumer.

The bottom line is every nickel that the Government collects, whether it is from business, personal income tax, et cetera, comes from one person, and that is the wage earner, including you and I. When we buy a loaf of bread, when we buy a quart of milk, when we buy a box of chocolates or when we buy a car tire or when we buy a gallon of gas, every tax dollar comes from the consumer who buys the item. Not one nickel comes from the businessman. Not one nickel comes from business. So, when there is an attempt to reflect on how we can get even with the big, powerful rich people, the businesses collect every dollar of tax on the merchandise that they sell. So there is only one taxpayer.

When we go to talk to business, we see that a survey from a 2002 B.C. provincial budget ranked Manitoba with the third-highest personal taxes on incomes ranging from \$40,000 to \$100,000. Only taxpayers in Newfoundland and Québec are worse off. Manitoba's marginal personal income tax rate of 46.4 percent is the highest among the western provinces and

Ontario. But, Mr. Speaker, only the Finance ministers from Manitoba and the Atlantic province have chosen not to index tax brackets and credits to inflation. Bracket creep continues to eat away at our disposable income. So, when somebody gets up and starts bragging about 21 cents a day, I think we have to bring realism back. This is not real. We have not received a benefit that is worthwhile talking about.

Twenty-one cents a day, I am just trying to think. What does 21 cents buy any one of us? Can you think of something you can buy for 21 cents? You cannot buy a newspaper, no. You cannot buy a chocolate bar. What can you buy for 21 cents a day? What a marvelous tax, and, you know, at the same time, the member was breaking his arm patting himself on the back for 21 cents a day. He would not even be able to go to the chiropractor to get that fixed because he is being charged more money than he should have been.

Mr. Speaker, I guess we could go on for about two hours and talk about 21 cents a day, but, at the mean time, I hope that this statement does not receive too much attention because I think it is an embarrassment to every person in the province of Manitoba. Thank you.

\* (17:30)

**Mr. Peter Dyck (Pembina):** Mr. Speaker, I am pleased to be able to rise and to debate this resolution as well. I look at the first WHEREAS, and I think that, if we would just make a little bit of an amendment, a little change in there, maybe I could support this resolution. It would be:

WHEREAS the reduction of property taxes was a key election promise broken by the provincial government.

If we put "broken" into there, then possibly we could agree with the resolution. However, I think there are a few things that need to be pointed out specific to the resolution that is in here.

It was actually drawn to my attention by the mover of this resolution that the part of continuing its efforts, I think, that we all need to continue to try to lower taxes. However, as the

Member for Steinbach has so eloquently just stated, we are the highest-taxed province, other than Newfoundland and Québec, in all of Canada. If my recollection serves me correctly, and I know that it does, just a short two and a half years ago, we were the third-lowest taxed in all of Canada. Whether or not we now are patting ourselves on the back or this Government is patting themselves on the back by saying that they have in fact lowered the taxes for the consumer within the province of Manitoba, I would strongly disagree. We are losing our competitive edge.

I just need to mention in fact this morning I had an opportunity to have breakfast with a number of people within my area. Of course, the association with that first part of it was that we were celebrating the Seniors Games in Morden. We officially opened those. Before we did that, we went out for breakfast and had opportunity to speak to people. A number of them are running small businesses. I know that the current Government is not really in favour of business. They would not want them to make any money, so they are doing everything in their power to provide an atmosphere where they cannot do that. However, that is possibly a little off the topic here.

The point that I want to make is that these companies are frustrated because we live in a global economy. In our global economy, we have to be competitive. That competitive edge needs to be across not only Manitoba but across North America, across the world. This was an area of concern that was in fact cited to me as lately as this morning. I must now get back to the whole area of education funding.

I find it interesting. I find it interesting that members opposite continue to talk about their funding and their financing of education and how in fact they claim that they are putting more dollars into education every year. In fact, the Member for Steinbach just drew to our attention a moment ago the fact that, over the last number of years, they are on a slide where they are now the lowest. It was brought out by the Manitoba Teachers' Society in their article, this NDP government that supposedly prides itself in funding of education is down as low as 59.5 percent. That is the lowest in the last I am not



sure how many years, but many, many years. So I find it interesting that here is a government who claims that they are continuing to put resources out to the school divisions and in fact are withdrawing them. I need to come back to our local situation, but this is right across the province.

When I look at my tax bill, my council, the communities that I represent, I represent the R.M. of Stanley, the town of Morden, the city of Winkler, the village of Manitou, all those communities, their own local tax base, the dollars that they are requiring from the individual taxpayers, those have gone down. The portion that has gone up which is, in fact, causing us to have an increase of taxes is the education part. I see the member here, the Minister of Industry and Trade, I know that she used to be on the school board. It is a few years ago, but I think we were seatmates there, or colleagues, whatever you want to call it, at that point. I know that a big part of the frustration that we had at that time as school board members, as school board members have today, is the fact that they need to go back to the local taxpayer to raise dollars. If there were adequate amounts of dollars coming from the Province then, of course, they would not have to go back in such a substantial amount to the local taxpayer.

Instead of this decreasing, I find it is increasing, and that is unfortunate. Do we need to fund education in a substantial and an adequate manner? Yes, I believe it is very important that we do that. However, the resolution here is claiming that, in fact, they have gone down by \$75 per year and, in fact, over two years, \$150. Now, again, the Member for Steinbach (Mr. Jim Penner) pointed out in there—I had not done the calculations on it, but when you put this on a per day, on a per year basis, it is 21 cents.

Now, I know that while the Member for Steinbach was speaking, there was some chirping across the way and talking: Well, you know, 21 cents is 21 cents. I agree. In the province of Manitoba and in the country of Canada, 100 pennies still makes a dollar. That same amount, of course, would not be translated into U.S. funds. There is a fair difference there.

However, is it important, that 21 cents? Yes, it is important, but let us not pat ourselves on the

shoulder too greatly about saying that we have greatly reduced the taxation burden. I mean, my goodness, \$75 in a year is not a substantial amount.

Mr. Speaker, I just want to talk and just give a few examples here of what the general public is thinking regarding what we are talking about here as the great reduction in taxation. Now, let us just look at Manitoba, here. Property taxes in Manitoba are among the highest in the country. Currently, taxes in Winnipeg are 2.5 times those in Calgary. So, you know, we are not going to draw business. We are not going to draw industry into this province if we continue, in fact, to have the increasing taxes that we have out here.

In fact, the member who proposed the resolution, he and I just a few minutes ago, were talking about the fact of lowering taxes, the fact that we needed to be competitive, and I agree with that. He said: As we continue to lower the taxes, this would be the one way of drawing businesses into the province. And I will not disagree with that. That is one way.

But, I need to also go in another direction. This follows through with the discussion that I had with a number of my constituents this morning. In the same part, as we were having breakfast, was the area of the labour legislation that the Minister of Labour (Ms. Barrett) put forward two years ago, Bill 44, another real detriment to the growth and the expansion of business and industry within the province.

Now, Mr. Speaker, in order to have a province that is going to be able to generate dollars to pay the things that we need, be they health care, be they education, family services, all of these very important areas of funding, the dollars do have to come from someplace. We need to generate new dollars. It is nice to churn and regurgitate the dollars internally and, I know, that anyone who is working as a professional person or in the civil service are paying high taxes. Absolutely right. I would say they are paying a good, substantial part of the taxes of the province. However, Mr. Speaker, it is the businesses that are generating the new tax dollars that are helping the province to grow.

I see that within the last two years we are on the backward slide. We are on the slippery slope,

and so I would challenge this Government that in this whole process—they are talking here about continuing to lower taxes. Yes, continue to do that. I will not argue with that. I would say they have not done enough because we are not being competitive at this point within Canada and within North America, but I would challenge him to continue and to go in another direction and that is to revisit and to relook the labour laws that they have put in place.

Just a few comments I would like to make regarding some of the reactions that other areas within the province, and I will just cite a few of them. For instance, what was MAST's, that is the Manitoba Association of School Trustees, what was their reaction to some of the so-called decrease in taxes out there? This was the comment made by the executive director, Caroline Duhamel. She said: I do not have any sense that they, in school divisions, will be compensated by the province for money lost. Clearly, it is not good news for school divisions that they will be impacted. This comes from the executive director of MAST.

\* (17:40)

Then the St. Boniface School Division is looking at a loss of about \$50,000 due to some of the other costs that they are incurring. Who is going to pick that up? Now you have been talking about the 21 cents a day that the taxpayer is going to be saving. Well, who is going to pick it up? The money does have to come from someplace.

Fort Garry School Division, some of their reaction at the loss of \$700,000 in property taxes this year, the equivalent of 2.8% increase in local school taxes. It increases the taxes on the home by \$28.42 if it is assessed at \$100,000. By the year 2007, the amalgamated School Division of Fort Garry and Assiniboine South will have to find \$3.5 million to replace the school taxes the U of M will no longer be paying.

So we can take it away from one place, but all we do is grab it from another. You are patting yourselves on the back, but the overall point of it is you have to lower your cost of production. That is the underlying part within the Province of Manitoba here and you are not doing it.

Okay, then a few other comments here. The Minister for Seniors I think is the area that she is responsible for, or Minister of Advanced Education (Ms. McGifford) rather, she downplayed the extra cost to taxpayers but made it clear that the province will now provide grants in lieu of taxes or make up any other way the property taxes the university has currently paid to municipalities and school divisions. So you take it away from the one hand and you take away the burden on the one side, you give it to another. So, Mr. Speaker, I just fail to see this resolution here as where they say continuing to lower taxes. They have not done that.

Mr. Speaker, I must move on. Just a few comments that were made from the editorial board in the *Winnipeg Free Press*. It says here the Doer government has forced a \$17 million university funding onto beleaguered property taxpayers. Now again we say that we have decreased the burden to the local taxpayers on the one hand, then on the other hand it is picked up by someone else.

Then another one is: The Doer government's failure is to remove the ESL all at the same time. Then they go on to say high property taxes fuelled primarily by soaring education taxes have become the single biggest drag on the economic development in Winnipeg. Well, Mr. Speaker, here we have a government who says that they are trying to do everything possible in order to be able to stimulate the economy here and yet we just see the taxes going up. Yes, they are loaded off, they have taken off \$75. Twenty-one cents a day taken off on the one side. All it does is just transfer it into another area.

So I just cannot agree with this resolution as it has been stated here. Do we need to continue to try to lower taxes? I would encourage this Government to continue, but they have not done that and I come back to the first line in this resolution here which states: WHEREAS the reduction of property taxes was a key election promise, I would insert in there: broken by the provincial government. They did not live up to the promise that they made.

Just a few more comments that I want to make here and some of the quotes from the *Brandon Sun*, the editorial board. The headline

was: City is right to be angry: The province just turned a cut in property taxes for Brandon University into a Wheel of Fortune game, spinning nothing but confusion for other authorities trying to plan and balance budgets. City councillors have to deal with a budget shocker and will no doubt make us pay.

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

**Mr. Frank Pitura (Morris):** I am privileged and excited about putting a few comments on the record with respect to the resolution brought in by the member from St. James-Assiniboia. I look with interest at the resolution and how the government of the day is patting itself on the back for a \$75 reduction this year in terms of property taxes and is saying, wow, that is really a good direction to go, and we should continue to go with that, and that this Assembly should urge that the Government consider moving on its path that it is now on.

You know, Mr. Speaker, I have to somewhat chuckle at that because, when you get your property tax statement, which I just recently received for our own property taxes, those taxes in terms of the municipal tax have declined some \$300 in terms of municipal services, but I note that the education tax on the property went up, so it offset any kind of decline in the property tax or in the municipal tax side.

You know what, I see with note that the property taxes in Manitoba are amongst the highest in the country. Currently, taxes in Winnipeg are two and a half times those in Calgary. That is very significant. You may say, well, that is fine, but, you know, property values in Calgary are probably three times that of property value in Winnipeg. So housing costs are cheaper in Winnipeg, but you pay a lot more taxes.

I heard a comment given at a panel discussion by a person who was looking at the property values of Winnipeg and looking at the argument being made that, well, Winnipeg is a lot cheaper housing market. The answer was I do not want to buy a house that is cheaper. I want to buy a house that is expensive and is going up in value because then I know I am buying some property that is worth something. He says, if I am looking

at a market and the market is trying to lure me to live in Winnipeg because property values are cheap, then I also have to look at the fact that, if the property values are cheap, then there must not be a very high demand for property. Therefore, if I am buying, I may be holding on to this property for a long period of time, but, if I am going into a market area that the property values are quite a bit more, that they are probably going to continue to rise, it is probably going to be a good deal for me to be living in that community.

So we have to be very careful when we are promoting the attributes of the city of Winnipeg compared to the rest of Canada with regard to property values and the great deals that people can get on property values in Winnipeg. Some people would like to probably buy homes for a lot more value so that, in turn, they have an asset that is of more value to them.

I think one other thing, Mr. Speaker, that I would like to take note of is the fact that, with the latest shift of property taxes that the universities have been given with the exemption of the property taxes that they have been given, this, in effect, shifts more of the property tax burden onto the homeowners in the cities of Winnipeg and Brandon. I think that is something that the provincial government here may have been a bit shortsighted on when they chose to take that option with respect to what kind of impact it is going to have with regard to increasing the property taxes on residences around the area, as well as what it is going to do in terms of lost revenue for the cities of Winnipeg and Brandon.

It also has a major impact on the school divisions that surround the area. For example, the school divisions in Winnipeg affected by the University of Manitoba are Winnipeg No. 1, Fort Garry, St. Boniface and Brandon. They are going to be affected with a loss of property tax revenue as a result of the institutions not paying any property taxes. It says that the Fort Garry, Winnipeg and St. Boniface school divisions will lose \$1.86 million in total this year, rising to \$9.34 million in 2006, for an accumulated loss of \$28 million over five years. That is a tremendous amount of property tax dollars that have to be made up by those school divisions in some other way.

Also, the cost to the City of Brandon will reach about \$868,000 annually by 2006, and the cost to the City of Winnipeg for 2002 will be 19.9 over the next five years. So that is, in itself, a very significant loss of tax revenue to the cities of Brandon and Winnipeg.

\* (17:50)

I just want to relate, too, Mr. Speaker, that one of the areas I think that any government should take a look at is tax reform. I really think you have to take a look at property taxes from the standpoint of what property taxes support and what income taxes, or if you want to call it income tax and sales tax, support, because if you follow the philosophy that taxes paid by property should be used for services to property, and that taxes for people, programs for people, should be paid by people in terms of taxes, then I think you can take a look at how the whole taxation system is run within the province in terms of reform and splitting it out in ensuring that, for example, as for education, over time, the education tax, in terms of the source of tax for education, should be supported through the ability to pay taxes, rather than property taxes. Taxes, of course, for services such as water and sewer and roads should be paid by the property.

I think that it would be interesting for any government to go through the exercise of taxation reform to establish that differentiation between what is paid for, for the support of property and what is paid for, for human and social programs.

So, with those few comments, Mr. Speaker, I am privileged to defer this now to my colleague from Portage la Prairie.

**Mr. David Faurshou (Portage la Prairie):** It is a privilege for me to have the opportunity this afternoon to address a topic that is one of interest of mine, and I do appreciate the honourable Member for Assiniboia (Mr. Rondeau) bringing this forward to the Chamber. I am very pleased to see that the Finance Minister is in the House this afternoon, as well as the Minister of Intergovernmental Affairs (Ms. Friesen), both departments that have a direct impact from this resolution this afternoon.

Basically, the resolution is urging the provincial government to consider continuing its

efforts to provide fair and significant property tax relief. Well, that is a contradiction. In fact, if one is related to the actions by the New Democratic Party to date, it has not been in the direction of fairness for property taxpayers. The additional \$150 of property tax credit has added significant numbers of property owners here in the city of Winnipeg and throughout the province to zero dollar contribution towards services in communities or in the municipalities in which the properties reside.

Mr. Speaker, we have now countless numbers of homes, because of their property value or assessment and subsequent amount of property tax that they are to pay to the respective municipalities, with this additional \$150, these properties pay absolutely nothing. If persons are looking to a property owner, and the statement is made that the property owner consumes zero services from that community or that municipality, give your head a shake, because it does. There are sidewalks, streets, water, sewer, lighting, police, fire, ambulance; the list goes on and on and on, and to say residents of a particular municipality or community consume or benefit from zero services is sheer nonsense.

Property tax in its form today is an extremely regressive tax. If one goes and improves their property in whatever fashion, from a newly renovated bathroom to perhaps an addition to the home or improved landscaping and access. That brings value to that home, which is recognized by a higher assessment, and ultimately more property tax is paid. Yet, Mr. Speaker, property taxes, my colleague from Morris stated, was essentially started to provide for services. Because someone has a little larger kitchen or a two-bay garage versus a single-bay garage, how does that communicate into additional services being consumed by that particular property owner? It does not. All we are doing with property tax, and based upon assessment, is preventing persons from adding to the community or to the particular neighbourhood by enhancing the property that they own.

Mr. Speaker, we want persons to invest in our communities, in our municipalities and make those properties better for, not only themselves, but future owners. That, in turn, attracts more persons to our communities if properties are in

good stead and well maintained and being improved upon.

Currently, our property tax and the tax credit effectively rewards individuals that take their property and let it slide. Essentially, once one lets the property go into disrepair, the assessed value is reduced, and ultimately they are rewarded by paying less property tax.

This particular property tax credit, which the honourable member from Assiniboia has raised with great fanfare through resolution, actually rewards these individuals for doing so. I have no idea how anyone can draw a conclusion that this is the right direction for the Government of Manitoba to go and state that it is fair. It is not fair. It is not fair to the rest of us in the community that ultimately have to carry the tax burden to provide for the services of that community or municipality.

So, Mr. Speaker, I believe, as my colleague from Morris stated, that taxes should be based upon services and shared fairly amongst everyone. If you are a property resident of that municipality or community, you should pay for your fair share. Now, I understand that there are persons that are not as well off as others. That is where the income tax comes in to balance things

out. There should be no one in our province that should be taxed for making \$8,000 of income in a year. Nonsense. Everyone knows that no one can provide for themselves or attempt to raise a family on \$8,000, yet this Government sees fit to tax people that make \$8,000 in a year.

Mr. Speaker, the Lower Tax Commission stated that anyone making less than \$11,000 per year should not be paying any income tax. That, I am very proud to say, was the direction that the previous administration was working towards, and this current Government has not taken any heed of that commission's report. In fact, it is collecting dust somewhere because I have seen no reference to that particular report by any activity that this Government has conducted to date since their election.

So, Mr. Speaker, I know my time has elapsed—

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

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

# LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, June 18, 2002

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