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of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Ninth Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, April 25, 2008

The House met at 10 a.m.

ORDERS OF THE DAY
(Continued)

GOVERNMENT BUSINESS

COMMITTEE OF SUPPLY
(Concurrent Sections)

JUSTICE

* (10:00)

Madam Chairperson (Marilyn Brick): Will the Committee of Supply please come to order. This section of the Committee of Supply will now resume consideration of the Estimates of the Department of Justice. As had been previously agreed, questioning for this department will proceed in a global manner.

The floor is now open for questions.

Hon. Dave Chomiak (Minister of Justice and Attorney General): Thank you, Madam Chairperson. Pursuant to questions yesterday, I'm just providing copies of the 13-year funding history for Legal Aid, to the member. Also pursuant to discussions yesterday, I'm providing the breakdown of costs of the Justice mission to Ottawa for the member.

Also pursuant to yesterday, I'm advised that we don't have the breakdown costs, nor do we collect them, of the costs of flights of Crown prosecutors on the northern circuit because it's not a natural phenomena that we necessarily would track because of the—we wouldn't normally track, for example, the salaries of the Crown prosecutors in Thompson, or necessarily the costs of the whole judicial circuit on a breakdown basis, you know, how much is the cost for each Crown to go to each judicial. So it's not something we do as a matter of course. We could collect it and try to pin it for the member, if he requires it. I'm not sure if it would be—it's the member's call—but I'm not sure we'd be terribly illuminating in terms of providing cost justification for what would be the difference if we had had a Crown in Thompson and we're flying them in from Winnipeg. I'm not sure it would necessarily make that point, but if the member wants us to pursue it, people will try to track it down. *[interjection]*

Yes, we track expenses, but we don't net it out.

Mr. Gerald Hawranik (Lac du Bonnet): I thank the minister for that since, you know, it's difficult to track those expenses; if, at very least, he could undertake to provide me with the number of prosecutor days that were filled in in the Thompson office by Winnipeg prosecutors in the year, that would be sufficient as well.

Mr. Chomiak: We'll try to guesstimate that.

Mr. Hawranik: I thank the minister for that.

I met with the Manitoba Bar Association some time ago and—

An Honourable Member: Lucky you.

Mr. Hawranik:—I'm not sure how many members they have in terms of the Bar Association. I'm not a member, by the way; I'm a Law Society member, but not a member of the Bar Association. *[interjection]* In any event, it was a good meeting. It was straight to the point, of course, as lawyers always are because time is money, right? That's the way it goes.

But, in any event, I did have a fairly good meeting with them. One of the concerns that they brought forward—and I asked them straight up, you know there are some concerns that you have with respect to the Justice Department and, if you could bring them forward to me, of course I'd be happy to pass them on to the minister if you haven't done so already—was the private prosecutions project that they'd been advocating for. They're looking for about \$30,000 for this particular project, and the minister may be aware of it already. It really provides for mediation services rather than requiring people to go to court unnecessarily. From what I understand, the Chief Judge of Manitoba is also behind that particular project. Seems like a small amount of money to spend given the fact that court resources are already taxed to the limit; and, if there's any way we can promote, I think, settlements or mediations outside the court process, I think we ought to do.

I'd like to hear the minister's response in terms of whether he believes that that's a worthwhile project or not.

Mr. Chomiak: Yes, Madam Chairperson, we agree with the member's comments and, in fact, the project is going forward this year.

Mr. Hawranik: I'm happy to hear that. Of course, it's a pilot project and I would expect hopefully, that the Department of Justice would evaluate that and determine whether or not it needs to be expanded, either in its mandate or in terms of where it's to take place and wonder if the minister is aware of whether or not the Justice Department will be evaluating that particular project, first of all. Secondly, if it's been approved, for what length of time has it been approved?

Mr. Chomiak: I think it's almost a unanimous view around the department that some forms of mediation are much more acceptable than straight, long disputed, court-related issues. We do build in evaluation components to all of the pilots and all the projects that we undertake. Hopefully, if this proves to be successful, then, obviously, as a form of dealing with issues, we'll continue it and probably expand it.

Mr. Hawranik: Can the minister indicate when that project will start to be funded, or has it already been started and for how long has the project been approved to continue to operate?

Mr. Chomiak: Madam Chairperson, that's always a tricky technical question to deal with. Formally, the departments don't proceed on budgetary expenditure new initiatives until the budget's formally and finally passed and then they have the formal authorization to go ahead. In some instances, departments move out ahead and prepare the groundwork and move forward, you know, a little along the line. It's not necessarily totally following within the framework of the budget of the administrative management of the government, but in most cases, the process is that once the budget is formally and finally approved, the projects are launched.

Mr. Hawranik: So I take it from the comments from the minister is that, of course, the budget really isn't formally approved likely until about June 12 or so, that the earliest possible date would be shortly thereafter, but could he indicate for how long that particular project will be funded? I know that they were looking for \$30,000, and I assume that's what the minister's approved. For what period of time will that project continue to move forward?

* (10:10)

Mr. Chomiak: Madam Chairperson, the project will be funded next budgetary year for a full fiscal year, and the processes will commence as soon as the budget's passed on June 12.

Mr. Hawranik: So I take it, then, that the project won't start until, the earliest would be April 1, 2009?

Mr. Chomiak: No, the project will commence this upcoming budgetary year, which is '08-09. I'm a little bit of a stickler on this. There is a formal government process that goes in place in terms of approval of programs. That's not to say discussions don't take place and steps aren't taken on some occasions to deal with some of the initiatives. A good example would be if it would be something, say, in Corrections, where we were having to move very quickly for obvious security reasons, then we'd move a little bit faster on something. On the other hand, something, let's say a pilot project, there may be even discussions that take place between now and then. But, formally, the project wouldn't be funded, supported and launched until after the budget is approved. But it will be for the next fiscal year.

Mr. Hawranik: How much money was formally approved for this fiscal year?

Mr. Chomiak: \$25,500.

Mr. Hawranik: Is there a commitment to go beyond this fiscal year for property evaluation or will it just simply end this fiscal year?

Mr. Chomiak: My experience in these matters have been that the department will evaluate the project, both in-year and post-year. Because the budgetary planning process starts in about two months, we'd probably have some idea as we get to the end of this fiscal year as to the continuation of the project.

Mr. Hawranik: Okay. So I take it then from the minister's comments that there's a commitment for this fiscal year in any event, and there'll be an evaluation for next. Okay, that sounds fair enough.

The next issue I've got is with respect to supernumerary judges, and I know other provinces do have supernumerary judges. They perform, in my view, valuable functions, particularly when judges aren't available for sickness, perhaps, or during vacation periods. I'm wondering whether or not the minister is prepared to move forward on that. I know that the Chief Justice has been calling for this repeatedly in his reports. Certainly, there should be some interest, I would think, from Manitoba Justice to move forward on that because we have to ensure that cases are not cancelled and any backlogs that are out there taken care of. So I'd just like to have the minister's thoughts on supernumerary judges.

Mr. Chomiak: Supernumerary connotes different types of judges. Nonetheless, the concept of senior judges being available to provide additional services to the court system has been under discussion with the court system, and I think that valid arguments have been made for the use of those types of individuals, and discussions are continuing.

Mr. Hawranik: I noticed this morning in the paper, our Associate Chief Judge of the Court of Queen's Bench, Jeffrey Oliphant, is going to be going down to a part-time level. Can the minister—and I'm not certain of the process and the role that the minister plays in that process. Of course, that's a federal appointment. I'd like to have the minister indicate what kind of role he may play in terms of replacement of Court of Queen's Bench judges and perhaps Court of Appeal judges, and whether he has a role to play.

Mr. Chomiak: Madam Chairperson, on occasion, there is consultation or a heads-up provided by the federal minister who makes the appointment.

Mr. Hawranik: Is it an active approach that the minister takes or is it just that the minister waits for a call for consultations from the federal minister?

Mr. Chomiak: Madam Chairperson, we have a pretty open line with federal ministers in terms of discussions. I generally have a rule, I don't intercede in the federal minister's role of appointing judges on the principle that I know there are enough people that intercede. So I generally am relatively passive in that area.

Mr. Hawranik: Another issue of concern to the Bar Association was the Dauphin courthouse, and I know we've been talking about this in Estimates. I think, if I go back seven or eight years, they've been talking about the Dauphin courthouse.

I had occasion to actually visit that courthouse. My daughter and son-in-law actually moved to Dauphin just about a year ago or so. In my visits, I took a look through it. There are quite a few shortcomings, as were detailed to me by the Manitoba Bar Association, but certainly you can see it in the facility itself. There had been some renovations, in all fairness, but the Bar Association in particular takes exception with those renovations. They said it's been basically a Band-Aid fix. It's got many shortcomings; they don't even have privacy when interviewing witnesses. I'm wondering whether or not the minister is prepared to, maybe not this year, maybe it's in this year's budget, I don't know,

but if it is, I'd like to hear about it, whether there's going to be a replacement for that particular facility in the near future.

Mr. Chomiak: One of the honours of my life was to be made Hospodar for the Dauphin Ukrainian Festival. I never thought that I'd ever be in that lofty position of being made Hospodar. Then I realized that one of the reasons I think they made me Hospodar was to afford the community of Brandon the opportunity to lobby me on the Dauphin courthouse. So, Madam Chairperson, I've been well versed by the community and others about some of the deficiencies.

We are undertaking in the province the largest capital expansion of infrastructure in provincial history across the board. One of the fundamental issues is overall, I think, as a general rule—and this isn't a political statement—that infrastructure attention hasn't been paid a lot across the country for some time. So there is an infrastructure deficiency across the board in health, education, highways, court. We're using hundred-year-old buildings for courts and jails all across the country.

*(10:20)

We have tried to deal with some of the concerns, and we've put in additional space by moving libraries around, and we've attempted to accommodate needs. We have a fairly significant capital expansion, as the member indicated yesterday, at Milner Ridge, and of course, the women's jail that's coming on and some of the other changes that are taking effect.

Of fundamental importance now in our system are security issues and security improvements that perhaps haven't been as primary around the judicial system as they have been in the past. So that's a long way of saying that we are going to try to continue to accommodate the needs of the Brandon courthouse in the present facility. We think it's appropriate and not necessarily as much of a hardship as perhaps some of the other pressing needs we have in other communities to deal with.

Just to make a point: the hundred-year-old facility that's in Selkirk, Manitoba, for mental health patients is going to be open this year. As uncomfortable as some of our accommodations are for people in our public infrastructure, I think that the priority that went to, say, revamping the Selkirk mental institute, I think all of the public would agree, is a higher priority than a priority of dealing with some of our courthouse facilities.

Mr. Hawranik: I guess what you're saying is I'll have to make you mayor before it happens. You want to respond, okay.

Mr. Chomiak: I'm saying you have a chance to be Hospodar, too.

Mr. Hawranik: Well, I almost got to the parade last year, but in any event, I guess my question is: how far along, how far forward does Justice plan for any capital projects? Is there a long-term plan for capital projects in Justice?

Mr. Chomiak: Madam Chair, we as a government have a capital planning process that is significant, that lays out 20-year capital improvements and prioritizes under each department priorities within a doable capital budget. The good news is our capital budget has been at historical highs for the past seven, eight, nine years and will continue at historical highs as we rebuild infrastructure.

We in Justice have a long list as well under that capital list and we have to prioritize within the context of the overall—that's why—I wasn't being cute by mentioning the Selkirk facility. I was just talking about the dilemma of a lot of infrastructure that has to be renewed. So it makes for difficult decisions and it makes things that are priority less of a priority vis-à-vis another priority.

So, right now, our major projects are with respect to incarcerated people and people in jails and renewing that infrastructure and ensuring the security of that infrastructure. That's a higher priority right now.

Mr. Hawranik: Yes, of course, you need priorities because, as I would agree with the minister in terms of courthouses in particular, a lot of them are significant historical buildings and we, of course, should have a tendency of trying to keep those historical buildings there for future generations. A lot of those courthouses, of course, that was one of the first things you built after Confederation or after we became a province as well. So that's why we've got such older buildings and it's important to keep them up.

But, given that you have a capital project planned for about 20 years going forward and you have to have priorities within that because you can't do it all at once, can the minister indicate whether or not the Dauphin courthouse is within that 20-year plan somewhere?

Mr. Chomiak: It's within our list. There's no question, but as I indicated, the rolled out 20-year plan is of all government priorities and with each department there's also a priority list. Again, that's why I made the point about if you're sitting in Cabinet or you're sitting there and saying, do we renew a Selkirk at \$30 million or do we do a Dauphin courthouse at \$15 million or \$20 million, you're going to go with the Selkirk 99 times out of a hundred. Do we do a personal care home in Neepawa or do we do an upgrade to facilities as bad as they are in X, Y and Z community? You know, just by virtue of numbers, you're going to do the personal care home in Neepawa.

It is within the priority list of Justice. How it makes it over the overall government capital planning process and within our own priority process, it's there, but it has to be allocated versus other priorities across the government system.

Mr. Hawranik: Thank you, Minister, for that. I'm sure they'd be happy to know they're at least on the list in the next 20 years, but priorities, of course, are what the government has to look at, and I appreciate that response.

Madam Chairperson, another issue deals with maintenance enforcement. I received a copy from Stats Canada that's called a Child and Spousal Support: Maintenance Enforcement Survey Statistics 2006-2007, and was quite astonished to find that when I turned to look for Manitoba stats, I couldn't find them. In fact, we're the only province, I think, that's not reporting stats to Statistics Canada in terms of the stats that they keep.

First of all, I'd like to ask the minister why we're not doing it, because I think that those kinds of statistics are important to keep to determine whether or not we are competitive within the country. Because we're not keeping those statistics, has any thought been given or any priority been given to, in fact, start reporting to Stats Canada?

Mr. Chomiak: Stop me if I go on too long in this area, but this is a fascinating issue of determining priorities and developments in the system, and I'll just take a step back.

We have one of the best and probably most robust systems in the country in terms of maintenance enforcement. I don't think anyone would deny that. We deal with about \$50 million a year to close to 16,000 families in Manitoba, and we have a special investigation unit. What we don't have

is a robust reporting computer network. It's actually being developed now. But, just to get back to make my point, when I was Minister of Health and we had, like, \$10 gazillion dollars to have to spend on IT, one of the more frustrating aspects was that a couple million dollars had to go to provide for a reporting system to make Manitoba stats commensurate with stats that are used by all OECD countries. It bugged me that we had to spend millions of dollars to provide stats to compare with all OECD countries, even though, obviously, it's very important.

* (10:30)

But I held off that expenditure as long as I could to spend money on infrastructure, buildings and bricks and mortars and weighed the decision of the reporting issue versus actually getting bricks and mortar to people. That's just a long answer that we have a program, a computer system, that we're working with now that will be capable of reporting, on a national basis, the statistics that the member is referring to.

Mr. David Faursehou (Portage la Prairie): It's a pleasure to be in committee this morning and to have the opportunity to ask questions of the Justice Minister on issues that are of concern to Portage la Prairie. I have three direct questions this morning.

One is that it's been a number of years since the committee that was struck by the Department of Justice to study the women's correctional facility in Portage la Prairie and to give the department direction in regard to corrections and women that have come in conflict with the law.

There were 12 recommendations brought forward, the top of which was the redevelopment of a new correctional facility which is under construction in Headingley. Perhaps maybe the minister could give a quick update as to the progress of the construction on that new facility.

Mr. Chomiak: Madam Chair, these things, particularly considering the women's correctional facility, for obvious reasons can't happen fast enough, and we're anticipating, I think, going to tender this year on the project. There have been several developments in the project of a positive nature that have occurred that have impacted on the timing, one of them being we're also in discussion with the federal government vis-à-vis the new facility, which is a positive development but it complicates the process.

It can't happen fast enough. I guess it's been said before, but I'll commit in Estimates that it's going to go to tender before the year's end and sooner rather than later.

Mr. Faursehou: I know that the facilities are in great need in Portage la Prairie for ongoing activities and the facility has been utilized not only for long-term custody but that of remand, and it is a concern as to how the facility is handling dual duties.

On that point, there has been a great deal of discussion amongst individuals bantering around the idea that the old women's correctional facility in Portage la Prairie could perhaps continue on in that duty of remand for central regional, resident women that have been arrested. It is believed by most everyone I've spoken with that this is a great potential, and would be a cost-effective measure in regard to housing women in custody, when in remand, that are effectively residents of the central region. There is a great deal of money expended from the sheriff's department in transport of these individuals. I wonder if the minister and his department are in consideration of this idea.

Mr. Chomiak: Madam Chairperson, if we would, I think we could, but we can't, so we probably won't. If you think about it, of course, if we could utilize that structure for some other purpose, it would make a lot of sense. The advice we're getting is that it's deteriorated to the point where it's not functional, both from a structural utilization aspect and from a utilization aspect in the modern sense of how we deal with people.

I don't think we'd be averse if we could find some cost-effective way of using that facility but, at this point, we haven't been able to, and I wouldn't want to hold out false hope that we would. Every time a building closes anywhere, you always think about options and opportunities and say, wow, there's an infrastructure there. My experience has been that the cost of renovating and dealing with that infrastructure in order to make it accessible to modern facilities is usually more than the capital cost of constructing a new facility. That's why I used the short phrase at the beginning. If we could, I think we would, but I don't think, frankly, we'll be able to.

Mr. Faursehou: I appreciate the minister's consideration but the idea still—I know through talking with individuals with frontline experience of having a central regional remand centre in Portage la Prairie as a cost-effective undertaking—I believe has tremendous merit. I would very much like to leave

with the minister's consideration that that still not be dismissed.

The options also leading me into my next question is that a further recommendation in the report was to have in the north and in the south, in co-operation with the First Nations healing centre as well. In the report, there was significant mention as well for a transitional centre where women that are nearing their release dates have opportunity to go into another facility that transitions those individuals back into society in a fashion that they are less at risk to re-offend.

Mr. Chomiak: Madam Chairperson, from my dealings with the member in the past, I have no problem if the member has suggestions to make to the department about possible uses of the facility and advice and recommendations. I trust the member that, if there's something that he can provide that's helpful, the department's quite prepared to work with him. Anything that's reasonable, we're prepared to look at.

On the first point on this kind of thing, if someone can come up with a creative idea that's doable, workable and cost-effective that will help people, why not? So the member could pursue and should pursue that.

The healing centres are both the concepts and the ideas and, in fact, the actual we're still working on. There were some presentations before; there was some discussion before. I've been privy to conversations when I've met with individuals who said, where's my healing centre? I've said to the individuals, what healing centre? They've told me they've sent in proposals, and I've got back to the department. So I know there are ongoing discussions in order to proceed on that.

* (10:40)

Mr. Faurshou: I do appreciate the open door that the minister has offered this morning for discussion. I would like to say Chief Dennis Meeches, I know, has approached the department. Whether the department is considering partnering the P3-type of undertaking with First Nations, this is perhaps an opportunity to explore because the willingness is certainly there as previously stated by Chief Meeches of Long Plains First Nations.

Mr. Chomiak: I share the admiration that the member has for Chief Meeches and the work he's done. He's an outstanding individual and works as hard as anyone I've ever met for his people. Any

proposal that comes forward, we're prepared to look at with respect to Chief Meeches and respect to any First Nations.

The member mentioned triple P, I don't really want to get into issues of ownership and jurisdiction. Issues that will advance the relationships and the historical anomaly of justice issues vis-à-vis First Nations, that will advance that and improve the situation, we're prepared to look at across the board.

Mr. Faurshou: It's ideas that I'm presenting here this morning, not necessarily in order of priority or emphasis. I would though like to say that there is a definite willingness out there and if there's a person within the department that could be suggested by the minister that Chief Meeches would be best to liaison with in this regard, we'd certainly appreciate the individual's name.

Mr. Chomiak: Chief Meeches could talk to Margo Lee and/or Greg and/or myself anytime.

Mr. Faurshou: My next question is on behalf of the residents of Portage la Prairie as it pertains to policing. We recognize that there has been mention in the budget for additional RCMP officers. We in Portage la Prairie know that there is a significant number of police officers in Portage la Prairie that are paid for by local tax based dollars that are enforcing the law and pursuing individuals that are not residents of Portage la Prairie.

This has been recognized by the minister and this government that in Brandon and then Winnipeg, that it's not all home-grown talent that is responsible for criminal activity and has provided resources to both Brandon and Winnipeg.

I want to make the point known to the minister today that the situation is the same in Portage la Prairie and we believe Portage la Prairie should be supported with additional resources from the Province that recognize the number of individuals that are engaging in criminal activity in and around Portage la Prairie that are not residents of Portage la Prairie.

Mr. Chomiak: Maybe it's the water in Portage la Prairie. I've had very respectful and very good meetings with the mayor and council of Portage la Prairie as I have had with Chief Meeches, that's why I make the reference to the water. We've had very respectful discussions and dialogues and it actually makes the job a lot easier when people are reasonable and understanding of positions. I've had

very good discussions with Portage la Prairie. I've had several meetings.

We do know that the RCMP increased resources on the rural detachment. The good news is that the recent stats that came in for Portage have seen a significant drop in criminal activity. We're all hoping it was related to the bypass issue. Maybe that's too simple, but maybe that is part of the issue. Hopefully, the people of that community will see significantly less activity. Half of the federal money that's been allocated to Manitoba for increased police resources will go to rural Manitoba. I have enjoyed a good working relationship with Portage, and we hope to be able to continue to meet their needs.

Mr. Faurshou: I appreciate the working relationship, and it does bode well for taking on the concerns, problems that are facing us. But I believe that the department, with a quick study of the occurrence reports and with notation to the actual permanent residency of individuals, the minister's department would quickly realize the significant percentage of individuals that the Portage RCMP detachment is having to deal with are not residents of Portage or area.

It is grossly unfair to the residents of Portage la Prairie, the taxpaying public, to try and pay for policing of individuals that are coming to town and coming in conflict with the law. I believe it incumbent upon the Province to recognize, as they have in Brandon and Winnipeg, with identified resources proportional to the number of individuals of non-resident status being apprehended by the police force paid for by Portage la Prairie residents.

Mr. Chomiak: I've heard the member's comments. I've had discussions with Portage. Prior to that, there was representation made yesterday with respect to the Morden police force yesterday at this committee. I can tell the member there are communities in Manitoba where there is no police presence. I have committed to the council, the people of Portage and to the member that we will try to address the needs.

Mr. Faurshou: Also, in Portage la Prairie, we do have staff that are at the Agassiz Youth Centre and Portage Correctional facility that are engaged in contract negotiations. Could you, perhaps, maybe update us at this time as to its current status? How long have Corrections staff been without a contract? I know we're not here at the table to negotiate specific items, but perhaps the minister could give us an update as to the current status.

Mr. Chomiak: The member will know my longstanding principle that I refuse to talk about negotiations for a bunch of good reasons. In terms of what's happening, all those individuals receive the standard rate increase that was negotiated. The matter's gone to arbitration, and the arbitrator is considering the matter.

Mr. Faurshou: That's why I couched my question in so fashion, not asking—the Corrections staff are without an existing contract at this time?

* (10:50)

Mr. Chomiak: In law, the contract continues until a new contract is negotiated, and, in point of fact, the increases that accrued as a part of the overall MGEU, the GSI increases, are going to the officers. What's in dispute is, is there an additional stipend, if I can use that word, that goes to them and that's what's being arbitrated?

Mr. Faurshou: I'll just leave this as a final point. A number of years ago when I, as well as the Long Plains First Nation Councils, approached the Minister of Justice, his predecessor, in regard to a facility that exists in Minot, North Dakota, that actually takes troubled youth; it is a facility that provides for educational foundation in a number of different vocations and is an option to probation or staying at home, house arrest, those sorts of options because it was recognized that through education—and study after study have borne this out—that if persons are enabled with an education, a vocation, they are far less likely to come in conflict with the law once again. It was a package we brought to the minister's department. I know there have been changes in the deputy minister and ministerial level both since this took place, but I truly believe that a facility such as Agassiz Youth Centre could potentially be a setting for a vocational type of instruction greater than what is already in existence at the present time.

I know that there have been great strides made with the superintendent, Marvin Orchard, in enabling young people with vocational skills, but I truly believe that there is much more that we can do with youth that aren't actually even incarcerated, but for reasons of economics and facility availability are at home watching television or pondering their next moves that will again find them in conflict with the law.

Mr. Chomiak: I think we concur 100 percent with the sentiments of the member. There are vocational

programs now operating. We just graduated 14 youths who were on probation, young adults in a program yesterday, which was a great success.

Notwithstanding all of the issues of law and jurisdiction and youth and adult, et cetera, we agree 100 percent with the opportunity. It's far more cost-effective, and God knows it's far more important that we provide alternatives to self-destructive and destructive behaviour. So we actually have some vocational programs we're working on.

With regard to the specific functioning of the Minot centre, et cetera, the member could pass the information on back to us.

But the sentiments that the member expresses we are 100 percent in agreement with.

Mr. Hawranik: Yes, getting back to maintenance enforcement issues and the Stats Canada survey that was produced, the maintenance enforcement survey. We're not in there, of course, and the minister indicated that it's perhaps due to an issue of lack of IT capacity at this point there. But looking at Saskatchewan, I'm curious as to, first of all, do we compare to Saskatchewan in terms of the numbers of cases enrolled? We're similar in population, at least generally. They're around 7,600 to about 8,000 cases enrolled on a continuous basis. Would we be similar in many ways or can he give me a ballpark? Are we substantially higher than Saskatchewan or lower than Saskatchewan in terms of number of cases?

Mr. Chomiak: I think, Madam Chair, as I mentioned earlier, we collect and disburse about \$50 million to approximately 16,000 Manitoba families.

Mr. Hawranik: That's a little surprising in many ways because there are only about 8,000 in Saskatchewan, and we certainly aren't double their population. *[interjection]* It's been NDP too long in any event. In any event, yeah, that's quite surprising that we have that many in Manitoba compared to Saskatchewan.

Saskatchewan, from '02 to '07, the number of cases enrolled was pretty constant. Does the minister have any information as to how our numbers of cases have been over that period of time, roughly? He may not have the exact number but has it increased or has it decreased since '02?

Mr. Chomiak: I think that it's indicated that it's been pretty steady during that period of time. I think the fact that the federal government has chosen

Manitoba to do some pilot projects on maintenance enforcement speaks to the leading role that Manitoba has played in maintenance enforcement. For example, Madam Chairperson, the recalculation service, it's been undertaken in conjunction with the federal government, has been recognition of the fact that we have a very effective and robust system of maintenance enforcement.

In point of fact, I think credit should go to the former ministers that we have been seen as, perhaps, the leader in the country—from Gerry Mercier on—as a leader in maintenance enforcement, and I think that continues till today. The example I use is, you know, if the federal government uses Manitoba as a pilot or a proto to test systems on the federal level and partners with Manitoba, that is usually indicia of the fact that they want to use the best example of their best system to pilot.

Mr. Hawranik: I'd agree we have a good system in Manitoba, and it's been in place for quite some time. However, we have a system without a proper IT system in place as well.

I noticed that the Auditor General documented this issue for the lack of a proper IT system several times even starting as early as 2005. In that report, it indicates that maintenance enforcement said that they will have a new system in place for the '06-07 fiscal year, and we're right now in the '08-09, two years later. Is there a plan in place as to when it will finally be implemented?

Mr. Chomiak: We're in our fourth generation of IT with respect to maintenance enforcement. We were the leaders at one time, but you can appreciate that when you're a leader and you have a system that works, particularly in the IT field now, you will actually fall behind because you'll maintain your system as long as you can stretch it out because of the new systems coming out. I think our system is to be up and running this—as soon as we can.

Mr. Hawranik: Well, as soon as we can. I'm just wondering if you can give me the latest possible date that he feels it would be up and running.

Mr. Chomiak: I won't go into my preamble on IT systems and how I feel about Beta and piloting models, et cetera. We want to be able to say we're doing internal scoping and tendering of some parts of the system, and we'd like to be able to say that we could have it up and running this year, but we're not going to say that. Hopefully, next year.

* (11:00)

Mr. Hawranik: Can the minister indicate how much money has been allocated in the budget for this year in particular to deal with the new IT system?

Mr. Chomiak: The former department that I was minister of has taken over command and control of overall government IT systems and generally operates it centrally with notional allocations back to the department and actual allocations back to the department. I am reluctant to give it a figure because it could be more or less than that figure. I think the significant point is that, notwithstanding the A-class IT system that's required and is being undertaken, we have a very effective and probably the most robust maintenance enforcement system in the country, and when we get our overall IT system up and running it will demonstrate that.

Mr. Hawranik: I certainly wouldn't stand in—myself in any event—I wouldn't stand in the way of progress because I think an IT system, a new system, is obviously required in maintenance enforcement and, certainly, it would reduce workloads, I think, in the maintenance enforcement area.

But some of the concerns actually come from an email from what's called a concerned taxpayer. I don't know who it is but I wonder if the minister can comment about some of the comments made in this particular email. It says: it's now the '08-09 year and there is no sign of a new system. Two managers have been seconded to work on the development of the new system for three years now and nothing appears to have come from the project.

Would that be correct? Or, if there are two managers for the last three years seconded to work on the project, is there any progress in the last three years? What has been done in the last three years? If you could just give me a progress report in terms of what's been done in the last few years.

Mr. Chomiak: I'm not going to comment on the specifics. It has been identified that we require an upgraded IT system for maintenance enforcement. We are in the process, as we speak, of developing a new, state-of-the-art IT system for maintenance enforcement, and next year we hope it'll be up and running. Having said that, and having been the Minister responsible for Science, Energy and Technology, having had all the presentations made by all of the companies all over the world about how magically and quickly they can transform your system by just doing this, this and this, I am always very careful on IT solutions and IT conclusions. But

the best information that we have, we will have an appropriate system in place next year.

Mr. Hawranik: Madam Chairperson, the IT system that's being worked on—is it a system that's going to be unique to Manitoba in terms of dealing with Manitoba's unique, perhaps, issues dealing with maintenance enforcement, or is it something that's being duplicated from another province, if I may say that?

Mr. Chomiak: The member is probably aware that we bought the Alberta system. Alberta then changed the software in the system. We have to also provide for French allocation of our system and update our system, so we were—again, we didn't want to be the beta model. Like we do on many issues, we worked in conjunction with another province that had a good system, like they worked with us on neurosurgery and the Gamma Knife. Their system, the software has to be updated, and we're doing that as well as making it appropriate to Manitoba as well as adding the French component to the system that we have to do in Manitoba.

Mr. Hawranik: There's some concern within the Maintenance Enforcement Program in terms of workloads for staff, and the fact that some staff are voluntarily working unpaid overtime in order to continue to deal with the volume of cases. Obviously, the employees in that department are concerned about collecting funds for people who need them and so on. I commend them for all of their voluntary work, whatever they're doing there to keep the place going.

Given the fact, if the staff indeed are overworked and not necessarily unpaid but doing unpaid overtime and working through lunch hours and coffee breaks just to keep afloat, will that IT system alleviate some of that problem that perhaps exists because of a lack of a proper IT system?

Mr. Chomiak: One would hope, but I'm not going to go on record as saying for certain. Jerry Rifkin's book, *The End of Work*, speculated that with the present state of IT we should all be working 80 percent less; we know that not to be true. In fact, the average workload across North America has increased, not decreased. So Rifkin was a little wrong on that one.

My point being that generally the assumption is that the application of technology will reduce many tasks and will take off a lot of the workload, and we're hoping that that's the case. Having said that,

my experience in reality, posit the BlackBerries we all carry now, I question whether or not that has actually decreased our workload, just on a personal level with the BlackBerries we carry around. Yes, it should. Will it? I hope so.

Mr. Hawranik: A short time ago, Judge Giesbrecht retired in Brandon. I'm wondering whether or not there's been a replacement for him.

Mr. Chomiak: Madam Chairperson, that's in process.

Mr. Hawranik: Can the minister indicate whether there are currently any vacancies on the provincial judges' court bench and where they are?

Mr. Chomiak: At present, I think it's accurate to say there's one.

Mr. Hawranik: And that one would be in Brandon?

Mr. Chomiak: Madam Chairperson, there's a vacancy in Portage that's in process.

Mr. Hawranik: As I understand it, the provincial process for bench appointments involves, of course, an application process that I occasionally see in the newspapers in terms of asking for applicants. Then there's an interview process, and a committee that makes recommendations to the minister. Would that be correct?

* (11:10)

Mr. Chomiak: Yes, Madam Chairperson, that's correct.

Mr. Hawranik: With recommendations made to the minister, is there normally more than one person recommended per vacancy, or is it simply matched with the number of positions?

Mr. Chomiak: The legislation requires a minimum of three and a maximum of six.

Mr. Hawranik: The decision at that point rests entirely with the Minister of Justice?

Mr. Chomiak: The appointments go to Cabinet generally—no, Madam Chairperson, they always go to Cabinet for authorization and they're made on the recommendation of the committee.

Mr. Hawranik: Moving on to prison populations, I wonder if the minister can provide—he may not be able to provide it today, or maybe he can depending on whether the stats are available immediately, but could he give us an idea of what the prison

populations are, broken down by facility? By facility. Prison. *[interjection]* Yes.

Mr. Chomiak: Yes, as of yesterday, AYC youth count was 85. Brandon was seven. MYC was 165. The Pas was two, for a total of 259 youth.

Adult: Brandon was 221. Dauphin was 62. Headingley was 672. Milner Ridge was 137. The Member for Portage's facility was 54. The Pas was 107 and the Remand Centre was 337. For a total of 1,849. No, no, no—1,590.

Mr. Hawranik: In terms of the youth numbers, are there any youth, that are for instance, in any of the adult facilities at all throughout the province?

Mr. Chomiak: Yes, Madam Chairperson, if there are any youth in an adult facility, they are being held in a separately allocated facility allocated towards youth within that adult centre.

Mr. Hawranik: Would the minister be able to indicate whether there, in fact, are any youth in the numbers that are in any adult facility as of yesterday?

Mr. Chomiak: Yes, the numbers the member would have would be seven in Brandon and two in The Pas.

Mr. Hawranik: In terms of the adult facility in Brandon, you have 221 there, effective yesterday. Can the minister indicate what the capacity is of that facility?

Mr. Chomiak: It's rated at a capacity of 164.

Mr. Hawranik: Perhaps we can do the same for Dauphin. I see in Dauphin there are 62, Headingley 672, 137 Milner, 54 Portage, 107 The Pas, 337 Remand. If he could indicate what the capacity of those facilities are.

Ms. Erin Selby, Acting Chairperson, in the Chair

Mr. Chomiak: The rated beds in single occupancy for Brandon is 164, Dauphin is 61, Headingley is 485, Milner Ridge is 134, The Pas is 74, Portage is 35, and the Remand Centre is 289.

Mr. Faurschou: Just as it pertains to the Portage correctional facility there, could you give the breakdown as to the individuals' status, long-term sentenced versus remand.

Mr. Chomiak: Of that number 18 are sentenced and 36 are in remand.

Mr. Hawranik: Just a quick calculation in terms of the numbers of adults in adult facilities versus capacity, as we're over-capacity by about 292 adults.

I know that the minister has approved, and it's under construction of course, for an expansion to Milner Ridge for 75 extra beds and once that facility is constructed—and I don't include any other remand centre, so it's an entirely separate facility. This is just including those facilities that deal with the longer term. If 75 are taken out of the system, if 75 more beds finish construction in Milner Ridge we still have—we're crowded in terms of the numbers of beds that we have. We're still over 200-plus, a need for 200-plus more cells and I'm wondering whether the minister has a plan to address that kind of overcrowding in our provincial jails.

Mr. Chomiak: It does speak to the question of prioritization that we talked about earlier with respect to capital facilities; capital and utilization thereof.

The completion of Milner Ridge will see 150 spots utilized, and the building of the women's jail will free up significant capacity at the Remand Centre to deal with capacity. But, Madam Acting Chair, there's no question that with our tougher stand that's being taken on offences, longer sentences, tougher remand provisions and new federal laws coming in that are going to necessitate minimum-maximums, minimum sentencing, as well as tighter restrictions on guns and gun offences, capacity will increase across the system. It's been actually the subject of significant discussions in all jurisdictions as well as with the federal government with meeting the needs of expanding populations. We're doing our part by expanding the facility, and, as I said, the member announced the expansion of the facility in his constituency. The increased capacity in the new women's facility will allow us more flexibility within our Remand Centre.

* (11:20)

Mr. Hawranik: I know the minister indicated 150 new beds in Milner Ridge, but, as I understand it, the expansion that's being undertaken at this point is only 75 beds. Obviously, the long term—I was there when it was discussed—the longer term was to go to 150 beds. Can the minister indicate what the time frame is for that particular second 75-bed expansion?

Mr. Chomiak: We're going on 150 beds now.

Mr. Hawranik: The minister indicated 150 beds but 75 cells, as I understand it. But there was discussion at one time to expand another 75-cell facility with another 150 beds, about a year ago. I'm wondering

whether that is still being planned or whether it's been shelved at this point?

Mr. Chomiak: It's not shelved. One of the reasons that we watch prison populations on a daily basis and are very cognizant of the needs and requirements, is to try to meet the needs in the future. We intend to continue to try to meet the needs in this system in as a quick a fashion as we can.

Mr. Kevin Lamoureux (Inkster): I'm wondering if the minister will be aware of The Criminal Property Forfeiture Act that the government brought in a few years ago, and I'm wondering if he could just give the committee some sense of what's taken place since the passage of that legislation and enactment of the regulation. If he would, that would be great.

Mr. Chomiak: This is a great, political, aha, we got you, you passed an act and you haven't enforced it by the opposition that I see often in the Legislature. It's used in ads and it's used often.

There were several acts passed, The Safer Communities Act, the building and fortifications act, that were passed in the Legislature.

The member says we shouldn't talk jurisdiction. Some of them pass the muster of constitutional jurisdiction and some of them don't. Some of them are workable because they're innovative and some of them aren't. We found the criminal forfeiture act not workable, and as a consequence, we brought in a new act. The reason being that the empowering in the old act allowed the police to do the follow-up and we found out in practice that the police are occupied in gathering evidence.

It's an interesting point, the member said we should utilize police for police work. The police were not that interested in bringing applications under the act because they were doing other duties. So what we decided to do was to bring in a new act that would have an organization within Justice that would do the follow-up under the act in order to implement it. That bill is before the Legislature now.

Mr. Lamoureux: I know at the time there was a great deal of discussion that occurred both on the record and off the record. In listening to what the minister's comments were, because I want to be very clear on this, is he saying that the current legislation wasn't workable and, in fact, there were no monies ever received under that legislation? Is that correct?

Mr. Chomiak: A number of jurisdictions across the country attempted to do what Manitoba did and

adopt a different means of doing it. Our act authorized the police to make application for the forfeiture procedure. The police, in doing their duties, didn't make application because, frankly, they were too busy doing other things, so we went back to the drawing board and said, Well, we still want to chase this down. We don't want to overburden the police because they don't have time and energy to do this. How do we deal with this?

I think it's Ontario that has an act where they have their own internal Justice officials to chase down and do the evidentiary legwork on criminal forfeiture, and it was working, not as much as they said publicly, but it was working in Ontario. So we've adopted the same model in our revised act to have Department of Justice officials undertake the work rather than police officers.

There was no utilization of the act, but that's not dissimilar to other innovative pieces of legislation in criminal activity, particularly when you're going after different kinds of commodities, as it were, with respect to criminal activities. The old lock-someone-up procedures in a world of international high-tech crime requires more sophisticated means of dealing with it. An example is there is now a federal agency that tracks financial transactions for money laundering.

Money laundering is \$50 billion a year in Canada, which is six times the budget of Manitoba. So there are a lot of complaints that the new federal monitoring agency doesn't do that good a job. Actually, the Member for Lac du Bonnet (Mr. Hawranik) referenced it last year in Estimates, and I don't want to be critical because when you're putting in innovative procedures to deal with criminal activities that are moving at the pace that they're moving at, you should be allowed to redo it and retry and retry until you get it right.

Mr. Lamoureux: Can the minister indicate whether or not there have been additional resources allocated out to the Department of Justice that would be responsible then for administering this new piece of legislation and where that would be found in his document?

Mr. Chomiak: There are staff allocated to this unit when the budget passes, and, of course, pending passage of the legislation.

Mr. Lamoureux: Could the minister indicate where that would be in the budget documents?

Mr. Chomiak: I'll provide the member either later on today or Monday with the specifics.

* (11:30)

Mr. Lamoureux: Madam Acting Chair, I'd like to move on to one of our more favourite topics of discussion or debate or disagreement, at times, in terms of automobile theft. I understand that MPI did a study on automobile theft a couple of years back, where they had asked some of the car thieves in terms of what they thought about consequences to automobile theft. Is the minister aware of that study done by MPI at all?

Mr. Chomiak: I'm aware of a number of studies by MPI, but maybe the member can enlighten me with what conclusions he's going to ascertain and then ask my opinion on.

Mr. Lamoureux: Well, I think it would be beneficial. I just heard about the study, through an employee of MPI, that there was a study that was done, and my understanding is that, in that study, it shows that even the car thieves believe that the consequences were lenient at best and virtually laughable. I'm questioning whether or not the minister is aware of such a study that took place.

Mr. Chomiak: I think the best response to that question is that the best indicator of an understanding is action taken. We have put in writing our recommendations for amendment of both the Youth Criminal Justice Act and the Criminal Code to deal with offences of auto theft and those same recommendations have been concurred with by the Royal Commission that was established in Nova Scotia to deal with auto theft. Without getting into the legalities of our recommendations, they are: to make auto theft an indictable violent offence; to allow first offenders to be kept in custody, rather than mandatorily, as it now exists, being released under the Youth Criminal Justice Act; to allow for longer sentencing; to allow for firmer consequences, changes in the wording of the act so that less discretion is given, and to also allow for changes so that denunciation, and that is as a condition of sentencing be re-introduced into the Youth Criminal Justice Act because it has been removed. It's been ruled by the Supreme Court to not be a factor.

Consequently, we are very frustrated with the state of the Criminal Code and Youth Criminal Justice Act that does not allow us, by law, to impose both stricter conditions on remand and stricter sentences on conviction and tougher consequences as

a result of sentencing. All three areas are far too lenient, particularly in the area of auto theft.

So I think our actions, our public statements and our representations, and the fact that some amendments have taken place to the Criminal Code, the federal minister has indicated there will be a review of the Youth Criminal Justice Act this year. There is a private member's bill which, even though it doesn't go far enough from Manitoba's perspective with respect to making auto theft an indictable offence, nonetheless, we've been supportive of it, as has been the federal government with respect to the offence of auto theft.

I think people outside of jurisdictions like Saskatchewan, Nova Scotia and Manitoba are not aware of the lethal effects of auto theft vis-à-vis our jurisdictions. Jurisdictions that have high rates of auto theft, such as Québec and British Columbia, the main purpose of the auto theft deals with chop shops and theft of the cars essentially for gain. In Manitoba and Saskatchewan, in particular, the theft of autos is more a question of –

An Honourable Member: Joyriding.

Mr. Chomiak: The member says joyriding. I don't call that joyriding. I don't call it joyriding. I call it reckless behaviour, serious, dangerous behaviour and activities on the part of individuals. I wish the member would acknowledge the fact that we don't have criminal jurisdiction over those matters. I wish we did but we don't, and we're compelled to follow the provisions of the Criminal Code and my predecessor was long and hard on the trail trying to change the Youth Criminal Justice Act. I'm not one of those hang-em-high kind of people, but what we've seen in Manitoba is nothing short of a calamity, a catastrophe with respect to auto theft and it didn't start yesterday.

Two people were killed in my constituency in the mid-1990s as a result of auto theft. So it didn't start yesterday and all of us are responsible for the problem and all of us are responsible for the solution.

Mr. Lamoureux: But some of us have the capability to be doing more and some of us have the responsibility to hold those that have the capability to do more to do just that. To do that–

An Honourable Member: And you supported Bob Rae.

Mr. Lamoureux: Well, we won't talk about Jack Layton.

Madam Acting Chair, the question was, as a ratepayer that drives a vehicle, as most Manitobans drive vehicles or a good portion of them drive vehicles I'm interested in knowing and that's why I asked the question, is the minister aware that MPI did a study about vehicle theft and they interviewed young offenders for their feedback on it? Is he aware of that study?

Mr. Chomiak: I am aware of a lot of information with respect to analysis because we've done extensive work with our young offenders and the fact we've brought down auto theft by 40 percent is indicia, without the use of bait cars, which was the member's suggestion, and that we've dropped at 40 percent despite not using bait cars, which was the solution offered by the Member for Inkster. We've had extensive interviews and ongoing work with offenders and, in fact, we've been so successful that we think that the model that's been used to approach auto theft will serve us well in dealing with other offenders.

But, if the member wants to point blame, perhaps he should talk to his leader who is a member of a Cabinet that made the law. His leader was a member of the Cabinet that passed the law, so we all have a responsibility. God knows there's enough responsibility to go around, but, if the member's going to point fingers on this issue I'm quite prepared to go along that road.

Mr. Lamoureux: As the Member for Lac du Bonnet (Mr. Hawranik) has pointed out, the law applies equally across Canada. Manitoba is singled out and the minister will often gloat about the fact, well, we reduced it by 40 percent or 30 percent or whatever it is. What he doesn't acknowledge is that Manitoba had record high, 13,000 vehicles. No province even comes close.

In fact, I believe it was towards the end of the session the minister and I got into an exchange inside the Chamber. It was about vehicle theft. I told the minister, well, tell me that Winnipeg is no longer the highest in Canada when it comes to automobile theft, and the minister never did get back to me, never did say that we were no longer the highest in Canada.

* (11:40)

So, if there are things that you can do, whether it's through prosecutions, whether it's through bait programs, whether it's through more comprehensive ankle bracket program, whether it's through a

probation office, that would make a difference, I would suggest that the minister should be doing so.

A couple of years ago, I got into this discussion about automobile theft and one of the questions I had posed at the time was, how many of these young offenders—if you were to say the top 10 percent or whatever of young offenders that are stealing vehicles, what type of numbers were we talking about? I believe I could be correct; it was around 2004 when we had over 13,000 vehicles stolen. Then I find out a couple of hundred youth were responsible for stealing virtually half of those vehicles. One would expect, if the government hits itself on the head a few times with a few bricks, you're going to appreciate the fact that, if you get tough on those 200 youth, you're going to have an impact on car thefts just by getting tough on those 200 kids—[*interjection*]

The minister says, what do you think we've been doing for the last five years? The point is that you allowed it to get to that level, and now you're trying to assume the credit for bringing it down when it never needed to get to that level because, back in 2003, 2002, 2004, you're passing legislation. Your former minister had so many press releases going out, saying how wonderful we are and how hard we are on criminals. A good example was the very first question I raised about the forfeiture. Then you as the current minister even said, yes, we tried, but it wasn't workable. So talk is cheap.

Mr. Minister, your government consistently blames Ottawa all the time and you say, it's not our responsibility. Let me tell you something. This government does have a responsibility for youth justice committees. Youth justice committees today are falling apart because this minister has not seen the merit in terms of expanding the roles of youth justice committees, ensuring that they're strong and providing an alternative way for consequences, whether or not it is just for youth between 12 and 18. We should be looking at youth under the age of 18. We could be looking at adults in certain situations.

In some areas, there has been some manner of improvement but, Madam Acting Chairperson, I would suggest to you that there's a lot of room for improvement with this government in dealing with justice issues, that it needs to stop pointing the finger and start taking more responsibility for what it can do because it can do a lot more. Yes, I'm glad that the car thefts are down. The percentage that they're down, that's a relief. I don't believe for a moment that

it's just the immobilizers that are contributing to that. I suspect it has a lot more to do with a number of youth that are being monitored a lot closer than they were before.

I'm wondering if the minister could give an opinion on what he believes the force as a whole feels toward bait cars. We know what the government feels about bait cars, but the regular force—do the officers that are constantly having to deal with automobile theft, does he believe that they believe that it's a useless tool and has no purpose in the province of Manitoba?

Mr. Chomiak: Madam Acting Chairperson, at risk of offending the member's self-righteousness, I just want to tell the member that he's effectively offended a lot of police officers, a lot of MPI staff, a lot of probation officials and a lot of Justice officials who've worked long and hard, outside of the political limelight, to try to get rid of a plague on this city.

Madam Chairperson in the Chair

Winnipeg Free Press indicated that we were fifth in the country. The member pops up and pretends that he has an answer with bait cars after the Winnipeg police had the opportunity to utilize bait cars and did not want to use bait cars. The member in his self-righteousness talks about what we can do.

I asked the member on many occasions, aside from justice committees which we're dealing with and bait cars, I haven't heard diddly-squat, diddly-squat, zero, from the member in terms of recommendations as to how to deal with this problem other than his self-righteousness that he found out, as a result of the work that we did about the number of youths that have been monitored on a daily basis, thanks to good work by the Winnipeg police department and officials who were very, very proud of what they've done to protect the citizens of Winnipeg.

Let's take it out of the political realm. Auto theft has been in the thousands in Winnipeg for 20 years. It started moving up dramatically in the early years of 2000, and we responded accordingly. Its levels are down, monthly levels, to what they were in 1993. 1993 is not so great either, but I'm not going to go out and say, gee, we're better than, or holier-than-thou. I'm really happy we've reduced, and it's been largely as a result of the work of the police, MPI, et cetera.

The member has to acknowledge that we do not have jurisdiction over criminal law. I'd love the

member to say that for once. I am not blaming Ottawa. I do not have jurisdiction over criminal law. Criminal law is a federal responsibility under the Criminal Code and under the federal government. Madam Chair, every time we try to bring in legislation that moves into the realm of federal law, it's ruled unconstitutional. That's called a federation—we have a federation where we have different levels of government. Go talk to the ministers in Québec about how they'd like to move into the realm of criminal law. Talk to me about how I'd like to move into the realm of criminal law. I do not have the constitutional authority to do so. I can't pretend to do so. I can't even artificially do so, and when we do bring in legislation, it usually just comes under the wire of constitutional responsibilities. We don't have that authority. To the extent that we have the power and authority, no jurisdiction has done more in the country—and I'm not taking credit for it, it was all done before I was minister—than this government with respect to youth crime and auto theft. No jurisdiction. Why can I say that? Only look at the other jurisdictions that have adopted the Manitoba model.

Now, we adopted the Saskatchewan model of dealing with high-risk auto theft—the successful model in Regina—we applied it to Winnipeg and we put in different kinds of resources and we combined with the immobilizer program, and we've seen the levels drop. I'd like to see the levels drop even more. I think we'd all like to see it drop even more.

But my point about the act dealing with criminal forfeiture is that it's quite remarkable—it's akin to lots of aspects of life, that I really credit the previous minister for trying an act. Several jurisdictions have tried different acts that haven't worked. If the member popped up in those jurisdictions, he would probably go into the Legislature and say, ha ha, your legislation didn't work. I don't necessarily agree with that approach. I think that the fact that the legislation on safer communities has been copied in virtually every province of the country. The legislation on building fortifications has been copied in virtually every jurisdiction in the country. The legislation on criminal forfeiture hasn't worked in some jurisdictions, and we copied the effective model, and we're now trying to introduce the more effective model from Ontario.

So we share best practices, and some places get it right and some places don't get it right. The fundamental issue is, is the public better served, and safer, by virtue of action that we've brought in? I'd

say yes. Can the public count on us being innovative and trying to do anything possible within our constitutional jurisdiction? I would say, yes. If the member has any suggestions of anything we can do within our constitutional jurisdiction, or any pressure we can put on, he can talk to the federal—his federal counterparts to support us in our measures as we have tried to do. I had very good discussions with the federal Liberals on this issue, but it's actually, in my view—well, I'll stop there.

Mr. Lamoureux: I think it's important for me to emphasize that this—the debates and the discussions that I have, it's not the minister has to be the great defender of the civil servant and our police force. The criticisms that I level are at the government. If the minister is looking for compliments, there is no doubt if you're going to spend hundreds of millions of dollars there are going to be lots of good things that are going to be done. There's no doubt about that. But, if you're looking for the compliments, maybe it's around the Cabinet table or around the caucus table where other MLAs of your same political party will provide that for you.

* (11:50)

The opportunity for ideas is provided to you in different forms. Yesterday, I talked about expanding the ankle bracelets and the minister mocked it.

You know, every so often we issue out press releases which talk about ideas and the minister ignores them, and when we bring in even legislation at times, and you know, the ideas in there and I respect the role the minister plays and I trust that he respects the role that opposition members play.

The minister is out of place by saying that I'm attacking civil servants and members of our police force because that's just not true. I'm paid in part to represent my constituents and hold the government accountable for what it does do and what it doesn't do.

Now the minister says that, look, it's the Criminal Code. That's the reason why it's bad and if I could change the Criminal Code, boy, things would change around here. So I'm blaming Ottawa. That's the minister's approach.

Then, on the other hand, he says, well, here's all the measures that we brought in and now automobile theft is down. We took ideas from Saskatchewan. We did some things ourselves and automobile theft is down.

So, on the one hand, he says, where it's beneficial, I'll blame Ottawa for our problems. Where he thinks that we can take some credit, well here's what we did in order to make things better.

Can the Minister of Justice indicate in the top 10 major metropolitan cities in Canada which city has the highest numbers of vehicles per capita being stolen in 2007?

Mr. Chomiak: I don't think the member got what I said, so let me try again.

Criminal sanctions are in the Constitution. I think section 92, the division of powers. I think it's 92 of the Criminal Code. *[interjection]* Okay, maybe the member can follow along.

The Constitution designates who's responsible for criminal legislation. I cannot make laws of criminal nature.

Mr. Lamoureux: I agree with that.

Mr. Chomiak: The member agrees with that. Okay. We're making progress. *[interjection]*

Madam Chairperson: Order. The minister has the floor at the moment.

Mr. Chomiak: Thank you, Madam Chairperson, I want to acknowledge the member agreed that we cannot make criminal law in the province.

What we can do is put in place measures under our jurisdiction that can deal with matters that are within the jurisdiction of the provincial government. For example, the member has brought before the Legislature a very, very important bill to make it an offence to deface a Liberal or any kind of a sign during an election campaign. I know how important that is to the member's priorities, but we do have jurisdiction over property and civil rights under the Constitution, so that is a constitutionally valid matter he's brought forward. If he were to make it a criminal offence, if his legislation were to say it's a criminal offence punishable by X years in prison to deface an election sign, that would be outside of the Constitution.

So, Madam Chairperson, having said that, the question then becomes how does one enforce a particular piece of legislation and what efforts does one do to prevent and to deal with post-offenders, which we have some jurisdiction over.

So we've taken a lot of activities in terms of the prevention side of auto theft in terms of identifying and working with the most at-risk youth. We've

taken a lot of provisions, a lot of programming in place in dealing with youths that are both on remand and in custody. We've put in place programs to deal with youths that don't fall under the jurisdiction of the Youth Criminal Justice Act. We've put in place, where we can, the withdrawal of driving privileges and other matters that are under the jurisdiction of the Province for individuals that have been convicted or involved, and we've put in place task forces to work with these youths that are integrated between MPI, Justice, Probation and the police to do intensive work on these individuals. To the extent that we've been able to reduce their involvement and reinvolvement, we've seen a drop to the extent that we've been able to prevent people from stealing individuals by having a hundred thousand vehicles immobilized in Manitoba. We've been effective to the extent that the former minister lobbied the federal government to put in place provisions to make it mandatory that all new cars have the highest standard immobilizer in cars we think will significantly reduce auto theft in the future.

Those matters are of shared jurisdiction and shared responsibility. The sanctions on auto theft come from the federal government. I can't change them. The member talked about holding an individual accountable on first offence. He made a big discussion about it yesterday in Estimates. Under the Youth Criminal Justice Act you cannot hold a first offender in custody on first offence. So we'd be breaking the law if we did otherwise. The only way to change that is to change the Youth Criminal Justice Act.

Madam Chairperson: Excuse me just a minute. Are you finished, Minister?

Mr. Chomiak: So, actually, I didn't bring my act here, but I think I have the provisions here and I could discuss it in detail with the member, but the Youth Criminal Justice Act mandates certain things you can do and certain things you can't do. We administer the Youth Criminal Justice Act in Manitoba and there are certain things we can do and certain things we can't do. There are some things we wish we could do and to that extent we've asked for amendments to allow us to do that, but otherwise we're ultra vires, outside of our authority and we'd be found constitutionally out of line.

I would prefer that we had more jurisdiction in youth criminal justice matters. I would prefer all provinces have more jurisdiction in youth criminal justice matters only by virtue of the fact that the way

the social schemes have developed in the provinces in so far as the provinces have responsibility for health, education and social programs, it would make sense to me in a updated constitutional sense that youth criminal matters ought to be under the jurisdiction or at least shared jurisdiction, perhaps, of the provinces. I think Québec would leap up in—if I were to say that in a public forum Québec would be right onside. Having said that, I'm loathe to get involved in dealing with constitutional matters. But the reality is if we even indirectly attempt to influence youth criminal matters it's outside of our jurisdiction as a province. However, any levers that we have within our constitutional powers we can and will use.

Mr. Lamoureux: Madam Chair, we did talk about consequences yesterday for crimes, and one of the bills that the minister makes reference to is a bill introduced by my leader and that bill deals with petty crimes such as ripping up signs, graffiti. You can apply that same principle to a multitude of youth crimes. You drive around, we both live in the North End. There are a lot of ill-advised activities of our young people. There are all sorts of graffiti. There are all sorts of vandalism that occurs that is out there. A great deal of it nothing ever comes of it, even if the young youth is caught committing that offence or that act. Yesterday, I argued that there should have been a consequence to it.

* (12:00)

Now, when the leader introduced a bill, and you can highlight that it's election signs if you so choose, but the principle of vandalism and graffiti as being something that offends, where there's a need for a consequence, I think, is there. There is a need for a consequence for that type of behaviour. Yesterday, I believe he agreed with me on that. Would he not agree that there should be consequences for that kind of behaviour?

Mr. Chomiak: I agreed with the member yesterday that there ought to be very strict consequences, but I caution the member that we as a province cannot impose criminal sanctions on youth. It is ultra vires our jurisdiction. That's why we have summary and indictable offences under the Criminal Code that are hybrids, and that's why—

Let me give you an example. We have the power to withhold someone's driver's licence if they're charged with impaired, et cetera, for a period of time, but we don't have criminal authority to impose any sanction on that individual. All we can do is use the

provisions under The Highway Traffic Act to penalize—can I use that word? *[interjection]* I can't use that word—deal with that individual.

The authority we use in Manitoba has now been extended under the federal Criminal Code to include some of the issues that we deal with in Manitoba. My point is one of the issues that disgusts me more than any is so many of the elderly in my neighbourhood where the garage is over and over and over again, you know. I know those people and they work really hard and they really—their homes and their property means a lot to them and their character. To see them graffiti that, over and over again, is disgusting, and it goes even further because there've been examples of more than just straight graffiti. There have been examples of racist things that have happened that make it even more intolerable.

We actually have taken youth that have been in custody and have been given sentences, et cetera, the consequence of cleaning up some of that activity, but we can only do it to the extent that we have power under our provincial legislation.

Now, if the member wants to make or suggest, for example, that criminal sanctions—and you know, I think that there is some merit—be imposed on vandalism, which has become more than just what, perhaps, was conceived of in the past, tougher in terms of criminal law, I'd welcome suggestion and I'd support him. I can't do it legally, but I would support him, Madam Chair, and we could go to talk to Stéphane Dion or Michael Ignatieff or Bob Rae—*[interjection]*—and Jack Layton and Rob Nicholson, or any of the leading individuals in order to push for that.

My predecessor tried, long and hard, to amend the Youth Criminal Justice Act and the Criminal Code, and fortunately, in the last year, we've seen movement. We're going to see movement in the next year. It's been committed to me that it's going to happen, and the federal minister's also committed a review of the Youth Criminal Justice Act this year that would result, presumably, in legislation next year to change consequences, definitions, sentencing, and all of the issues that we've raised for a number of years.

Having said that, to the extent that we can use the provincial laws and provincial regulatory agencies and bodies to prevent individuals from doing things and to provide some form of retribution to them, we will, but we can't do criminal law.

Mr. Lamoureux: This will probably be my last statement, the last question for today.

In listening to the minister, there is a couple comments that he puts on the record that surprise me. I would of thought that there were some first-time offenders that would be in our youth detention centres. So I'm surprised that first-time offenders, without exception, are not in our youth detention centre. Who knows, maybe that might be revisited. The minister puts a challenge forward in terms of, what about ideas?

Last year I talked about an idea in which I was hopeful that the minister would be more sympathetic to and actually do something towards it. When you have the capabilities of the individuals that are in this room and you put forward a question, what can we do in regard to youth under the age of 12 to ensure that there is some form of a consequence, I believe there are some things that could be done that would be more than just giving public perception that we're doing things. My experience from the past in talking with civil servants is that they're more than happy to share their ideas.

One of the thoughts that I had had, and had many discussions with people on, was why we don't ensure that there is some sort of, and I always use the justice committees because I happen to be a member of a justice committee, I chair the Keewatin-Maples justice committee, but why don't we have some of these young people being referred to them?

Last year when we got into this discussion the minister said, well because of the change of the youth act in Ottawa. Then I pushed the minister on it; nothing prevents the minister or someone from within the department to ensure that kids that are committing these types of crimes, are going before a formal group.

I believe that if the will was generally there so that there was a consequence, even for youth under the age of 12, that it could be done. I believe, it might at times be thinking outside the box, but I'm suggesting to the minister that people that we represent want to be able to feel comfortable in knowing that all crimes are crimes and there does need to be some form of consequence when a person commits a crime.

I'm pushing for the Government of Manitoba to do what it can and I would welcome the opportunity. I don't believe I have ever been invited to go with the minister to Ottawa. I do believe he invited my leader.

I'd be more than happy to level the same sorts of concerns that I've raised here today in any format if the Minister of Justice would want me to accompany him.

* (12:10)

Mr. Chomiak: I thank the member for that offer. I think it would be useful.

The Province of Manitoba cannot impose a penal sanction on a youth under 12. It's not constitutional. We cannot do that; it's against the law. The member can say whatever he wants, but we can't. All we can do is involve Child and Family Services or, by consent, put in place a program, under the law. Otherwise, the member would ask me to break the law. Yes, the member, by definition, is asking me to break the law by imposing a penal sanction to someone under 12. We can only do it by consent or Child and Family Services. Let me clarify that. If the member—you blame Ottawa; you blame Ottawa. How do we change that, I ask the member? I cannot change that. The only people that can change that is the Parliament of Canada. The Parliament of Canada is the only body that has the jurisdiction to change that law. So spare me the issue of blaming Ottawa and talk to your federal MP who is one of the individuals that's responsible for making criminal law in the country. I mean, that's simple.

On the matter that I was dealing with, with holding a youth in first-time custody, I'll try to take the member through it. Section 29 of the Youth Justice Act provides a presumption against denying bail on public protection grounds unless custody could be imposed at the sentencing stage. In other words, you can't hold someone in custody unless you had the kind of offence that at the sentencing stage was very, very serious.

Section 39 of the YCJA provides that custody sentence can only be imposed, that is, the kind of sentences that would allow you to hold someone in custody on bail for a violent offence, failure to comply with non-custodial sentences, that is, more than one failure to comply with, and which we've asked to take out sentences and make it singular rather than plural, an indictable offence for which an adult would be liable for more than two years imprisonment, an indictable offence with aggravating circumstances that would be an exceptional case. So your average auto theft youth does not fit those categories on a first offence, so you can't hold them. In fact, often you can't hold them on a second offence because of the provision in there that says

plural—failure to comply with non-custodial sentences, and we've asked that that provision be changed to be singular rather than plural.

The combined effects of section 29 to 39 is that it is very difficult to get a judge to deny bail and impose a custodial sentence upon a youth motor vehicle theft offender, and that's one of the reasons we called for an indictable offence, make it a violent offence under the Criminal Code that would allow the sentencing provisions to be more strict for youth offenders, which would then in turn allow the bail provisions to be stricter, which would then allow us to hold youth offenders even on a first-time offence under the Youth Criminal Justice Act.

Mr. Lamoureux: Madam Chairperson, I like the way in which sometimes the minister will slip in a word that provides the opportunity to have hope. What I'm about to tell the minister I'm hoping will not mean that I'm a criminal of any sorts, but I can suggest to you that in, I think it was 1998, that me and one other individual from our justice committee dealt with a young offender under the age of 12 and, believe it or not, there was a consequence for this youth.

It was a pilot project with the province and, in fact, there were two youths. One, and this is where the minister qualified it by using the word "consent," in the one case, consent wasn't given so we couldn't do anything. In the other case, consent was given, and that allowed us then to meet with the guardian and the youth and we talked about the issue, and there was a disposition that was given. Now, you know, the minister has a couple of advantages over me. One is he's got far more resources than I do, and two, being of that legal background, I am not a lawyer, I am pretty far from being a lawyer, I don't maybe understand the nuances when he talks about the Criminal Code. But, when he was talking about the youth 20 minutes ago or so, he was saying that first-time offenders are not held in custody. Now, I understood by what he read, well, there are certain situations in which they are held in custody.

The only reason why I say this is that I believe that there are things that can be done. No, I don't understand all the details or the Criminal Code down to a tee or anything of this nature, but I do believe that there are things that the Province can do, both within the Department of Justice that will make our community safer and the Department of Family Services, and so forth. What I'm sharing with the minister is the sense of frustration that I'm sure both

of us get when we drive up in the North End and see a lot of the problems that are there, whether it's graffiti, cars being stolen, murders in our street, and I just believe that in certain areas the government could be doing more. I'll leave it at that, and I thank the Member for Lac du Bonnet (Mr. Hawranik) for his patience.

Mr. Chomiak: Yes, thank you, Madam Chairperson. Just three points. I agree with the member, and that's why we're a very activist government with respect to Child and Family Services, Justice and health care because, in point of fact, the underlying issues are not justice-related. The underlying issues are related to a whole range of issues. Anyone will tell you that. Certainly, our sociologists and Rick Linden and all of our specialists will tell you that you can do a lot more to prevent crime by dealing with the underlying issues than you can with sanctions.

The second point I wanted to make was that in 1998 when the member operated under a youth justice committee it was different legislation. The legislation has gone from Juvenile Delinquents Act, the Young Offenders Act to Youth Criminal Justice Act, and each of those sort of sea changes in approaches to youth have resulted in dramatic shifts in how you deal with issues. The Juvenile Delinquents Act was archaic and it was when we locked everyone up and we were able to paddle them and everything. That gave way to the more liberal Young Offenders Act which was in provision I think in '98 when it had a wider range and a different form of youth justice committees which then gave way to the Youth Criminal Justice Act which came in in 2003 that imposed a different form of dealing with issues. None of those three acts has been well received and maybe part of the problem is as a society we're still looking at our way of dealing with offences and youth. I only found out recently that "teenagers" was only coined as a word in the 1940s. So, in some ways, we're still groping as a society to try to deal with that period of life when one is only half human—adolescence, that's a joke. All of us who have adolescents know what I mean.

We are having trouble dealing as a society with those issues, and I think that will continue, although I think we've learned that we have to be much stricter on the consequences, and I think we'll see that in the new Youth Criminal Justice Act. Having said that, we also, I think, have learnt that we've got to do a lot better job on all of the issues surrounding individuals and groups of individuals to prevent them from being

involved in a life of criminal activity. We have to all do better jobs.

I did correct myself with respect to the bail provisions. I was referring to auto theft in general. You can't hold someone on an auto theft on a first offence unless you meet these criteria, and none of the criteria apply to a first-time auto-theft person unless it was an exceptional case, but they don't apply, so judges have to let them out on bail. That was the point, and that is the point, and that's the difficulty with this act as it applies to auto theft, which is why we wanted auto theft to be designated as an indictable violent offence, which would then allow a judge to invoke sentencing and bail provisions that are firmer to deal with first-time or even second-time auto offenders.

* (12:20)

Mr. Hawranik: The Member for Inkster's on auto theft, and I think probably I'll start a few questions there too, since we're kind of on a roll here.

First of all, can the minister indicate how many electronic devices, how many ankle bracelets have been purchased to date?

Mr. Chomiak: Madam Chairperson, I think I announced when we had a press matter on this a couple weeks ago that we were going to utilize 20 devices. Then we'd utilize them over a period of a year and would roll out over a year, monitor it over the year and do quarterly reporting on the results and report back on that basis.

We're utilizing 20 systems and it'll be rolled out over the year. We'll do quarterly reporting. We'll determine at the end of the year—I'm sure we'll determine before the end of the year, just as I indicated on other projects that we undertake—we'll do ongoing evaluation and we'll do evaluation going into the next fiscal year as to moving forward, maintaining status quo or doing something different with respect to EM.

Mr. Hawranik: Twenty devices or systems will be purchased for the year, which may not happen, of course. It's possible that you may not have 20 devices or systems in place until the end of the year, but how many systems are currently in place and purchased in the province?

Mr. Chomiak: I don't know if it's a nuance or if it's important to the member's question, they are being leased, not purchased. I think three are going to be operational; six are in process of being applied, if I

could put it that way. The rest of the 20 bracelets will be activated and utilized before the end of the year.

Mr. Hawranik: If I understand the minister correctly, three are currently leased and available.

Mr. Chomiak: Madam Chairperson, we have 20 available. Twenty will be utilized over the year; three are operational now; six are in the process of being applied. The member will understand we will identify individuals in the process, follow them up, and then they'll utilize EM. All things being equal, six in the very near future and then 20 as we go through the year, my pointing being that, if X individual was going to use an EM and happened to escape custody the day before, he probably would not be—[interjection]

Oops, we don't even joke about that. We would not then use that individual on an EM experiment. All things being equal, three now, six in the next couple weeks, and then up to 20 before the end of the year.

Mr. Hawranik: Then, if I understand the member correctly, three are currently in use and attached to offenders. Would that be correct?

Mr. Chomiak: Oui. [Yes.]

Mr. Hawranik: I thank the minister for that.

The Member for Inkster (Mr. Lamoureux) got into it a little bit in terms of federal versus provincial responsibility. I think the minister, and I would agree as well, I think the minister would agree that, of course, the Criminal Code is exclusively within the jurisdiction of the federal government, Madam Chair. There's no denying that, absolutely not. He's made representation, an all-party task force, to the federal government to create a separate offence for auto theft and to make it an indictable offence, but it's not strictly an indictable offence. It could also be a summary conviction offence as well; so it's a convertible offence.

That's not the panacea, in my view. That's simply one link in the chain that's necessary in order to deal with the auto theft issue. I'll point to one provision in the Criminal Code, I think, that supports that particular viewpoint. It's not a simple matter of creating an offence that provides for greater consequences that will stop the criminal action. It's only one part of the whole solution and it may, in fact, even be a fairly small part of that solution. I can point to, for example, a provision in the Criminal Code, break and enter in a dwelling place. That can

carry life in prison. We still see lots of break and enters in people's homes. We still see lots of home invasions. People never get life in prison, at least I'm not aware of anyone who has received life in prison for a break-and-enter in a dwelling place, but it is possible, but I don't think that has stopped break and enters. So it certainly isn't the panacea that we should be necessarily pointing to.

There is a role to be played by the Province in controlling the amounts of crime in the province and also to reduce auto thefts. There is a role by the Province, I think, to lobby the federal government as the minister's done in the all-party task force to change the Criminal Code, but we can't simply point to that and say that that's the solution. There has to be more to it than that. That just doesn't go for auto theft, that goes for all kinds of issues like violent crime issues, in terms of homicide numbers and so on.

We do have a role to play, and I think it's incumbent upon the minister to recognize that and to make sure that he does everything he can within his jurisdiction to deal with those particular issues. And the role to be played by the Province to reduce auto theft numbers also includes, of course, provincial sanctions. There's an Auto Theft Task Force out there. Immobilizers, again, that's not the panacea either, but it's one part of the solution. You know, the monitoring of high-risk offenders and the ankle bracelet program certainly is part of that solution in terms of monitoring, not just using police resources in terms of personal contact, although that's important as well, but that's not necessarily a panacea either. Retaining high risk offenders in custody, of course, is important, but that's not going to stop the auto theft problem.

So there are lots of different approaches that have to be taken. I'm not sure of the reluctance of the minister to deal with another very important, in my view, piece of the puzzle, and that is the bait-car program. I know that the Member for Inkster alluded to that. It's not the panacea either, but when I see offenders stealing cars, in police chases, also creating damage to property and crashing cars and then running and the police having to try to identify them and perhaps not even get anyone in custody as a result of an offence like that, a bait-car program possibly could save someone's life because under the bait-car program, if someone steals the vehicle, of course you can shut it down and lock them in the vehicle. You can actually catch them in the act.

I think that by dismissing the bait-car program altogether, it's a mistake in my view. We should be doing all we can to combat auto theft. I think that could be part of the solution as well. I know that the minister will point to other jurisdictions like British Columbia that uses it, and I can tell you it uses it very effectively. They use it for different reasons, of course, because of the fact that a lot of the vehicles are stolen and used in parts. But I think the bait-car program could be in use here to try to apprehend those who steal vehicles. It does have an important place, I think, in any auto theft strategy. I'd be interested in hearing the minister's viewpoint on that.

* (12:30)

Mr. Chomiak: Yes, Madam Chairperson, it has been included and provided and offered to the police service for utilization. If the police want to utilize it, I would resolve to do what the police and experts in the field recommend. If the police feel that a more valuable use of resources were to use the bait-car program, then we would under all circumstances, but the strategy has to be geared towards the types of individuals involved. The kinds of individuals that we're dealing with it's not necessarily as effective to utilize the bait-car program. Rather, our resources are better spent and utilized in other forms of the strategy.

Madam Chairperson: The time being 12:30 p.m., committee rise.

FINANCE

* (10:00)

Mr. Chairperson (Rob Altemeyer): Will the Committee of Supply please come to order. This section of the Committee of Supply will now resume consideration of the Estimates of the Department of Finance.

At our previous sitting, the questioning for this department proceeded in a global manner, but I want to ask the question, now, before we get started: Is this how the committee wants to proceed this morning?

Mr. Rick Borotsik (Brandon West): Yes, we could just carry on from where we left off in a global manner. I think I made a commitment to the minister that the beginning of next week we'll go line by line on the Estimates book itself, but right now it would be my preference to look at a global picture, certainly, hoping to identify some answers in the

budget itself. So if the minister is happy with that, I would like to continue.

Hon. Greg Selinger (Minister of Finance): Yes, let's proceed.

Mr. Chairperson: Okay, the floor is now open for questions.

Mr. Borotsik: First of all, once again, welcome to the minister and his staff on this wonderful spring Friday in Manitoba. I have had the opportunity of sitting with the minister an awful lot over this past week. In fact, more so than my wife, and I know she's not particularly happy about that. But I know that the minister probably is, that he's spending as much quality time.

When we left off yesterday we were talking about revenues, and we talked about the retail sales tax revenue. I got an answer from the minister that, in fact, on the retail sales tax would have an increase of some 10.7 percent, that they use that on a rolling average. I know the minister's answer was that he looked at previous years and simply looked at increasing that over basically a rolling average based on previous experience. I guess I go back to that again if I can, page 183, Minister, in the budget. By the way, I also brought my other book. If the minister does have any opportunity of pointing out some of the documents in that book, I do have it.

Page 183, I do notice and we will go over the revenues if we can. On the individual income tax from budget to budget there's a 6.6 percent increase on individual income tax receipts. I wonder if the minister might be able to indicate as to how that's arrived at. Is that arrived at with additional employment he feels coming to the province over the next budget year, or is it an inflationary increase? Perhaps the minister could explain the justification of a 6.6 percent increase in personal individual income tax.

Mr. Selinger: Yes. I'm just going to have my fed-prov officials that work on the estimates on these matters come to the table; Assistant Deputy Minister Heather Wood, and two of our economists.

Mr. Chairperson: While we are waiting I wonder if the minister would want to introduce the staff that are around the table with us this morning.

Mr. Selinger: Sure. Deputy Minister Diane Gray; the Senior Associate Deputy Minister Bruce Gray; Heather Wood, the assistant deputy minister of federal-provincial relations; Erroll Kavanagh,

director of administration; coming to the table Richard Groen in federal-provincial relations, and my buddy, Steve Watson, who is one of our economists in federal-provincial relations, as well.

The question was 183, how do we arrive at our individual income tax revenue estimate?

The estimate for this is arrived at through discussions with federal government who, as you know, we have a common tax collection system called the Canadian revenue collection agency. They do an estimate based on our share of national income tax revenue. It's their view based on their analysis that we will have a growth in personal income tax revenue in this province. That's reflected in the number here.

Mr. Borotsik: As I understand, that number came directly from the federal government. There was no indication from the provincial economist as to whether there is going to be any growth or diminishing in employment in the province over the next 12 months?

Mr. Selinger: This is an estimate we get from the federal government on our share of the national income tax revenue that will be generated in this country.

Mr. Borotsik: Again, just for the record. So, obviously, depending on what the economy does, we do know that there has been some, not a lot, but there has been some job loss even in the first quarter. We've identified that in Loewen Windows; we've identified that in a company called Convergys in Brandon that lost 450 jobs. We know 450 jobs went from Agricore to Viterra. We know that there is a job loss in The Pas right now. Is it my understanding then that you would look at those jobs being replaced by other jobs, therefore, having the 6.6 percent increase?

* (10:10)

Mr. Selinger: Well, there are a couple things going on. First of all, labour markets. I'm going to give him some information about growth in labour markets. That's one dimension of it.

The other dimension of it is that, in January of '08, we've seen a weekly wage earnings increase of 4.6 percent. So people's wages are going up as well as their disposable income. But, overall, even though the member mentions that there are some shifting job losses in the labour market, overall there's—on the personal disposable income, real disposable income's

expanded by 3.1 percent in '07 and that's a healthy trend. On employment and unemployment, it says Manitoba's labour force increased by 10,400 workers.

Most of the employment gains were full time, 10,200. The number of part time workers fell by 800. The participation rate increased to 69.4 percent. The employment rate rose to 6.4 percent and both of these have set records. So, you know, the anecdotal evidence is part of the overall trend and the overall trend has remained quite strong at this stage of the game, both for employment growth and participation rates and disposable income growth, as well as wage growth, weekly wage earnings growth. That's the basis upon which the federal government looks at these things. We also have population growth in the province, which helps as well, and that's another factor that contributes to overall income tax revenues. Those are the factors that I believe the federal government takes a look at. Our economists take a look at that data, and they try to give me a sense of how realistic they think that is, whether they think that's sensible or not, and so far they're standing behind those numbers.

Mr. Borotsik: Thank you for the explanation as to how you arrive at those numbers, and, certainly, we hope that we can maintain those record levels. We hope, on a positive vein, and, again, there seem to be some economic issues that are facing not only the province but Canada. As a matter of fact, even today, the Governor of the Bank of Canada has indicated that perhaps he underestimated the growth in the economy this next year and has done some re-evaluating, so I appreciate, Mr. Minister, that you depend on the data that's before you, and I appreciate the fact that the number's in there and all we can do is hope that, in fact, we can generate those kinds of revenues.

And the same is true, I assume, with the corporate income tax. It shows a 7 percent increase. I assume those numbers are also presented by the federal government to the provincial government?

Mr. Selinger: Yes, these are our portion of national taxable corporate income tax estimates.

Mr. Borotsik: Last year, budget to forecast—and I do appreciate the fact that we don't have the actual financials that won't be presented for at least a couple of months, being that year end is March 31. But in the budget book on page 9, there is an identification there of budget to forecast 2007-2008, an overexpenditure of \$265 million. I know that any

type of budget obviously has to have flexibility, and there are certain departments that overexpend and other departments that underexpend, so the \$265 million is a number, obviously, that's going to be identified, but there was an overexpenditure.

In the 2008-2009 budget, on the next line over, will identify a net income or a surplus of \$2 million. On a budget of \$9.8 billion, a \$2-million surplus equates to—and I know the minister took great glee yesterday with the questioning of the Member for Inkster (Mr. Lamoureux) to identify that, in fact, the budget advertising was a very small portion of the whole budget. In fact, it was 0.002 percent. When you do the calculation, a \$2-million surplus on a \$9.8 billion budget works out to 0.02 percent. Is that a common budgeting process, and does the minister believe that \$2 million is sufficient in surplus to budget for a balanced budget?

Mr. Selinger: First of all, I don't think it's helpful when the member tries to attribute adjectives to my behaviour from the day before. I mean, you shouldn't really try to be the judge. I simply described in proportionate terms what the cost of advertising was. You know, it's you that's putting that spin on it in terms of the adjectives you use, and I'm not sure that you have any particular ability to do that more than anybody else.

On the \$2 million, this is relatively consistent with other estimates we've made in the past. It is a slim margin, no question about it. Mr. Chair, it's intended to reflect the fact that we budget in a way that tries to match, as closely as possible, revenue and expenditures, taking into account the fact that there is a transfer payment there for debt retirement and there's a transfer payment out of the Fiscal Stabilization Fund to reflect some of the federal money that came in lumps, one-time only money, but is intended to address issues like wait lists and other health-care priorities.

There, undoubtedly, will be adjustments as the year goes along, both in expenditures and revenues. We will, as we have in all previous years, worked towards a balanced budget at the end of the year. It's a moveable set of targets. You make your best estimate and then you work through the year to ensure that those numbers reconcile at the end of the year in a way that brings in again, once more, another balanced budget. But there are unforeseen circumstances that occur both in revenue and expenditure every single year when you're in

government and you're in a government that is partly responsible for a provincial economy.

Mr. Chairperson: Just before I recognize the honourable Member for Brandon West, I just want to remind all members to address, both questions and comments, through the Chair rather than directly. With that noted, honourable Member for Brandon West has the floor.

Mr. Borotsik: Mr. Chair, through you to the minister. It was my term that I used with glee and maybe the Member for Inkster (Mr. Lamoureux) confirm that with me, but you're right, certainly, however you responded to him was your business how to respond, but I did point out the fact that you didn't make a comment that it was only 0.002 percent for the budgeting advertising, and 0.02 percent for surplus is not far off. I find the surplus amount somewhat low. I know that if it were a corporation that were budgeting, they would like to, certainly, have a larger margin, a larger surplus. I appreciate government is not business. Government does have other responsibilities than business has. But a 0.02 percent surplus, or a wiggle room, if you will, seems to be fairly low.

Based on that, with the history of a \$265-million overexpenditure in last year, and we're certainly hoping that it isn't going to be a \$265-million overexpenditure or, for that matter, a reduction in revenues, but if it should happen, and that's not being negative, that's being a realist, if it should happen, how would the minister look at off-setting any kind of a budget deficit that he may well have with an overexpenditure? How would he off-set that particular overexpenditure based on the fact that we have to have a balanced budget under the legislation in the province of Manitoba. If it should be \$265 million this year, where would the minister, basically, find the difference?

Mr. Selinger: Mr. Chairperson, if you look at the experience, there's always a variety of techniques that are used to balance the budget every year: expenditure management, further refinement of forecasts with respect to revenues and expenditures and then within expenditure management, there are a number of sub-techniques that are used. Sometimes projects are delayed or slowed down. Sometimes other priorities are identified and new ways to manage things. It's an ongoing process. But, at the end of every year, we come up with a balanced budget, and we will continue to do that.

Mr. Borotsik: Through the Chair to the minister, the minister did not mention in that explanation the Fiscal Stabilization Fund. Would that be one of the options to balance the budget should we come into some deficit?

Mr. Selinger: The Fiscal Stabilization Fund is always one alternative that can be considered.

Mr. Borotsik: I believe it was 2003, but I can be corrected. I'm sure the minister will correct me if I'm wrong. I think it was 2003 that this government took, I'll say, a premium, if you will, from Manitoba Hydro to balance the budget at that time. Would that be an option that the minister would look at?

* (10:20)

Mr. Selinger: Well, the problem we have here is your entering into the field of hypothetical questions and hypothetical questions are just that. Reality is that we will balance the budget in a way that prudently manages our resources. We have no plans to take a dividend from Manitoba Hydro. Although, I note, in the Saskatchewan budget, it's quite a large one that they're taking this year to balance their budget. The reality is that when we do our Estimates, which is what we're discussing now, we try to forecast revenues and expenditures globally, and on a departmental basis, that we think are realistic to the tasks at hand, and then we see what happens as we go along.

Last year, as I pointed out, the single biggest overage in the budget was related to farm income support programs. Those are driven off certain formulas that are agreed on between the federal and provincial government. Oftentimes, the estimates for those additional expenditures come in a year after the money has been committed, and they're driven by formulas. Then there are some additional pressures that the member will be aware of because he's part of those pressures, to have additional expenditure for the ruminant sector and cows and hogs, to provide additional support there. Government makes the decision based on what they think they can do to ensure that all sectors of the economy continue to have a good chance of growing and prospering in the future, and decisions are made on whether additional money should be allocated throughout the year to support specific circumstances that were not foreseeable at the time the budget was tabled in the Legislature.

Mr. Borotsik: Mr. Chair, through you to the minister, I fully realize that a budget is hypothetical.

It's a living, breathing document, and, as much as you would like to put effort and energy into trying to estimate over a 12-month period what your revenues and expenditures are going to be, we recognize that there are certain variables that do present themselves over that 12-month period that certainly are going to affect the budget.

I do appreciate the minister's answer that there is flexibility, obviously, in his own department that would look at the revenues and the expenditures on a rather ongoing basis, and therefore adjust accordingly.

Again, I go back to the question, which he didn't mention. I assume, and I just want to know whether it's a possibility or not. We have the Fiscal Stabilization Fund. We do have adjustments in expenditures, and I know the minister is very good at that, but could there possibly be an opportunity, should it happen—and it's all hypothetical. A budget is hypothetical. It's nothing that we can, like, have a crystal ball to be able to see what's going to happen in the future. The answer to my question is simple. He has before, would he again, look at Manitoba Hydro as being an opportunity to balance the budget?

Mr. Selinger: I just answered that question. We have no plans to do that. Our plan is to work within the budget numbers that we've estimated. The budget is not as hypothetical as the question. The budget is the result of months and months of laborious work and estimates and expenditure considerations done from department levels, program levels, right up through department levels, through Treasury Board, into the broader discussions with all of our partners, the business community, the federal government, on what we think is realistic for a year. So it's, certainly, a much more labour-intensive process to arrive at the numbers than the member suggests when he calls it hypothetical.

The question is hypothetical because it relates to events which haven't occurred yet. There are no plans to take a dividend from Hydro. Otherwise, it would have been in the budget.

Mr. Borotsik: I don't believe the first time that Manitoba Hydro funds were used was in the budget at that time either, but that's—

An Honourable Member: I have to correct that—

Mr. Chairperson: Just a moment, the honourable member has the floor—for Brandon West.

Mr. Borotsik: I'll be more than happy to have the minister answer, Mr. Chair.

Mr. Chairperson: Okay, thank you.

Mr. Selinger: The short answer, it was in the budget. It was brought in by legislation and was fully accountable to the Legislature before the draw was taken.

Mr. Borotsik: By the way, I didn't mean to ever suggest that there hasn't been an awful lot of energy, work and effort put into this budget document. As a matter of fact, if you read through it, I can attest to the fact, having had some experience with other budgets, that I'm sure your staff have done an admirable job based on the information that was placed before them at the time of preparing the budget. I do know it takes a lot of energy and a lot of time to do so. So that's not the case here, and I'm not trying to suggest or downplay any of the efforts by your staff, Mr. Minister. It's just the matter of a budget is a budget.

I have always learned in my own experience that a budget certainly is a flexible document over a 12-year period—12-month period, maybe 12 years, who knows; it will be 12 years, obviously. Over a 12-month period it is a flexible document and you have to adjust it on a weekly and sometimes monthly basis, but you do that, and you do that because you want to make sure, as best you can, that you maintain that bottom line.

The bottom line I go back to of \$2 million in a \$9.8-billion budget, in my opinion, is relatively small. I don't think it gives you much workable room, unless, of course, within the budget document itself there are some other areas of, perhaps, contingency. I guess I bring up that question, we talked about staffing levels, and we'll get into that more when we talk about the Estimates document, but in your own department and other departments there are some vacancies. There are some staffing costs in there that perhaps won't be expended, so I assume that that's going to be a little bit of wiggle room that the government will have, as well, with some of the surpluses that come from the staffing levels in the document.

I'd ask the question, does the minister see that as being one of the areas that, in fact, could well afford him a better surplus, or a better cushion, than the \$2 million?

Mr. Selinger: Just to go back, I appreciate the comments you made about the staff and public

servants preparing the budget. I hope you wouldn't want to leave out the work of politicians in preparing the budget as well. They actually put quite a few hours into it as well, through Treasury Board and the ministerial responsibilities and departments. MLAs actually make a contribution to budgets as well, through the information they gather from their constituents and citizens around the province and everybody makes a contribution. In fact, the opposition actually makes a contributions through the demands they make and the comments they bring forward, so I wouldn't want people to think that somehow it's strictly a technical exercise. It's a policy-making exercise with a lot of technical analysis to support it. It's a major enterprise that any government undertakes every year and the work that goes into it is probably not fully understood because it's not as visible as some other processes, for example legislative processes inside of government. The reality is it's a major enterprise.

On the question of how do you balance the budget every year, all options are considered but you focus first and foremost on managing expenditure and revenues within the estimates that you provided to the Legislature. As the member says, it's a living, breathing document, and realities change on a weekly-daily basis in terms of needs and issues that have to be responded to. The first course of action is always to try to find a way to accommodate those additional pressures or demands from within existing resources and from within existing budget envelopes and existing revenue estimates.

Over and above that, we do look at turnover allowances, which are budgeted for, as I illustrated to the member yesterday, and there might be other things you can do to manage turnover and achieve higher results in terms of the money that becomes available. There are sometimes programs that, for a variety of reasons, aren't moving forward as quickly as might be expected and sometimes there's some achievable savings there.

There are things that are done throughout the year to manage better in terms of issues like overtime. There are vacation entitlements and other benefits that can be managed better. There are pension liabilities that can be managed better, all of which could achieve savings for the public. Then there's a continuous review of revenue estimates to see what the reality is there and what the implications of that are for your ability to carry out the government program.

Those things go on on a regular basis and we apply ourselves to that on, essentially, a daily-weekly basis.

Mr. Borotsik: A couple of other questions on revenue, if I could, first, and then I see the Member for River Heights (Mr. Gerrard) is here and I know he has some questions on the global budget.

On page 187, there are three revenue items that I would like to have some answers to, if I could. I do know that the federal government, obviously, now has given you revenue for personal income tax and other areas. This is an area of responsibility for the minister himself and certainly for his department and its Crown corporations. I do know that Manitoba Lotteries has contributed a substantial amount to the provincial coffers and I think that, personally, from a policy statement and a policy position, I think is a good thing, but we won't get into that policy. Although you do show an increase of 10 percent, Manitoba Lotteries Corporation income, again, is that based on a five-year rolling average, is that based on histories on growth, have they had 10 percent increases constantly over the past nine years or eight years that you've been dealing with that particular area?

Mr. Selinger: No, it's not a continuous story. It's based on an income estimate provided by the Crown itself. The member will note that, depending on other public policy, events revenues can go up and down. He might remember, when the smoking ban came in, there was a significant dip in revenues and then there's been a slow recovery of that.

It's based on what they think will be the actual experience. Usually, they take a look at their last couple of years' experience and their best judgment of what they think their services will generate in terms of revenue as they go forward.

* (10:30)

Mr. Borotsik: I thank the minister for that answer, and, I guess, one of the questions I would have, and I appreciate the corporation provides the information themselves so you have to depend on the corporation and its history and ability to be able to generate those kind of revenues. It's just that I do know from dealing with the South Beach Casino at the present time, that it seems that they're eroding some of the revenues, certainly the casino revenues, particularly. That's a policy decision that this government made and some of those revenues are being eroded from the casino revenue from the city of Winnipeg, which

is provincially controlled and operated. Obviously, those revenues flow into the coffers of the Province.

I assume, and I ask the question and maybe the minister doesn't even have an answer, but I assume that the corporation has taken those variables into account when they provided the revenue numbers to the budget.

Mr. Selinger: I think the correct assumption is that the corporation itself has taken those things into account in projecting its revenue numbers. We, of course, ask them if they have, and they say they have. Then we have to express some confidence in those numbers until proven otherwise.

Mr. Borotsik: Just as another comment, the same would be true with the Manitoba Liquor Control Commission. Obviously, they have 6.5 percent increase in revenues, and I assume that's the same basis that the corporation itself has developed that budget number.

Mr. Selinger: Again, there are a lot of external or exogenous factors that factor into this. Weather is a big factor in Liquor Control sales. For example, if you have a hot summer, beer goes up in sales. If it's a cold summer, then it goes down but, overall, they give us their best estimate based on their experience of what they think will happen out there.

As you know, both of those corporations have responsibilities for both responsible alcohol consumption and responsible gaming behaviour. They factor those policies into their revenue estimates as well.

Mr. Borotsik: Mr. Chairperson, the last question on this, is the water-power rentals. I've noticed that they stay stagnant at \$105 million which is the fee charged to Manitoba Hydro. There's been no anticipation of any increase on the water-power rentals.

Can the minister explain why we've got a 10 percent increase from Manitoba Lotteries, a 6.5 increase from special operating agencies? Why was there no suggestion of increasing the water-power rates at Manitoba Hydro?

Mr. Selinger: There's no rate change. This is simply an estimate of flow through the turbines and how much of the water will be used by the utility. Last year was a very high-flow year, so we don't anticipate it going above that this year.

Mr. Borotsik: There is a rate structure that's set on that flow. That hasn't changed at all, I assume, so

that's why we show the same number of \$105 million, as it was the previous year.

Mr. Selinger: Yes.

Mr. Borotsik: If I can, I'll pass it on to the Member for River Heights (Mr. Gerrard). He has some questions on global budget.

Hon. Jon Gerrard (River Heights): Let me start out with, you've got a \$100 increase in the basic personal exemption in this budget. Can you tell me what it would be in terms of change in the revenue status to the government as the result of increasing the personal exemption by \$100?

Mr. Selinger: We have a page on that. The inimitable Steve Watson will guide me to that page in a mega-second. C-1 in the book, if you have your budget papers with you. Thanks. We'll all get there.

If we go to C-1, you'll see the overall table of tax measures and, within there, the revenue impacts of those. So you can see there. Then, if you go to page C-3, there's additional information. Each of these measures is explained in the text that follows that table, what the impact is. That's why, for example, when I was questioned in the Legislature, I indicated that the basic personal tax credit had gone up 57 percent since we started making improvements in that. That's a combination of an improved rate as well as a larger exemption. Then we matched last year's budget. We actually brought the spousal exemption up to the same amount as the basic personal one, which was a 24 percent increase in the value of that, and then we look at it over time as well.

Mr. Gerrard: On C-1 there's a 2008-2009 \$1.8 million, and it's \$7 million for the full year. I'm not sure that I understand.

Mr. Selinger: It cuts into the last quarter and then it fully annualizes the following year.

Mr. Gerrard: The new or change in revenue would be *[inaudible]*. Some of that annual change is related to the basic personal tax change, some the spousal tax and some the eligible dependent tax.

Mr. Selinger: It's the basic personal and spousal ones. I moved them up in an equivalent fashion. I brought them into equivalency last year and moved them both up a hundred bucks this year.

Mr. Gerrard: Just looking at this, about a third of that \$7 million is related to the basic personal exemption changes.

Mr. Selinger: My officials inform me they treated them as a piece. They didn't break out each one. We moved them all to the benefit of Manitobans.

Mr. Gerrard: You don't have a precise number for the basic personal tax? No. My next question: What was the basic cost of living increase or inflation increase that was used in terms of the budget projections for last year?

Mr. Selinger: If the member would look at page A-32. There is a table there and then right below that table is a line that says, Consumer price inflation at 1.7 percent in 2008. That's A-32. Does the member see the text there? Just below the table, the first two lines, starts with Canadian dollar and it reads through to: Will hold consumer price inflation at 1.7 percent.

Mr. Gerrard: Now, I note that the consumer price increase of 1.7 percent, that the personal income tax exemption increase of \$100 is an increase of 1.276 percent so that what that means is that, compared to inflation, the basic personal income tax exemption is actually losing ground.

* (10:40)

Mr. Selinger: Well, there's sort of a three-part answer I want to give you.

The first one is, is that the basic personal amount increases by \$200 in '08, or 2.6 percent, and another hundred in '09, 1.2 percent, which is a total of 3.8. The CPI forecast over those same two years is 1.7 and 2.1, which is also 3.8, so it does hold its value.

That's just on the specific point, and then, if you go back to page C-3, at the top of the page there, the basic, personal, spousal and eligible dependant amounts, you can see that the increase in these benefits—or these exemptions—has been a minimum of 57 percent and a total of 86 percent since '99 and that compares to the consumer price index going up 23 percent during that period. So at a minimum it's more than double in terms of its help to Manitobans. In two cases there, the spousal one and the eligible one, it's more than triple. We've exceeded inflation over that period of time by triple or double, all in.

So, you've got that table then? The third point I wanted to make is that, when you look at the basic personal tax measures back on page C-1, you will also note that the rate has been dropped in the bottom and the second from the bottom category, the middle category, and the bracket has been increased.

In its entirety, and when you take a look at all the other things that are in there, the amount of reduction in taxes far exceeds the consumer price index and is a contributing factor, along with wage growth, to an increase in personal disposable income for people in these tax categories.

Mr. Gerrard: I thank the member for that. I note that, in order to achieve the enhancements that the minister is talking about, he actually has to bring in other years than this one and, even starting with the first answer, you were having to average it out over last year and this year to get an even situation, and that for this year, it remains true that the increase of \$100 in the basic personal tax exemption is actually less than the expected increase of inflation and in the increase in inflation last year.

I mean, there's no basis for saying that this—you're using this as an anti-poverty measure because, in fact, somebody who is at the low end of the income scale this year will end up losing ground slightly.

Mr. Selinger: I'd like to go back to page C-1 and draw the member's attention to the personal tax credit. This is one that helps the most low-income of all Manitobans because it's a refundable tax credit and that has been increased as well for a full-year value of \$2.3 million and helps, as I recall, over 280,000 taxpayers. Then the member might want to remember, as well, that we've also increased the property tax credits by \$75.

The member will also know that people on social assistance without children, whether couples or individuals, have seen an increase in their benefit. The member will also know that we've got a shelter benefit increase in the budget this year. All these benefits are targeted to the people with the least amount of resources, and, in particular on the shelter benefit, we have a special feature of that where we have a \$200-a-month pilot project for people with mental health challenges that will allow them to have more access and more choice in the housing they get. There's been quite a bit of work done in here to ensure that the people that have the least amount of financial resources have been treated fairly in this budget in terms of all the things we've done for them.

You'll see the northern residents tax deduction has been increased as well, and you'll see that the retail sales tax has been eliminated on smoking cessation products. You'll see that the Primary Caregiver Tax Credit has been introduced, which helps people—as I think the member would

appreciate, given his background—who do a lot of the informal caring in the community, usually women, usually people with fixed incomes, that are out looking after people. We're giving them some recognition for the service they provide, \$80 a month.

All these things taken together substantially help people with the least amount of resources in this province and I think, if we're going to talk about the poverty issue, we have to look at all these things.

Mr. Gerrard: I take the minister's message that, when you put them all together, there is a benefit. But it remains true that the personal exemption itself, the changes are not in fact. By themselves those changes, in fact, are less than the rate of inflation. However, let me move on to another area.

In the budget speech the minister referred to a budget of \$60 million for community centres. This was in reference to, I think, an election commitment that was made at Southdale Community Centre, and the budget speech specifically references Southdale. Can the minister point out where in the budget documents, where is the line item which deals with that, and over how many years and how much each year is?

Mr. Selinger: I'm just going to take a second to consult with my staff.

Mr. Chairperson, the \$60 million for community centres is drawn from at least three different sources, infrastructure money, federal and provincial agreements, Building Manitoba money which are transfers to municipalities, and Community Places money which has been increased in the budget.

Mr. Gerrard: Can the minister indicate how much in each place for this year?

Mr. Selinger: I'll have to get that for him. I won't be able to just yank that out of thin air right now, but I'll try to get it for him. Maybe with a little luck we can get it for him before we close down today.

Mr. Gerrard: I thank the minister for that. Now, is that number \$60 million this year or \$60 million over several years?

Mr. Selinger: It's over a five-year timeframe.

Mr. Gerrard: Now, does that mean it will be \$12 million each year or is it going to go up and down depending?

Mr. Selinger: It flows on a cash-flow basis according to project development and phasing how these project roll out.

Mr. Gerrard: Now, is that money, how much of that is capital, how much is operating?

Mr. Selinger: It's virtually all capital.

Mr. Gerrard: Can the minister talk about what the allocation criteria will be in terms of the decisions about which community centres are supported and whether this will be allocated on a fair basis around the province?

Mr. Selinger: That's worked out between the Minister of Intergovernmental Affairs (Mr. Ashton) primarily and the municipalities that he's dealing with in terms of these allocations. They work on a set of criteria that makes sense to both levels of government.

Mr. Gerrard: The issue here is you've got three different pots of money and do they all have different criteria?

Mr. Selinger: Well, each program has its own program definition and criteria, but they all support infrastructure for community-based facilities in part. Infrastructure money, as you know, does a variety of things, including clean water and sewer, but it also can support community facilities. Community Places is almost entirely for different sorts of community-based facilities, community centres, day cares, cultural. It depends on the applications, but broadly it's community-based resources, and Building Manitoba money is for recreation facilities, the part that's been carved out for it. I mean, it's an unconditional transfer in the main, while the overwhelming majority of it is an unconditional transfer, but there has been a piece carved out, I believe for libraries and recreation centres.

* (10:50)

Mr. Gerrard: Will the minister be able to report on the actual expenditures of the \$60 million, given that they're carved up in three different programs, or is this just going to disappear and be very difficult to track?

Mr. Selinger: It may be difficult to track, but it won't disappear. We will be able to give you an accounting of how the money was spent.

Mr. Gerrard: You can be sure that I will be asking for that accounting.

Mr. Selinger: We'll take that as notice and I'm sure my staff are already starting to figure out how they can compile all that information for you.

Mr. Gerrard: Excellent. Now, in terms of the question of fairness, in terms of Winnipeg, northern Manitoba, southern Manitoba, eastern, western, what sort of assurances, given three different funds and different criteria, and so on, or that we are actually going to have a process which is most effective in delivering needs?

Mr. Selinger: Well, in the infrastructure program, we've worked out a relationship with municipalities to agree on how we allocate the money. I think that's one where you build a consensus and try to make sense of how you do it. As the member would know, there are lots of different perspectives and variables that go into small communities, communities that have growth. So you try to balance off all those different perspectives.

On the Community Places money, the criteria have been there for quite a while in that program. The Community Places program has a contribution from the community that's required. So that becomes one of the deciding factors where the community has been able to generate some of its own resources.

In the case of the Building Manitoba Fund, that's also a transfer to municipalities and they work out between themselves, also, the criteria they use to allocate money. Some of the money is responsive to initiatives taken by the community, for example, a library initiative that everybody wants to support, and we come together to try and make that happen. In some cases, the community has done a lot of work on that already and have raised some of their own resources. Similarly, with recreation centres, et cetera. It's an ongoing negotiated process, focussed on priorities, identified by the community and mutually agreed to by the different levels of government.

Mr. Gerrard: As I travel around the province, there are, clearly, some needs in areas which are growing rapidly in Winnipeg, but there are also some major needs in First Nation, Métis and Northern Affairs communities. Some of the latter, in fact, have the least in many communities in terms of community centres. Will this treat all communities fairly?

Mr. Selinger: I think the member is correct. I think there has been an identification that there are facilities gaps in some of these communities, which is why the money was identified for this purpose.

Yes, the intention is to work with communities to try to meet their needs for these kinds of facilities. As the member will know, some communities have more of their own capacity than others, and that has to, obviously, be taken into account when you think about these things. It can't just be the communities that have the most dough that get all the dough. There has to be some consideration for communities that have less income and a smaller tax base, and how we look at that. That is, certainly, considered in the process.

Mr. Gerrard: In terms of how will the minister look at issues around the availability of facilities for recreation and youth activities, what kind of criteria will be used?

Mr. Selinger: I got to say that this is not directly under my allocational authority. This goes through the Minister of Intergovernmental Affairs. I'm sure, if you wish, you could take the opportunity to discuss it with him there. I know that he's passionately concerned about making sure that remote and rural communities get fair treatment because of whom he represents, in part, but, also, just his long-term interests.

But the reality is that we do try to make sure that communities that don't have a lot of other resources, get fair consideration in this process, and that factors into the considerations about how the funding is rolled out. Sometimes, there might have to be more of a contribution from government to account for shortfalls in community capacity in raising resources. So we try to take a look at that as we look at it.

For the specifics, I would encourage him to have a conversation with that minister through his Estimates process. If he wishes, I can give him a heads-up. He'll be interested in discussing that with him.

Mr. Gerrard: I will be bringing that up. I know that, for example, one of the communities which raised with me the issue of recreational facilities is Wabowden, which is in the minister's constituency. So, you know, there'd be an opportunity for people in Wabowden, as well as myself, to follow-up. Okay.

Mr. Selinger: I'm sure the minister will have a good grasp of their local needs, based on his extensive travels in that area.

Mr. Gerrard: For the minister, let me move on to another subject.

Can the minister tell me, give me a breakdown of the dollars in this budget which are allocated to the process of cleaning up Lake Winnipeg?

Mr. Selinger: First of all, the member will know that there have been regulatory measures put in place to control phosphorus and nitrogen from both farm land as well as within urban infrastructure, and there has been money allocated, in terms of water protection. The global allocation over the last several years has been \$193 million from '99 to '08-09, and, for '08-09: Water Stewardship has \$13.8 million; Conservation has \$6.8 million; MAFRI, or Manitoba Agricultural Food and Rural Initiatives, has \$7.4 million; Infrastructure has \$7 million; there's money for the Riparian Tax Credit lodged in Finance. So there's about \$35 million for various forms of water protection in the budget this year.

Then, the member will know also about the restricting of manure application by January '09 for lawn and garden fertilizers. There are new resources for enhanced monitoring and inspection of septic systems, particularly in the capital region north of Winnipeg and in cottage country.

That just gives him some idea of the total resources allocated to that on the cash side and the capital side, as well as the regulatory measures that we talked about earlier.

Mr. Gerrard: Was the minister referring to a page in the budget papers?

Mr. Selinger: That's in the Estimates material that's available, both on a—well, we have global, it'll be available in the departmental Estimates material, and it's also, the page I was quoting from was from the speech; on those bigger numbers, the page I was quoting from was from the speech, pages 8 and 9 in the budget speech.

But the Estimates will have the breakouts of these. If the member wishes, I can compile this information for him and give it to him, sort of bring it together from the different departments to let him know what the aggregate amount is.

Mr. Gerrard: It would be useful to have that compiled information, because when you've got Lake Winnipeg, for example, and it's spread out around a bunch of different departments, the accountability process makes it, you know, tougher.

Mr. Selinger: If I could, also, on page 9 there was mention of restrictions on spreading of phosphorus, and there was an allocation toward doing that for

inspection, managing solid waste disposal sites, and regulating manure resources. There's about \$439,000 for that. There's more money for conservation districts. It has got a 10 percent increase, about a half a million dollars there, and there are additional resources, which were mentioned on page 9 in the budget speech for the Nature Conservancy of Canada, \$400,000. That's a cost-shared arrangement there, rolling out over five years.

In the budget speech we tried to bring together these themes, and I'll try to give him a little more detail on how the numbers match up with those themes.

Mr. Gerrard: Now one of the issues and things which I asked about last year, and I'm going to follow through again this year, the minister has started putting in the environmental liabilities. I wonder if there is, in this budget, any recognition of the total environmental liabilities to clean up Lake Winnipeg.

* (11:00)

Mr. Selinger: The member raised that with me last year, and I pursued that with our accounting experts through the Comptroller's office. I don't actually see our comptroller here at the moment. Okay, Colin's coming up. I'm going to invite members of the comptroller's staff to join me at the front. At the risk of showing the gaps in my memory, I'll launch into an explanation. When I see the heads nodding negatively, I'll know that I'm on the wrong track.

At the moment there isn't an environmental liability book for Lake Winnipeg because, in the first instance, it's not clear that it's a provincial liability, if you get my drift. The idea here is that the challenge in Lake Winnipeg is not just the provincial challenge. There are individual, municipal and federal dimensions to this challenge. So for it to be entirely booked on the books of the Province of Manitoba would probably not be an appropriate accounting procedure because it hasn't been accepted and entirely recognized as a provincial responsibility. So that's the first challenge in terms of booking it as a liability. It's not just a provincial liability.

Over and above that that's really not what the focus should be on Lake Winnipeg, an accounting focus in terms of booking the liability. The focus is about how to improve the quality of that lake's water. That's why we have taken both legislative and spending initiatives to do that. That's why we've engaged with the local municipalities and local

citizens on how to manage that resource better and improve the health of it. That's why we've also liaised with the federal government around that, because we know that they've made contributions in other parts of Canada's lake clean-up. The member will know this in terms of the Great Lakes, for example, the initiatives that were taken there to help solve some of those problems which are actually international in shape, cross-border initiatives to reduce some of the acid rain problems there.

So the short answer is I will not be allowed to book it even if I wanted to because it's not recognized as a hundred percent provincial liability, and it hasn't been quantified as such.

Mr. Gerrard: I would recognize that there is multi-government responsibility. What this shows is that there is a problem in terms of the environmental liabilities, and I think it's probably in other areas of environmental liabilities as well. But it seems to me it is still important to recognize the overall extent of the liability and that proportion which may relate to the provincial response. To be fair, in the long run, I suspect that's the kind of direction that we're going to need to go partly because there are sites, as the member well knows, orphan mine sites in the north, where there may be some corporate responsibility.

Knowing the overall assessment in terms of clean-up and being careful in recognizing that only a proportion of that may be provincial liability is something that probably in the long run is going to have to be looked at because in a whole variety of circumstances there is going to be more than one party responsible.

Let me move on in terms of the sewage treatment in the city of Winnipeg. Where precisely is the money? I think it was more than \$200 million that the minister has allocated in the budget. Where is that in the budget, which line item?

Mr. Selinger: I'm just going to wait for other officials to join me at the table to find the information for you. Well, I'm going to rag the puck a little bit until they get the information and talk a bit about the environmental liabilities with you for a second more.

The business of identifying and quantifying environmental liabilities is still pretty new in terms of its methodologies and its understanding of it and how you do it. It's not actually that easily done in a case of Lake Winnipeg, which is a massive resource. I know the member appreciates that.

That being said, I think the focus has to be on proactive action to mitigate and remove the elements that are creating the difficult situation there. The member will appreciate maybe perhaps even better than I do that there is multiple factors that go into that. What we've seen in the public debate is just about all parties saying it's not me, I only contribute a small part of this. So, if I only contribute a small part, I shouldn't have to be any part of the solution. What we've been saying is that we all are making a contribution to the problem and we all have to take some responsibility to resolving this matter. That involves a variety of different partners. That involves cottage owners who might have inadequate septic fields. That involves municipalities. That involves industry that might be having effluence from their facilities that might impact on the lake. That involves international jurisdictions and the water flows that come into our province which enter that lake. That involves the impact of the quality of air, what's in the air and how that interacts with elements in the lake as we know. It is a much more complex problem.

I'm quite fine if the accountants want to work on how they quantify the environmental liability but as government, I think we have to be moving forward on policy and program initiatives that mitigate and prevent the problem from getting worse. That's where the emphasis is. I'm not spending all my time on trying to get the accounting rules changed at this stage of the game.

But you're right. I think over time there will have to be further recognition of these challenges through the accounting practices that are out there. I'll let those guys worry about that and we'll work at this level to try and improve the quality of the lake so that it will be a long-term resource that can be enjoyed by us all as we go forward.

With that, I'm hoping that people have got some numbers for me on the money that we're contributing to the sewage system of Winnipeg to ensure that it has less phosphorous and nitrogen going into it. Primarily, the money that's being committed for the sewage treatment facilities in Winnipeg are part of the infrastructure agreements that we're negotiating with the federal government. It's our commitment towards that.

As you know, Mr. Chairperson, the Clean Environment Commission had recommended a tri-level government response on that. We've put our commitment out there for the \$237 million that we

would like to put into that. It is part of our infrastructure commitment.

As the member knows, we have some challenges there negotiating with that in terms of the recognition of where we get the federal commitment for the floodway, which is another major capital project we're proceeding on at this stage of the game.

What we want well known is that our cash will be there and we're hoping it will attract a federal contribution as well. Then, of course, the City has an obligation as well as the owner of those resources to kick into that, to move it forward.

Mr. Gerrard: My colleague has a question; then we will get back to some more on Lake Winnipeg.

Mr. Kevin Lamoureux (Inkster): Yesterday I raised the issue of the consolidation impacts, trying to get a better understanding of those. There's one line that really intrigued me, where we have the debt-servicing cost, that would be on page 8 of the main Estimates document, I believe. It shows that we have a debt servicing cost of \$262.5 million. If you look over, it shows a consolidation impact of \$543 million. I'm assuming that this debt servicing that we're talking about is the overall debt for the province, the interest payments for that. What I don't quite understand is where is that \$543 million coming from in terms of revenue. If he could just explain that \$543 million.

* (11:10)

Mr. Selinger: The short answer is that the consolidated debt reflects the investments of the Crowns and it's supported through their own revenue streams.

Mr. Lamoureux: Okay. I'll buy that explanation, but just so that I'm really clear in terms of my constituents, if the minister could provide me then, this year, the provincial interest payments, if I can put it that way, is \$262.5. What would it have been in 1999? I would appreciate that comparison, and that's based on the assumption that the 543 is just strictly Crown corporations, Manitoba Hydro, Lotteries, and so forth.

Mr. Selinger: We'll try to get you those comparative numbers. I think we actually are pretty close to having them here.

So, on the core, which is the 262, if the member's asking what was it at that momentous point in the history of '99-2000?

An Honourable Member: Yes.

Mr. Selinger: That would be 465 at that time, so it's significantly down, and on the summary, the amount back in '99-2000 would have been \$1.22 billion, in comparison to the \$543 million.

Mr. Lamoureux: On page 99 of the main budget document, it has: 11(a) Interest on the Public Debt of Manitoba and related expenditures of \$1.151 billion. What's that?

What I'm trying to get at is, I want to tell my constituents how much money we're spending on debt. What do I tell them?

Mr. Selinger: I just want to get people on the same page here now. I want to get people to page 99 in the budget Estimates, and the member's asking about the number (a)(1)?

An Honourable Member: Yes.

Mr. Selinger: I just want to ensure that my ADM and Treasury are here to give you the nuance part of it. I mean, it sort of explains itself here. It's a total number net, less sinking funds, et cetera, but if you give me a second, I'm just going to make sure that we give you the accurate information.

So, as I was trying to explain to the member, you get the 262 by taking all of (a) and subtracting all of (b). You with me? So there's sort of the gross numbers, and then you would deduct from that all your various sinking funds. So this includes Hydro at this stage of the game, right. So you deduct that down to get your 262. That's the public debt that we're carrying on the taxpayers' side.

An Honourable Member: Off the gross.

Mr. Selinger: Yes, and this is very important. Gross and net debt are two big things. It's the old story, you know, you owe \$1,000 on your credit card. You've got \$500 in your bank account. Your net debt is 500 bucks. You owe \$1,000 on your credit card. You've got \$2,000 in your savings account. You're \$1,000 to the good.

An Honourable Member: What's your net debt?

Mr. Selinger: Our net debt, and we'll give you that number. It's in the budget papers. The member from Brandon would suggest it's about \$11.1 billion. We'll give you the precise number and the precise page.

If the member goes to page 24 in the budget papers—you got it there. I think your colleague does. So this is summary net debt, \$10.9 billion, and then

the debt-to-GDP ratio is below that for comparative purposes.

Mr. Lamoureux: That would exclude the Crowns? That's just provincial?

Mr. Selinger: That's the summary net debt to the Province absent Hydro because that's netted out of there when you look at the table.

Mr. Gerrard: Okay. Let me go back to where we were on the \$230 million allocated for addressing the sewage treatment issues in Winnipeg, sewage treatment plant or plants and so on.

Can the minister tell me a little bit about the status of the, I think it would be the Building Canada Fund? It's a federal-provincial fund. You know, what happens if the federal government doesn't agree to fund their proportion? Is the province's \$230 million still going to come for the sewage treatment?

Mr. Selinger: Well, once again you're taking me into the realm of the hypothetical. We're confident a solution will be arrived at and yes, our commitment is strong. We'll make our commitment, but we still have some work to do with the federal government before the deal is signed. It's related to the floodway contribution.

Mr. Gerrard: The follow-up question has to do with over how many years is the \$230 million allocated?

Mr. Selinger: The short answer is the money will flow during the life of the project, and they anticipate the project being brought to completion around 2013. So there are some backwards contributions there for things done already and then there's an objective to move it forward. I've been informed that they think the project is completable by about 2013. It's a city project. We're contributing to it.

Mr. Gerrard: One of the things that has been brought to the forefront in the last year related to Lake Winnipeg is the Hecla Island Causeway and it's potential for causing some of the problems on Lake Winnipeg. I don't think anybody suggests that it's causing all the problems by any stretch of the imagination but as it being a factor. Is there any allocation of funds to have a proper assessment of the impact of the Hecla Island Causeway?

* (11:20)

Mr. Selinger: To be honest, that's sort of beyond the scope of Finance. I'm not really responsible for looking at that causeway, but I think, if you go to the right department during the Estimates, I would start—

I mean, you could talk to the Minister of Water Stewardship (Ms. Melnick) on that and get their views on whether they're looking at it.

I think it's very much in dispute whether the causeway is a major contributing factor or not. I remember reading the article, as the member did, and it was intriguing, because sort of there's kind of an intuitive sense that it could cause some blockage, the causeway, but I do remember some subsequent conversations, and I'm not sure that that is the consensus view that it is a major factor in some of the issues up there. I would recommend that he have that discussion with the Minister of Water Stewardship, who, I think, can bring more technical information to the table to share with the member.

Mr. Gerrard: Yes, I will certainly follow that up. I mean, I think that there is enough concern that the issue needs to be looked at, and that is where it stands at the moment.

Now the allocations with regard to transit in the city of Winnipeg, in the budget speech the minister committed to covering half the costs of transit in Winnipeg. Does the minister have an actual dollar amount for this coming year?

Mr. Selinger: Once again, the member is getting into the detail of the Minister of Intergovernmental Affairs' (Mr. Ashton) Estimates. So I think I'm going to give him the number that we have in that minister's Estimates, but we're not sort of getting out of sync here, if you get my drift.

Mr. Chairperson, for transit operating, we've budgeted \$25 million this year, and transit capital, \$3.8 million. You know, without trying to do that minister's Estimates, I would hope he would take it up with him, okay?

Mr. Gerrard: Now the transit capital, are there any restrictions whether this has to be used for rapid transit, or is it broad and can be used for any area of transit in Winnipeg?

Mr. Chairperson: Before recognizing the honourable minister, I do want to remind folks that there's a fair amount of latitude under a global discussion, particularly within the Department of Finance since they fund everything, but I would ask members to keep their comments to, you know, as much as possible, the Finance Department's areas of expertise.

Now I'll recognize the question and ask the minister to answer it, but please bear that in mind.

Mr. Selinger: Again, that level of detail I would encourage the member to discuss it with the Minister of Intergovernmental Affairs (Mr. Ashton).

Mr. Gerrard: Part of the reason for asking the Minister of Finance is that sometimes these issues can cover more than one department, and it's a good starting point at the Minister of Finance.

Let me ask a question which, as Minister of Finance, I think the minister should be concerned about, and that deals with the concern over the hog industry and the fact that it affects not only the industry itself but the feed suppliers, truckers, and a whole variety, and the potential for a domino effect on various other industries. Is the minister doing any planning with regard to this, in addition to the action that has already been announced by the Minister of Agriculture (Ms. Wowchuk)?

Mr. Selinger: Which action is the member specifically asking me to comment on?

Mr. Gerrard: The reason that I bring this to the Minister of Finance is that, where you have a situation in one industry which could have an impact on a whole series of industries and it would be beholden on the Minister of Finance to be aware of potential significant impact on not only the hog industry but a whole variety of small towns in Manitoba. Indeed, operations could be broader because, if you have a series of effects, of bankruptcies in the hog industry, you could have an effect on bankruptcies in other industries and trigger a series of adverse events. I'm just asking whether the minister is keeping an eye on this situation and whether he has any specific plans as Minister of Finance with respect to this.

Mr. Selinger: I just want to be clear what the situation you are referring to is.

Mr. Gerrard: Today in the hog industry where you have very low prices for hogs, very high prices for inputs, you are having bankruptcies; you are having problems with people exporting down to the States because of things that are happening at the border, the country of origin labelling, et cetera. What I am hearing from people within the hog industry is that there is potential, hopefully small, for this to spiral in a rather adverse way. I just am bringing this up because, as Minister of Finance, it's important that you are on top of this situation and I'm just wondering what your approach is.

Mr. Selinger: The member will, first of all, know that we made an extraordinary expenditure before

March 31 to help the ruminant sector, including the hog sector. That was done through the leadership of the Department of Agriculture and their Agricultural Services Corporation. It involved some lower-cost loans and some provisioning around that which is a cost to the government and a cost to the taxpayers. There was some additional help there.

There were also some investments in slaughter facilities and finishing facilities both in Brandon and in Neepawa to help those plants further expand and develop their ability to process hogs inside of Manitoba, so that there is less exposure to border closure and other border barriers through, what the member called, the country-of-origin labelling.

There are also resources being made available through the Department of Agriculture to make sure that our voice is heard on the country-of-origin labelling in Washington where some of these decisions are made. So we have legal representation for Manitoba's perspective being paid for through Manitoba to make sure that our farmers get well heard down there. Of course, we have ongoing liaison with the federal government which is, after all, responsible for international affairs, to make sure they do their job representing the interests of these producers in the west, not just in Manitoba, but also in other provinces where hog producers are trying to make a living.

The forecast is that prices will get better in the hog sector; that's the predictions, if we can believe them. The hope is that the prices will start strengthening. It is true that the input costs have been a real challenge. There's no question about that. We all see that ourselves when we fill up the gas tank. Petroleum products and fertilizers have been a challenge.

All of these things come together to suggest that we have to work closely with the industry to ensure that it can adapt to the new reality and that, as a government, we do everything we can to make sure that the border stays open and the markets stay available for these products that are produced in Manitoba and that we can produce a product that adds as much value in our local jurisdiction, so that we have more markets that are available to us with a higher value coming back to producers and food processors in the province.

Mr. Gerrard: I just have a short period of time left and there's a variety of other issues, a lot of concern that the child care budget, for example, was not adequate for what's needed. My last question to you

relates to the program which was announced as part of the Climate Change Initiative which deals with certification of carbon offsets and whether the Department of Finance will have a role in that program as it rolls out or whether that is completely under another department.

* (11:30)

Mr. Selinger: The primary responsibility for that will be with STEM, the Science, Technology, Energy and Mines department. If Finance is asked to contribute from sort of an economics point of view to helping with the technical side of that we probably would participate in that, but the main leadership for that will be coming through STEM.

Mr. Gerrard: The role of the Department of Finance might be in areas of carbon trading and so on, is that correct?

Mr. Selinger: We do have some good expertise on how markets work with respect to trading bonds and to the extent that that knowledge is helpful in developing the carbon trading market, our officials will be available to provide advice on that.

Mr. Borotsik: Back into the financials of this particular government. I guess the first thing that I'd like to do is talk about the Fiscal Stabilization Fund. It's B-1 on the budget document, the budget papers. The minister has made reference to it—we've both made reference to it before, and we recognize that there are some monies that have been taken out of the 2008-2009 budget, health-related programming which I assume is the wait-list programming and also an ecoTrust that obviously was a holding fund for the feds. But the bottom line, and I would like the minister to confirm this, that there is actually a reduction in the Fiscal Stabilization Fund from the 2007-2008 forecast in the budget of some \$40 million.

First of all, that confirmation: does the minister agree that there's \$40 million less in the Fiscal Stabilization Fund in the 2008-2009 budget? And then we'll go from there.

Mr. Selinger: The short answer is that there's a budget estimate that money will be drawn from the Fiscal Stabilization Fund and the member will have heard me describe earlier that we got one-time money from the federal government for both health wait-lists and for the ecoTrust that we put into the Fiscal Stabilization Fund, and it's to be drawn as it's used to meet those program objectives. In the case of wait lists, pretty straight forward; ecoTrust, for

certain initiatives rolled out there with respect to climate change, so. It's the way the federal government does business. They don't give you continuous commitments. They see what they have for a surplus at the year end. They take some of that surplus and they put it into trust accounts which we place in the Fiscal Stabilization Fund and we draw on those as necessary to meet those programmed objectives.

Mr. Borotsik: So the actual dollar amount that's available, should there be a requirement for drawdown for whatever reason—and I know its hypothetical; we've talked about the hypothesis of it—but should there be a requirement of drawdown, then the dollars available to that drawdown are \$643 million. Is that correct?

Mr. Selinger: That's what the budget forecasts, yes.

Mr. Borotsik: I just have to get my papers back in order after the interlude with the Member for River Heights (Mr. Gerrard). One other question on equalization, if I could, and I'll sort of jump back to that.

We were talking about that when we were interrupted. The equalization—the minister's already confirmed that it's—the equalization payment is well over \$2 billion, \$2.063 billion that's coming from the federal government. Again, I would—[interjection] No, that's just the number. Sorry. I memorized it. It's burnt into my mind. I know it's \$2.063 billion. Mr. Minister, if I find my documents, I can make comparables to the other provinces, but I don't think you want me to go through that. So it's \$2.063 billion; accept my number on that one.

In the 1990s, and the minister likes to continually go back to the 1990s. We recognize during that period of time the economy was reacting in a different fashion than what it has been over the past nine years. There was, in fact, I hate to say it, but the recession, it happened in the early '90s. As a matter of fact, I was in business at the time and it was difficult to operate in those kinds of circumstances. I should also say that the interest rates were much higher in the early '90s. In fact, at some point in time they, I believe, reached the 12 to 13 points. We do recognize that unemployment was much higher. There was a general economy that was substantially worse than what it is today.

The reason I mention that as a preamble, there was, at that time also, equalization payments that flowed to the provincial government. They were

reduced quite substantially, and the reason they were reduced is the federal government had the same economic issues facing them. Revenues were lower, obviously, coming forward in the taxation that is available to the federal government and monies that flowed to the province. The feds weren't going to go, although they were into deficit at that time, but they weren't going to flow monies to the province when they were, in fact, achieving deficits to themselves. As a matter of fact, between the years from 1994 to 1998, there was actually a total of \$394-million decrease in the equalization payment.

The reason I mention all of that is because we recognize that we've had a really buoyant economy for nine years, and I would've loved to have been able to put budgets forward in the nine years. It's a lot easier when the economy is firing on all eight cylinders. But, hypothetically, if we think that the economy is going to—hypothetically, mind you, that's not pessimism, that's just perhaps realism in looking at what all of the those factors and variables that are out there in the economy at the present time. The minister has already indicated that Mr. Flaherty, bless his soul, is not going to go into deficit, he said that quite emphatically, and if he's not going to go into deficit, then he's going to have to look at the flexibility within his budget. We've recognized that there has been a previous experience where, in fact, those equalization payments have been reduced. They may well, and I know the minister may not accept this as an argument, but they may well, in fact, be reduced at a future date.

Has the minister—and I'll ask the last time on equalization. I promise I'll move on to something else, probably taxation rates, probably bracket creep, probably de-indexation, we may go into that area, but the last time for equalization.

If the federal government, in its wisdom and in its financial capability, reduces equalization to the province of Manitoba, has the minister and has his staff, which are very bright and look at all the different economic factors, have they looked at any type of situation where, in fact, they can adjust to those reductions in equalization revenues?

Mr. Selinger: I'm glad the member confirmed that was a hypothetical question.

An Honourable Member: It's budget.

Mr. Selinger: No, the budget is not a hypothetical document. The budget is a well-researched and hard-worked-on document.

The question is of a completely different character. If there's a slowdown in the economy or a recession, as the member used it, how will we adapt to changes in revenues? I think I've answered this question several different times. We will continue to manage expenditure. We will continue to manage revenues. We will continue to do things that grow the economy in Manitoba, even if circumstances are becoming challenging elsewhere as they are currently in the provinces to the east of us. We will do what we have to do to keep the Manitoba economy growing, and our budget managed in a fiscally responsible way. The member understands as well as I do the various avenues to do that. You start with managing your budget envelope and your revenue envelope.

Mr. Borotsik: I promised I wouldn't ask another question on equalization. I do understand managing budgets from both expenditure and revenue sides. I have to say, with a 6.2 percent increase in expenditures and what I consider to be somewhat small 'l' liberal revenue numbers, certainly I think they're a little bit higher than what they should be. That's the comment that I would like to make that perhaps the minister and his department may well have to look at some of those other avenues that we talked about with respect to the expenditures and revenues.

Taxes, it's a very important part of what happens in Manitoba. I know that the Member for River Heights (Mr. Gerrard) had dabbled in it, and I would like to talk about the tax regime that we have in Manitoba. I know the minister's explained a lot with respect to the increase of the personal basic exemption with some of the other areas of increases within his tax brackets, for example, over the next numbers of years.

* (11:40)

Just as a question, I know Saskatchewan—and I know the minister hates me making comparables to Saskatchewan—a number of years ago struck a tax review committee that was arms-length, and it looked at the personal income tax as well as corporate income taxes. We'll talk about personal income taxes. Mr. Chair, they struck an arm's-length committee, and they were tasked with the responsibility of coming back and putting forward to the government what they felt was going to be a competitive tax regime on a personal basis so that the residents of their province could compete with other locations, other jurisdictions, for labour, for people.

I wonder if the minister has ever thought of putting together some sort of an arm's-length tax review committee made up of, perhaps, provincial employees, as well as individuals from government and labour, if he ever thought of doing something similar to Saskatchewan with that type of a committee, Mr. Chairperson, that would bring forward recommendations in the personal income tax regime that we have currently. Has the minister ever thought of that?

Mr. Selinger: The member is asking whether I wanted to undertake a similar process to Saskatchewan, and the short answer is that we have a pretty strong open-door policy for people to come in and express their views on what they think needs to be done on taxes. I meet with business groups all the time on a regular basis about what they consider to be their priorities. We get submissions. The member has copies of some of those submissions. The short answer is we think we have a pretty good process for listening and understanding the concerns of all sectors of our society with respect to taxes, not just one sector. We take a broad approach on that.

The member refers to Saskatchewan. I hope the member is aware of what their spending increase in the budget was this year in Saskatchewan, very close to 10 percent on a budget-to-budget basis. I hope the member is aware of what the draw is from their Fiscal Stabilization Fund, hundreds of millions of dollars. I'll get a precise number for him.

If we want to talk about Saskatchewan, I'm happy to do that now that we have the new Saskatchewan Party in place, which seems to be spending at an unprecedented rate, and is drawing from their Fiscal Stabilization Fund at an unprecedented rate. It may have something to do with the tax revenues that were forgone in previous budgets because they have record resource revenues, and they're still drawing massively from their Fiscal Stabilization Fund, and their spending on an actual-to-actual basis is just about double ours. It's about 70 percent more on a budget-to-budget basis. We can talk about Saskatchewan.

We can talk about Alberta, if you want to, which has a spending increase in their budget of double-digit, 11, 12 percent. If you want to talk about those other provinces, those Conservatively-run provinces, in terms of their budgeting exercise, I'm happy to do that.

Mr. Borotsik: We can do that. I can pull the Saskatchewan budget and certainly the Alberta

budget, but I'm sure the minister also recognizes that the debt levels are decreasing in Saskatchewan. They have no debt in Alberta. The minister obviously recognizes that they do have increased spending. I'm not, perhaps, saying that spending at those levels is such a smart thing either. There are certain articles that I've read recently that suggest that Manitoba is in that same situation, where perhaps we're spending more than what we should. We can talk about Saskatchewan and Alberta.

In fact, I'm going to talk right now on the basic personal exemption. It was touched on earlier. The minister, certainly, was quite pleased with increasing the basic personal exemption in Manitoba by \$100. I'm talking basic personal exemption right now. I'm sure the minister is going to come back with some Saskatchewan numbers as well, but let's talk Saskatchewan. Basic personal exemption was increased by \$100 in Manitoba. Currently, the basic personal exemption in Saskatchewan is \$8,900. In Alberta, that same basic personal exemption is \$16,161. That's quite a substantial difference. So Alberta, even if they are expending more money, if they're spending more money for their infrastructure, they're not borrowing the money. They're spending it out of cash flows. But, in order to compete, for the people living—and I know the minister is going to come back and say, but the cost of living is so much lower here in Manitoba. Manitobans are so happy, so pleased to be able to spend more in income taxes because they don't have to spend as much on hydro. I would just like to deal with apples to apples. Right now, on a personal basic exemption, Manitoba is lower than any of the jurisdictions in western Canada.

I do notice in the budget books that he is going to increase that by, I believe, \$100 over the next year for each year. That again, as was pointed out, doesn't even keep up with inflation.

Would the minister be interested in, perhaps, indexing the basic personal exemption to the rate of inflation as opposed to just simply increasing it on a \$100 on an ad hoc basis, as the balanced budget legislation would allow? Would he be interested and has he been interested and has he looked at the possibility of indexing that to the CPI?

Mr. Selinger: Just to go back to Saskatchewan for a second, the member asked about the basic personal amount. Theirs is at \$8,945. Ours is at \$8,034, but we have an additional family tax benefit which does not exist in Saskatchewan, which is available to

Manitobans. So the reality is that's worth \$2,065, which benefits mostly Manitobans with modest incomes. So, Mr. Chairperson, our total benefits available to Manitobans are \$10,099, compared to Saskatchewan's \$8,945, and 60 percent of Manitobans get a benefit off that family tax benefit.

I have to put that on the table as part of the consideration. Every provincial government designs its tax regime differently. We've ensured that Manitoba families remain in the top three for affordability in the country, and we continue that trend. We look at it very carefully. They do it differently. We do it differently, but the bottom line is we stay in the top three for the country for affordability across a variety of different family types and structures.

The next question the member asked was whether I would be prepared to index the personal exemption, or anything else. The short answer is that we look at the budget every year and we try to make sure that it gets to the people that need it the most in terms of keeping their cost of living among the top three in the country. So we look at it on a global basis and indexing is not part of the formula at the moment. We take a look at what we can do every year to make sure families of different sizes and shapes, including seniors and single parents and families with two, three children, childless couples, et cetera, we take a look at it on a comparative basis to make sure that we keep our affordability advantage. We achieve that affordability advantage differently in various budget years. Some years we do it on taxes. Other years we do it on services, and the cost of those services, for example, day care compared to other jurisdictions. Some, we take a look at what the costs of things like energy and auto insurance are, as well. The member is familiar with the Manitoba advantage in that regard. So we take a look at it on a broad framework basis and then make our adjustments accordingly to keep ourselves competitive.

Yes, provinces like Alberta have higher exemption levels, but they have triple the rate of inflation that we do in Manitoba, more than triple the rate of inflation. They don't even keep up with their inflation growth out there. So their purchasing power is declining for many families out there unless their incomes are going up dramatically, and that's not always the case. That's why we're getting a lot of them coming back to Manitoba, because they're coming back for the Manitoba advantage and the cost of living and the opportunity to own a home and

raise a family here, and have a good quality of services doing it.

Mr. Borotsik: Just a couple of comments, there are some people leaving Alberta, but not many. But most of them are stopping over in Saskatchewan at the present time. They aren't making a full trip back into Manitoba. For whatever reason, perhaps, those additional salary levels and, perhaps, the ability to retain more of their revenue and income than giving it to the provincial government.

The minister, obviously, has answered the question with respect to the indexation. He's not prepared to index because of the different factors. The basic personal exemption, I assume that's the same answer with respect to the indexation on the brackets. The minister says that the number is 10,099, if you include the family tax benefits, which only 60 percent of the population is taking advantage of. Where if the tax brackets had been increased to inflation or, at least, increased over the last number of years to compare to other jurisdictions, then, I'm sure the minister would also agree that had those brackets been raised with the rate, and I do appreciate the fact that Manitoba, on the first tax bracket, has a lower rate than Saskatchewan. It's 10.9 percent and it's 11 percent in Saskatchewan. It's also on the second tax rate.

* (11:50)

The problem is that there are, as the minister recognizes, tax brackets. Right now, the richest people in Manitoba are going to be in \$66,000 tax bracket. That's the richest people in Manitoba. The richest in Saskatchewan will reach a tax bracket of \$111,000. In Alberta, there's none because there's a flat tax. Everybody pays equally on the flat tax. Manitoba, right now, has one of the lowest high-level tax brackets in western Canada. It is. In fact, it's the lowest in western Canada.

Again, the minister, I appreciate the fact, looks at all the variables. Has he considered, or would he consider de-indexing the tax bracket so it's going to increase with the level of inflation so that Manitobans would be able to keep more of that tax revenue at a lower rate than a higher rate? As a matter of fact, the highest rate for Manitobans over \$66,000—I don't have to lecture the minister, I know he knows this—over \$66,000, the tax rate in Manitoba is 17.4 percent. In Saskatchewan that same tax rate is 15 percent, so he can make comparables and suggest that, with these other variables that are thrown into

the mix, Manitobans are so well off because we pay less in insurance and less in hydro.

The fact of the matter is people in Manitoba can reduce their hydro consumption or their energy consumptions and save money in that fashion. They can, in fact, get different coverages in insurance, and they can reduce their cost in that fashion. What they can't do is change the amount of taxes paid. The only person that can do that is the Minister of Finance.

As I have identified, the high—the very rich people, by the way, nurses and firemen and teachers. The very, very wealthy rich people in this province are well over the \$66,000 maximum tax bracket and they're paying a 17 percent rate to the Province of Manitoba. But they're getting a better deal on auto insurance, and they're getting a better deal on hydro. Is the minister prepared to look at moving that high rate of \$66,000 to a more realistic number, or do we just simply say to Manitobans, no, you're doing so very, very well in those other areas and we'd just like to leave it at that, Mr. Minister?

Mr. Selinger: I think the member might have missed the election where we made a commitment to move those rates up, \$1,000 a year—

An Honourable Member: See it in your book; \$67,000 that's—

Mr. Chairperson: The honourable minister has the floor.

Mr. Selinger: You're starting to lose it. You had your turn. If you want to lose it, we can roll up the sleeves and duke it out, that's fine. It's Friday, I don't mind that.

The reality is we made an election commitment to move those thresholds up to \$70,000 in the highest case. The member has to understand the way the tax system works is when we lower the lower threshold, that benefits high-income earners; when we lower the rate at the bottom from 11 down to 10.8, that also benefits high-income earners; when we lower the middle rate, that also benefits high-income earners.

So all of these measures are not only helping people with more average or modest incomes, they're helping the high-income earners as well, and they know that. The member is focussing on the threshold but he also should understand, and I'm sure he does, that every time we lower a rate at the bottom of the pyramid it benefits everybody at the top end of the pyramid, as well. But the way we're doing it is

ensuring that the relief is going to the folks with the least amount of income.

Now the member was suggesting that firefighters and teachers and nurses are making more than \$66,000. That would suggest we're paying them quite well. And if he wants to acknowledge that, I'm okay with that because we do try to treat our public servants properly in terms of pay scale. But they have received the benefits of rate reductions at all levels; they have received the benefit of threshold increases at all levels. In addition, they get the benefit of all the property tax credits; they get the benefit of the tuition graduate rebate program if they have a child in post-secondary; if they have children in need of daycare they get the benefit of the rates there, and that's why we take a look at it every year, all in. It's not just about taxes. It's about the total package of being able to live affordably in Manitoba with access to good, quality services.

Sometimes I despair that the member seems to just focus on that one variable. I've never heard him talk about anything—other than in Brandon when he wants a bridge built faster and he wants more money spent on capital, but then doesn't want to pay for it.

You know, the reality is that our job is to have a balanced package that offers a good quality of life to Manitobans, both on the affordability side—we're in the top three in the country on that—and on the quality-of-life side in terms of investments in key services and infrastructure to allow people to use that disposable income to their benefit, and we do that. We're happy that we do that and we plan to continue to do that, and that will include further increases in the thresholds. That will include some additional reductions in rates, and that will include some additional commitments on property tax credits as we go forward.

Mr. Borotsik: As the minister knows, I do have—and I have read the change or the proposed change to the tax brackets and to the rates. In fact, it's identified on C-2 in the budget papers. In fact, I took the opportunity of highlighting that, and recognize that the middle tax bracket threshold is going up from \$30,554 to \$31,000 proposed in 2009, \$32,000 in 2010, and \$35,000 in 2011.

I find it very interesting that we can have a \$3,000 jump, a 10 percent increase in that particular threshold in an election year, 2010-2011, but in the next years, we're only going to have a \$500 increase, which doesn't even keep up with inflation in 2009, and the same is true for 2010. And I know the

answer. The minister has already explained that there are so many variables that he likes to throw into the pot that he doesn't necessarily like to see those tax brackets raising because Manitobans are taking so advantage of its low rates in auto insurance and hydro.

But why is it that the minister would have such a substantial jump in the middle tax bracket in 2011 out as opposed to giving Manitobans a break on that bracket right now, in 2009?

Mr. Selinger: I think part of the answer is just two lines up if the member will look at the first bracket rate. It reduces by a tenth of a percent every year from 10.9 down to 10.5 every year going out. That rate reduction in the first bracket benefits all income earners, not just low-income earners. It benefits high-income earners as well.

The threshold goes up every year, the middle bracket threshold, as the member said, and yes, it does appear to take a jump in that last year, which may or may not be an election year. The middle bracket rate goes down to 12.75 percent and pushes out for four years, and the top bracket threshold, the one the member seems to be concerned about, consistently goes up a thousand dollars a year. Well, no. In the last year, it jumps 2,000, actual. Bonus. Well, you know, this is a good thing. Many people have asked for a tax plan. They got it in black and white, right here.

Now, the member likes to compare to Saskatchewan. In the Saskatchewan budget, not prepared by me, in the Saskatchewan budget prepared by the Saskatchewan Party, which we all know is the Conservative Party of Saskatchewan, the cost of living for a family of \$75,000 total income, the cost of living in Winnipeg is the lowest in the country. That's lower than Saskatoon; that's lower than Regina. It's the lowest in the country. That's their own numbers. What's the matter with being No. 1? Why can't you be proud of that? We're No. 1 compared to the analysis of another jurisdiction. And I think that's a really good place to start the weekend, knowing we're No. 1 for a family with an income of \$75,000.

Mr. Borotsik: We're also No. 1 in the highest taxation levels, and we pay the highest taxes when we file on April 30 of this year. We should be proud of that that we're No. 1 in western Canada for the amount of dollars that are going to flow to the provincial government out of taxes that are paid by those very, very wealthy people who made \$66,000 a

year. That's true. We are very fortunate to live in this province and make sure that those tax dollars are flowing into the provincial coffers.

Again, the minister, and just simply for a simple answer to a simple question, I do see, and I have seen, the proposal that goes forward with the increase in the thresholds as well as the decrease in the rates, which I find also very interesting. Needless to say, we have to compete so we have to decrease the rates to keep up with the other provincial jurisdictions.

It's done in a plan and I appreciate that. It's nice to see a plan out so we can look at it. Again, I go back to my point though. Could this not be done just simply on an indexation basis as other jurisdictions have? Those other jurisdictions I talked to, with the exception of Alberta because it's a flat tax, they have indexed brackets, indexed basic personal exemption deductions. I'll ask the question again. I already know the answer. Why is it not a public policy position of this government and this minister to use the indexation as opposed to raise it on an ad hoc basis, if you will, on an annual basis?

Mr. Selinger: The short answer is that our objective is to keep Manitobans' affordability advantage in the top three for the country, and we do the analysis on a rolling-forward basis and we make sure that we position ourselves in a variety of family classes to stay competitive. We do that and we're accountable for that.

Now, Mr. Chairperson, we're finding other jurisdictions that take a hard look at us, including Saskatchewan, acknowledge that we've achieved the lowest cost of living for a family of \$75,000 income, \$10,000 more than the member's talking about.

* (12:00)

We do it because it allows us the ability to respond where the response is necessary, and there are a variety of ways to do that. But, at the same time, we have a base commitment to move people forward on rate reductions as well as threshold increases which we think is a good platform upon which to keep our affordability advantage.

Mr. David Faurshou (Portage la Prairie): Just a question, Mr. Chairperson, to the minister in regard to organization and allocation of staff. I have the responsibility for examination of the Consumer and Corporate section of the current Finance.

Does the minister have the personnel available today or is there a specific time in the committee of Estimates process that we should make an appointed time of examination?

Mr. Selinger: Your critic asked for global, and we've been doing that for the last two days. I do have some officials here from Consumer and Corporate, so we might be able to respond to your question.

Mr. Faurchou: I do appreciate the opportunity to participate with the examination of Consumer and Corporate Affairs Estimates that have been tabled with the Assembly.

I would like to begin by asking a follow-up question that was previously asked at committee and that is the status in the Vital Statistics portion. We were concerned about the delay in issuance, very specifically, about death certificates. I want to know if there's been progress made in that area.

Mr. Selinger: The member was asking me, what's the turn-around time for request for vital stats? Currently, as of April 22, birth certificates, as of March 22, were taking 27 days. Death certificates were taking 34 days.

As the member knows, the agency is going through a process of automation right now to move from paper to electronic and have a new chief executive officer that has moved into a position there.

These compared to a standard of 20 days. We are within 7-14 days. There is a lot of overtime going in and streamlining going on to try and get the standard back in shape.

Mr. Faurchou: I do appreciate that there is a process of change-over undertaken at this point in time.

I want to emphasize once again the ramifications, the repercussions of delayed issuance of a death certificate, for instance. A widow has to have that certificate in order to update the Canada Pension. As you will, Canada Pension does not wait around for a death certificate. The obituaries are there; bang, the cheque issuance stops immediately. In order to get the spousal support as a single household, it requires the official documentation. I think it should require the attention so that we can expedite the issuance of death certificates, in particular, because of the significant financial strain that occurs when a couple is no longer.

Mr. Selinger: I totally understand the member's point. We've talked about this before. The faster we can move that process along, the more it helps the widow in the situation that the member has talked about.

There is an expedited process. It does cost some money, however. In the case of a little bit of money being spent up front to get the pension flowing faster to the widow, we might have to consider doing it that way.

The main thing is to get the standard back to 20 days. It's our objective to do that, and we're going to keep working at that. I know there's a big commitment on the part of the staff to do that because they're putting in the overtime and they're going ahead with the automation process.

As the member knows, there have been other pressures in this branch, too, with respect to security on the whole national security scene, and linking birth certificates and driver's licences and passports and those kinds of activities are taking quite a bit of infrastructure development as well.

If the member has any particular case where somebody for some reason is being left in a ridiculous situation, if he approaches me, we'll find a way to resolve it, including us chipping in together to do the expedited process to make sure the person gets their pension.

Mr. Faurchou: I appreciate the minister's response, and kudos to the staff who are putting in the overtime and doing the very important work that they do.

We also made mention of the concern that was brought forward by those engaged in searching out their family history, and to find that Manitoba was two, three and more years behind in release of marriage and death and birth online services. Those who are engaged in genealogy are wondering when the Province was going to catch up.

Mr. Selinger: The member raises the issue of the ability to do genealogical research online, which is a huge step forward in this area, as the member will know. I'm informed that some of the original delays were related to issues of security and some hackers trying to get into the system and take advantage of it. We had to work with our Information Protection Centre to mitigate those threats, but my ADM has just staked her career on thinking that it's pretty current. *[interjection]* I just have a high degree of

confidence in the information she's sharing with me. *[interjection]* We think it's in pretty good shape.

Mr. Faursschou: I have not heard from those who originally raised the concern in the last few months, so I can only trust that the assurances from the deputy minister are accurate.

Moving forward, I would like to ask questions in regard to the Consumers' Bureau area. The legislation passed in the past year, which more responsibility has been added to that department, i.e., the payday loan institutions. The regulatory responsibility, I see no additional staff allocated for this responsibility. Is there going to be a rearrangement of staff responsibilities, or how is that new legislation being worked into the 19 staff issued with this responsibility under the Consumers' Bureau?

*(12:10)

Mr. Selinger: The short answer here is we added staff previous to this budget to sort of anticipate the oncoming workload and so it doesn't show an increase this year because they were added last year because they had lots of preliminary work to do. It's a huge thing to get your regulatory regime ready to deal with and you have to hire people and then train them to be able to do the job properly. So that's been a process that's been ongoing with the director of the Consumers' Bureau.

Mr. Faursschou: There has been a number of glitches come forward from both perspectives, both the payday loan institutions as well as those that have been using the services.

Is there a specific tact that the individuals or the institutions might take in order to bring these concerns to your awareness sir? I use the example of the now announced charges and all the charter banks, credit unions have to have, very visible in a font that is legible or readable by most individuals, posted. Why not payday loan institutions?

Mr. Selinger: There will be a regulatory requirement that they show the cost of credit that they're getting there on a comparative basis as recommended by the Public Utilities Board. So there will be lots of information made available to the consumer in a very visible way for them to make a more informed choice. That was originally anticipated in the bill, but the Public Utilities Board has taken it to another level. They not only want a clear indication of the cost, but they want it to be on a comparative basis so people can make a more

informed consumer choice. That will be part of the detailed regulations that we're developing now that we've had the order come down from the Public Utilities Board. There's an enormous amount of work to develop the first ever regulation of payday lending in this province based on a judgment that was 325 pages long with lots of research in it and lots of views in it about how this industry should be handled. Now we're digesting all that material in the order into a regulation that will bring into practice how the industry should operate in Manitoba.

Mr. Faursschou: I also have been made aware of payday loans institutions now with the Public Utilities Board ruling that has impacted upon those wanting to borrow money. That it's now capped. At least that's what individuals have stated. That their borrowings are now limited to a certain portion of their anticipated income and are concerned that this is something that is cumbersome to them and their cash-flow projections.

Mr. Selinger: This area is an area where there's been an enormous amount of work done by officials and, you know, I was joking a bit before, but to be fair the consumer affairs department has been doing a tremendous amount of work. We're actually leading the country on these matters of payday lending and cheque cashing and cost of credit disclosure. Some of these initiatives we have taken have put a tremendous burden on staff because they're doing it for the first time ever and they're setting an example for the rest of the country on how we're going to do this.

One of the unfortunate things that has come out of the order by the PUB, is the industry itself has customers come in the door asking them to sign letters—and he may have received some of them—and some of the letters are conveying misinformation.

There is no absolute cap on what somebody can be lent, but over a certain amount the rate that they can charge drops to 6 percent of the amount that's loaned, and that 6 percent as an annual percentage rate can still be up to 145 percent on an annual rate of interest, so it's not cheap money, by any means, it's just a lot cheaper than it used to be when it was in the thousands of percent.

If you bring those letters in—I've offered to any MLA that's getting those letters—I will write a letter of response to them, telling them the truth and explaining how the system works in a way that the public will understand it better because I'm a little concerned that some of these people have signed

these letters maybe feeling that it was part of the process of getting the loan. I'd be happy to correct the record if you've received some letters. You want to bring them to me, I'll undertake to get a response back to the citizens, and I'll give you a copy of the letters that I send out.

Mr. Faurshou: I have and I will.

Moving on to what is under review, as well, is the gift cards. Could the minister give an update as to the progress, as he had mentioned in the House, was an undertaking of his department?

Mr. Selinger: I'm glad the member raised that one again because this is another area where I think we could argue that, along with Ontario, we're leading the country in terms of best practices on gift cards. Ontario was the first to initiate it, but we were a baby step behind them in following along. We actually think our regulation is a better crafted regulation to protect the public.

The gift-card reg or law was brought into place effective November 1, '07, and it now eliminates expiry dates on gift cards, which gives them a lot more value. We did commit, as part of that process, to review the regulatory regime that we put in place within three years. This year we'll start gearing up for that review, but the major effort has been to ensure that the gift card industry was complying with our law, and we did some checks over the Christmas season and found that they were in compliance. I didn't go backwards, so the older cards do have time expiries on them, in many cases, with a few exceptions, but all the cards going forward after November 1 have to have an unlimited expiry date.

Mr. Faurshou: I do appreciate the minister's response. The gift cards, the understanding I had was that you were also reviewing the refund potential of a card or non-refund, as well, where cards effectively are presented with a finite value, but then a purchase may be made only over that amount in order to capture its full value because there is no refund available. I believe the minister was going to be looking at that as to coming within 10 percent of the card's value or something like that as a potential ability of refund, or am I in error?

Mr. Selinger: I'm not sure what I said in this regard, but I don't think we committed to anything in that. The bottom line is a full value of the card does not expire regardless of your balance, unless, of course, in the case of the multi-vendor situation where, you know, you have, like, the Polo Park or the St. Vital

Shopping Centre that wants to have one card that gives you gift card access to all the merchants inside that centre. We did have a slightly different arrangement there based on their representations, and the arrangement was that the card was good for a year, as I recall, and then a fee of \$2.50 per month could be charged after the 12 months because there's sort of a global cost of carrying that and looking after the bookkeeping in all of that. We did do that in response to the multi-card situation. One shopping centre participated fully in the program. One didn't like it—head office, Toronto, but we think over time they'll see the wisdom of trying to have this sort of on a level playing field. Some of them wanted to be able to charge right up front, you know, for just issuing the gift card and then be able to charge every month after that, and we didn't think that was fair.

*(12:20)

Mr. Faurshou: Just another couple of quick questions here, recognizing the Member for Brandon West (Mr. Borotsik) would like to continue on with his line of questioning.

We continue to be the only jurisdiction in Canada that requires the licencing of videos and movies under our Manitoba law. Even instructional videos have to be reviewed here in the province of Manitoba for a rating. This has impacted significantly on small-market issuance of videos. I give the example of a skateboard instructional video; that is a very small market. This is very cumbersome; it's costly. As well as being a small market, we are actually, as Manitobans, missing out on a number of releases that have been licensed across Canada but, because of our relicensing process here in Manitoba and the cost thereof, we are not even getting opportunity to have access to those particular videos.

Mr. Selinger: Just off the hop, the minister responsible for that whole video classification regime is the Minister of Culture, Heritage and Tourism (Mr. Robinson), so you can take it up with him. We'll pass the question over to him, but I think it focusses on classification.

Mr. Faurshou: I appreciate that, and the other question I have here is to do with Hydro and consumer concerns. Hydro's cut-off procedures in order of notification to property owners, prior to gas or hydro cut-off, as I currently understand, does not engage the mortgage holder. It is solely focussed on the property title owner.

In the case of a recent concern, gas and hydro were turned off on a building. Certainly, the owner was notified but the mortgage holder was in the process of legally kicking the fellow out. So the fellow had no desire whatsoever to pay the gas and hydro. Subsequently, the gas and hydro were turned off and, with the cold temperatures experienced here in Manitoba, significant damage was done to the home, whereby the mortgage holder ultimately is the loser and had no notification, to my knowledge.

I've asked the Minister responsible for Hydro and Consumer and Corporate Affairs as to whether or not he's prepared to review the cut-off procedure currently used by Hydro.

Mr. Selinger: I've got to say, that question's totally out of scope for Finance Estimates. That being said, I'm happy to talk to the minister of Hydro and ask him to talk to the CEO of Hydro and see if they could take a look at that, because I think you actually make a fairly important point. It's to nobody's advantage to have a building damaged as part of a shut-off procedure and the mortgage holder not to be aware of that, because it might have been able to resolve the problem with less loss of both private and public values. So I'm glad we did it while we had Consumer and Corporate here because, usually, mortgages are registered against the title. If you're contacting the title holder, it might not be that difficult to also contact the mortgage holder and ensure that everybody's co-operating in solving the problem of the lack of payment of bills without losing the value of that asset. I'll take that up with the Hydro organization without meddling, of course, and ask them to consider that.

Mr. Faurchou: I do appreciate that and my follow-up is that this information is readily available at the Land Titles Office whereby mortgage holders do register their interest on the title, and Hydro could easily access that information. It was a Portage credit union that experienced significant loss of value to this home, and everyone that's a member of that credit union ultimately is a loser.

Mr. Selinger: If you want to expedite the matter, I would ask that either yourself or the credit union correspond with Hydro on this and copy me as a minister. Then it's official record, and they have to give an official response and consider it. We can do it this way but it's a little more secure, as I think a direct letter, say from your credit union, would be extremely helpful in bringing it to the attention of the Hydro authorities.

Mr. Borotsik: We have about six minutes left, so I'll get into an area that we can probably clean up in six minutes, and then we'll deal with some of the other financials beginning on Monday.

The minister's office has put into place a pre-budget survey that he sends out to a number of Manitobans. The one that I have is the 2007 pre-budget survey. I assume I'll receive the 2008 sometime later, but the 2007 budget, pre-budget survey was commissioned by Prairie Research. They did a random telephone survey as they normally do.

Can the minister identify what the cost of that survey was? Was it a sole source contract or was it tendered?

Mr. Selinger: I'm going to ask some Treasury Board officials to come forward and help me with the facts on that. The short answer is that we don't have the specific information available, but it's contracted through Communication Services, which is in Culture and Heritage. So I'll get the information for the member and undertake to convey to him in writing the cost and the procedure though which they select the firm.

Mr. Borotsik: My reference was the 2007 budget survey, but I do know that the minister and his department did have a 2008 budget survey done as well. Could he include the cost in the process for both of those surveys?

Mr. Selinger: Yes.

Mr. Borotsik: I'm not used to those short answers. I wasn't quite prepared.

In the 2007 survey, and I appreciate the fact that it's always a good idea to consult and, certainly, better to consult with Manitobans and get their views. There are some questions in here that obviously pertain directly to budget items, which are: Would you prefer to retire debt or would you prefer to put more monies into education and health care? What do you feel about this policy with respect to a tuition grant? I like the answers and, certainly, it's something to do.

I was a little confused, however. There were a couple of questions here particularly with respect to the moratorium on hogs. There is a hog barn question and, needless to say, the response was, I'm sure, what the ministry or the government would like to see, but how does that fit into a pre-budget Finance survey? How is that justified as being a part

of a pre-budget survey going forward as the moratorium on hogs?

Mr. Selinger: I think generally the pre-budget survey canvasses broad issues of public policy related to the government of Manitoba, all of which usually have some kind of financial implication. So I think it was included just as that broad review of broad public policy that the survey can get at. As the member knows, we disclose it and put it in the public domain so we can have this kind of question but, presumably, that question was put there because they wanted to get the sense of Manitobans about that issue as a matter of broad public policy.

Mr. Borotsik: I thank the minister for the answer. I'm doing it not because I want to make the minister uncomfortable, it's a question that I really didn't have an answer for. I didn't know why one would look at the hog barn issue or environmental issues. Certainly, if I were the Minister of Finance, I would be looking more to the policy that directly related to the line items on this particular budget document. I guess in his answer there is an indirect line item that could flow from that particular type of moratorium.

As a matter of fact, I think that we recognize right now that there is definitely a line item in that budget that does flow from that particular question. The question, by the way, I don't have to repeat the question, but, certainly, the government got their answer, obviously, because there was an 84 percent response. Shortly after this there was a moratorium placed on hogs. Now that is a line-item-like issue because there will be impacts on the agricultural budget. There will be impacts on revenues—

Mr. Chairperson: The hour being 12:30, committee rise.

EXECUTIVE COUNCIL

*(10:00)

Madam Chairperson (Bonnie Korzeniowski): This section of the Committee of Supply has been dealing with the Estimates of Executive Council. Would the First Minister's staff please enter the Chamber.

We are on page 31 of the Estimates book. As previously agreed, these Estimates are to be considered in a global manner.

The floor is open for questions.

Mr. Ralph Eichler (Lakeside): I have a concern that I've been raising in the House, in Estimates, in Agriculture for a number of times. It has to do with

the way of which the education tax rebate is applied back to the farmer once he pays for it and then applies for the rebate back to the Province. Then the Province, again, sends a check back to the producer. That's incurred a cost since the government started doing that of approximately \$1.5 million.

I was wondering if the Premier would outline for us if there's not another mechanism of which the farmer wouldn't have to pay that money out to the municipality rather than just do a tax credit similar to what they do on the property tax.

We know that formula is available. We know that AMM has, in fact, lobbied the government on this issue. We would appreciate the comments on that cost-saving measure that would be a substantial savings for the people of Manitoba.

Hon. Gary Doer (Premier): Since we introduced the reduction in education tax on farmland, we've used a rebate system based on application. It is something that, because there were some changes, in fact, we first promised to reduce the education tax on farmland by 20 percent in the '03 election. We exceeded that by a considerable amount because of the agricultural pressure. We removed 50 percent and 60 percent, so it actually allowed us to have more flexibility to remove more education tax on farmland faster than what we promised. We now have promised to go to 80 percent. I think in last year's budget we went to 65 percent. We went 70 percent in this budget.

We certainly have an open mind on changing the methodology. We wanted to certainly get to the promise we had made before as fast as we could. In fact, we exceeded it so the rebate system has been a system that allows us to be more flexible and reduce taxes faster. We certainly believe that the whole issue of education tax on farmland, I think it's now become a big priority in Saskatchewan. So I think we have a bit of a head start on some of the education property taxes to our provinces to the west.

We have an open mind on changing the methodology. There are two issues here. There's not a 100 percent take-up on the rebate. It is a little more money to administer than not reducing taxes. If we do reduce taxes, because school boards assess them and then we rebate them, then there are some costs. It's not a neutral cost because it's a unique treatment of taxes to be 80 percent. Farmers also get, on their farm home, the benefit of the increased education tax credit. It's now at \$600 in this budget. It was \$225 when we came in. So there's a net saving in that area.

The third saving on education tax for farmers and all Manitobans is we eliminated the ESL, which Manitobans, when we came into office, had two taxes on their home for education purposes. For homeowners, condo owners and apartment dwellers, we've eliminated that tax, saving rural and northern Manitoba \$40 million. I mentioned yesterday the savings for the city of Winnipeg was \$60 million. ESL tax saved farmers and others some \$40 million.

Our calculations are that it's over \$100 million. I know members opposite laugh, but, when we did come into office, actually, the portioning—there's another issue here, it's called portioning on farmers, and the portioning was increased for farmland, ironically, by the last president of the Keystone Agricultural Producers, then was minister responsible, and increased the portioning by seven points on farmland portioning on market value. So the combination of portioning, ESL removal, the farm education land tax rebate and the education tax credit has produced over \$100 million in farming tax reductions, \$100 million. I know the member would want to, notwithstanding the fact he voted against the budget, applaud such action for farmers.

The answer to the question is, the methodology is being looked at.

Mr. Eichler: Yes, taxes, property taxes are a serious concern when it comes to the rebate portion. Another request has been brought forward. I certainly know the First Minister is aware of it, and that's the whole taxation on farm buildings. I know KAP has made that presentation to his ministers. I believe he has a copy of that presentation. We've seen a downturn in the whole hog industry, cattle buildings, and so on, that these buildings are a necessity of part of their operations.

Is there any will on the government's part to look at ways of which we can exempt those farm buildings, along the same way as the rebate for the farmland, in order to help those farmers now in a time of crisis, a time of need? Some of those buildings will become vacated as a result of the cull program that's out there. These buildings that are worth \$3 million will then be re-assessed at some \$30,000-\$40,000, perhaps, and certainly, see a decline in the revenues for those municipalities, as well.

I would like the comments from the First Minister on that, please.

*(10:10)

Mr. Doer: We expect farmland to go up in value in the next assessment period, and farm buildings, as the member indicated, to go down in value. Again, the assessment branch is independent or it provides its market values on the basis of the market. The political will we have is to deliver on our election promises on taxes. The property values in rural Manitoba have never been higher. The property values in River Heights, where the member lives, have never been higher. The property values in Fort Whyte, where the member represents, have never been higher. The property values in the 1990s, and I'm really pleased, because I actually think there's all the stats and all the rhetoric and all the feigned indignation we have from members opposite, in the 1990s the whole world moved up and Manitoba was flat. Education taxes went up on farmland in the '90s, education taxes went up on homeowners in the '90s, and their values went down. Now we have the opposite happening. Values are going up and education taxes are going down.

In fact, Stats Canada, in its last report, indicated that Manitoba was the only province in Canada that had a reduction in education taxes in the inflation index. That's the only province in Canada. We will continue to implement our promises on education financing. We moved, again, another step forward on funding for education, including capital, pension and farmland education taxes.

Mr. Cliff Graydon (Emerson): Good morning, Mr. Premier. One of the questions I have for you or for your government is that, as you are aware, the Emerson constituency is a large constituency and rather diverse. Over a period of time we've had a number of different natural disasters, which have been attended to in a very rapid and decent fashion.

However, there's been one situation that happened on July 31, 2005, in southeastern Manitoba. It was a severe flat wind or a downdraft-type wind. It did considerable damage to the Rural Municipality of Piney and to the community of Sandilands in particular. This happened on July 31, 2005.

I will say that EMO and disaster people were there immediately. They left the impression that there would be financial assistance for clean-up. They gave the same type of information to the municipality. They left the impression that this would be done. People really banded together. A lot of people came to help, as they normally do in Manitoba. They did the clean-up. The small

community of Sandilands, which depended a lot on cabins, cottage country, it doesn't have a lot of other economic advantage, was devastated because now there are no trees. There's just no reason for people to have a lot there. However, the people that did have cleaned it up and asked for the financial assistance that they thought that they were allowed to have and what they thought had been promised to them. They got a letter instead, dated June 17, 2007, indicating that there would be no disaster financial assistance.

Mr. Premier, I think it's the government's responsibility to revisit this particular incident, and I'm asking you today if you're willing to do that.

Mr. Doer: Well, thank you to the member for the question. Certainly, I've been to those communities. The Disaster Financial Assistance program is a federal-provincial program, as the member knows. We are bound by some of the federal requirements. In fact, there was a controversy about flooding in basements in Brandon a couple of years ago, and then there were statements made by the federal minister which, of course, would have changed the federal Disaster Financial Assistance program in Manitoba and across Canada. Then, when we pressed them to see if the change could take place, it didn't. Of course, the federal program expectations changed dramatically in a community and then it was dashed, which is something we don't like to do.

Secondly, I was dealing with some of the questions around the Elie tornado yesterday by the Member for Morris (Mrs. Taillieu) and, in fact, I have been advised that the municipality that represents Elie was given an additional \$150,000 to deal with some of their immediate costs of the clean-up as part of that F5 tornado. There was a lot of other money allocated in that storm to the Whiteshell Provincial Park, and other areas where trees were flattened, where conservation and cottage owners and others worked together with I think Tolko—not Tolko—but Tembec to deal with the clean-up in that area and save the local municipality some money.

We have gone above and beyond the Disaster Financial Assistance program a few times, and last year we went above the Disaster Financial Assistance about dealing with the Gull Lake tornado of 2006 because of extraordinary cost, particularly with farmers—they weren't covered appropriately in the federal-provincial program. If you ask me to look at the program, I try not to overrule officials, but I do try to look at is there something else outside of

Disaster Financial Assistance, which, as I say, is a federal-provincial program, should we or should we not be looking at. So the answer to the question is I will look at it.

As I say, DFA is a federal-provincial program, so when somebody says from EMO this qualifies it, this doesn't, it's based on a program that we think is limited to begin with. We would like to see some of the programs, for example, not to talk about Piney necessarily, but in Sandilands, of course, we were dealing with the aquifer last year in the proposal to extract water from one part of your constituency to another part of your constituency, which we thought would create problems for the aquifer.

But, Madam Chairperson, the whole issue of disaster financial assistance, if you have an accumulation of flooding overland it sometimes affects underground basements. We think the federal disaster assistance program, because it looks at one event as opposed to an accumulation of events, isn't adequate for Manitoba in general terms. This is a position Gary Filmon had prior to us as well.

On the issue of the Piney and Sandilands situation, I'll definitely look at it. I just don't want them to describe the fact that we are dealing with a federal-provincial program, so I'll look at why they said yes or no to the Disaster Financial Assistance and I'll look at whether there are other issues beyond that that we can look at, and I'll definitely look at it.

Now, I'm not aware whether they've written to me yet on this or somebody's written to me. I've asked my office to see whether I've had correspondence. I generally am aware—I'm not saying I haven't had correspondence and somebody else is dealing with it, but I'll check and see whether anybody's written me in the last year, since June of '07. I appreciate the member bringing it to my attention here in the Chamber and I'll follow it up.

Mr. Graydon: Mr. Premier, I really appreciate the offer to follow this up. I believe that this particular situation, once you do follow it up, you will find that it has fallen through the cracks. The correspondence that I referred to was June 11 and that was from Intergovernmental Affairs on that particular issue so for your staff to follow it up. I appreciate you doing that because I think when you do follow it up you will find that there are extenuating circumstances and I'm sure you would want to address that.

* (10:20)

The next item that I would like to discuss with you, Mr. Premier, is the abandoned gas stations and brown sites that are throughout our province and throughout all of Canada actually, but more particularly I'm going to refer to my constituency as in some areas in our constituency we find expedient growth. What we would not like to see, or don't necessarily want to see, is just a sprawling, urban-type sprawl and taking up good agricultural land when there's still some of these sites available. So, knowing that you are very, very environmentally friendly minded, I would ask you what your thoughts are on cleaning up some of these—and I'm going to refer to them as abandoned gas stations or workshops or brown sites so to speak. What is your future policy to help some of these communities deal with these, because I think they're a large concern?

Mr. Doer: Yes, our policy is one that the polluter pays, and it's our view that any abandoned gas station and some of the issues of gas storage and leakage over the years should be the responsibility of the gas suppliers. Sometimes it's owned by a local person with a franchise from a gas company; sometimes it's owned by an individual, but our first principle is polluter pay as opposed to the taxpayer.

The second principle—and this really relates to some of the mining—[*interjection*] Sounds like a newscast starting. It's not *Hockey Night in Canada*, unfortunately. No scores to get here. [*interjection*] The old windows. Just kidding. Shows you what kind of technology we have in this Legislature.

We're very concerned about all abandoned sites and pollution. We started with about \$60 million and then we went to \$100 million for abandoned mining operations where there's no longer an owner to go after. Particularly in Leaf Rapids—or not Leaf Rapids, Lynn Lake and other areas in the north where tailings are leeching into the water and we feel there's a public responsibility to protect the water, and the old principle of polluter pay no longer holds with some of the companies that have either gone bankrupt or we can't go after.

On the issue of abandoned gas sites and the remedial action necessary, I think we just got a huge site now of bunker oil that we're participating in with the City of Winnipeg to clean up on Waterfront Drive.

We've participated in different programs based on different kinds of projects and opportunities. One we've participated with municipalities. We've

participated with private companies. I mentioned the Waterfront Drive where we've got a remedial program going on to take advantage of that real estate on Waterfront Drive. You'll see a huge hole on Waterfront Drive now where that's gone.

So the answer, sometimes one size doesn't fit all with the principle of polluter pay. So how long has the gas station been abandoned? Who was it abandoned by? Who owns that land now? Is it a municipality? Is it another private investor? What are the economic opportunities for a private investor to develop that land? You're suggesting it should be part of agriculture. You're mentioning not having it part of a kind of different commercial zoning in going back to agriculture—not back to—you could argue going forward to agriculture.

So I would be willing to look at any specific proposal because, actually, the principle of polluter pays is easier said than done. I know that it's not always easy to chase down the polluter based on how long the gas station has been abandoned, who actually owned it and who actually wants to develop it or purchase the land.

I'd be willing to look at different proposals because, as I say, in the city of Winnipeg we're doing remedial action and if we ever took over the Petro-Canada site, for example, for the Upper Fort Garry, there would be remedial action necessary for a new provincial historic park, which is also something we looked at. How long has that place been there? What is the potential? The new storage is better than the old storage. There's less leakage. Again, how old it is also dictates how much money it's going to cost, because there's more seepage the longer it has been abandoned.

I'd be willing to look at specific proposals, not I, but I'll make sure the experts in our department look at them, if you can provide them to us, not only what we should do but who wants to do what with that land.

Mr. Graydon: Thank you, Mr. Premier. It's reassuring that you want to address that. I'd just be a little bit more specific that these would be, as you say, the user pay is tough to enforce. Many times, it's cheaper to pay the taxes on a piece of property and just leave it be abandoned. If it happens to be in the centre of a town or of our local communities, then it becomes an issue for that particular community. So we'll be bringing something forward to you for you and your staff to look at.

I have one quick question on a subject that is dear to my heart. It has been maybe brought up once before in this House by the former member for Emerson, and that's the Letellier Bridge. I understand that the process is moving along nicely. I don't know whether you're aware or not, but it's up on the Internet now. Some people are having some fun when they put it up on the Internet, I'll have to agree, but, on the other hand, it just shows the desperation of some people also from the economic standpoint that they just need to have that improved.

I'd just like to know where we're at with the environmental study on the navigable waters situation from the federal government. I discussed this with the Minister of Infrastructure (Mr. Lemieux), and he has said he sent a letter. If I could have a copy of that letter, Mr. Premier, I would be more than happy to take that forward with my representative, which I will be meeting with shortly in the near future. We would follow that through. We'd like to work together on this to bring it to a happy ending, and at least a start for the bridge. So that's my question, Mr. Premier.

Mr. Doer: Well, thank you very much. There are a couple of issues dealing with the issue of environmental licensing with the bridge. We had a similar challenge in Brandon, where, actually, we promised to do the 18th Street bridge, and we said that the environmental assessment from the federal government would take X period of time, and we got slammed in the *Brandon Sun* by Mr. O'Connor, because he phoned the navigable water people, and it was a discrepancy between what we said would take time and what the navigable water people had said.

The problem is there are actually two licences, or two considerations of the federal government. It's not just the navigable water act that your member talked about. It's also the Fisheries Act. I'm giving another example where sometimes people say, well, it shouldn't—federal people sometimes say, not politicians, of course, but officials—sometimes say, well, it shouldn't take that long with the navigable water act. Well, we, even with flood protection, got flak ourselves with the fisheries people. I guess the minnows wanted to go through people's basements in southeast Winnipeg.

An Honourable Member: One of my favourite lines. I never get tired of that one.

Mr. Doer: That's right, you know, it was better for the fish to go through your basement than go through a channel. This was fixing up some of the flooding

that took place in '97, not even in Winnipeg but southeast of Winnipeg, and, because we wanted to make sure people didn't get flooded the next year, we got our fingers rapped with lots of headlines by the fisheries people on licensing. So we're very careful now, once rapped, twice careful, on the bridge, although we thought flooding was more immediate, given it's disaster potential.

We require two licences from the federal government. I'll get an update, but, when you meet with the federal minister, your representative in that area, please ask him about both requirements, because it's not just the navigable water act, as the member described, but it's also the Fisheries Act that we have to deal with, which is also a federal act. We have raised with the Prime Minister, by the way, that sometimes, on drainage issues, the Fisheries people spend a lot of time on a drain. I'm sure that some of the issues of Lake Winnipeg could probably have more resources from the federal government. Some of the issues of a little local drain and clearing brush out of a culvert probably needs less federal inspectors. I am sure that's a position that you have as well. So you could bring that up with your federal representative today as well.

* (10:30)

On the Letellier Bridge, we did create more of an inspection capacity in Manitoba, actually prior to what happened in Québec, that tragedy in Québec. They have been giving us capital priorities based on inspections. They were the ones that identified the difficulty at the Portage bypass. They've identified difficulties of the Perimeter highway bridge in its first capital and obviously inadequate, totally inadequate capital investment at that bridge. We prioritize the Letellier Bridge, but we need the two licences, I believe, to proceed. I haven't got a note from the minister, but I believe that's the status of it.

There are two things: one is the environmental licensing, and, two, likely we are getting with the 18th Street Bridge in Brandon; secondly, trying to do what is needed most first and on capital construction and bridges based on (1) safety and (2) volume of traffic. That's where we are at. I am aware that you are very concerned about getting this done. I'll update you where we think those processes are. As I say, I think there are two licences required.

Mr. McFadyen: Madam Chairperson, I just want to come to an infrastructure issue that I know the Premier has been working on for some time. He has been actively involved as an advocate on the issue. It

relates to the inland port, mid-continent trade port or on related issues. I know the Premier has attended meetings and, certainly, been a part of a lot of those discussions that have taken place with our friends to the south, as well as partners at other levels of government.

I had the chance during my time at City Hall to attend a officials' meeting related to NASCO in Dallas. The discussion was ongoing then. Some of his officials were then as well, and I know it's been a significant matter of discussion.

Yesterday, Minister Emerson was in town, as he knows. I know there were some discussions between either the Premier himself or his ministers or officials with Minister Emerson yesterday. I had a chance to speak to him yesterday, as well, both directly and to hear him give a talk on the issue of the importance of port infrastructure investments in our country from the standpoint of our economic position. He made a very compelling argument that's been echoed in other reports that have come out of this provincial government, as well as the Mayor's Trade Council recently, about the significant element within the cost structure of many companies related to transportation and logistics and the massive opportunity we have to try to create efficiencies in transportation logistics to reduce costs of production to make us more competitive.

There's action on lots of fronts within our country and around the world. I know Saskatchewan is attempting to move aggressively in this area. China is making massive investments in ports, in both coastal and inland ports, to enhance their position in the international marketplace. I just want to ask the Premier what the status of discussions is in this area, and also just to put in a word of encouragement because I know he's shown leadership on this issue today, just encouragement and assurance of our wholehearted support for any efforts to make this an urgent priority as infrastructure. Capital decisions are being made.

I wonder if he could just comment on the status of the issue generally, and where he sees it going in the coming months.

Mr. Doer: I see the situation on different levels. I'll talk about the political level first. I see it's a comparable situation to the situation that we had with command of control of the disease lab. Winnipeg and Manitoba had the health-care merit and other people wanted to get the federal investment dollars.

As we speak, Minister Swan is meeting with Minister Ambrose from Edmonton; there are proposals in from Edmonton. We're meeting on western diversification and infrastructure on inland ports. We're aware that other western cities are now looking at capacity for inland port. It doesn't mean it's got to be either/or, but the primary inland port, in our view, and transportation facility based on economic merit belongs in Winnipeg.

So our federal minister is going to have to have his elbows up at his own federal Cabinet meeting. We will support his elbows being up, maybe not even with elbow pads, but with sharp elbows because on the political side, just like the disease lab, we have other regional ministers competing. It's very, very important that we support our federal minister.

Chris Lorenc's study on trade did identify this. When I met with Chris Lorenc, I said to him, we've got to be more aggressive in the business community, that he has got to take this report and get more aggressive, like we did with the disease lab. I have met with Mr. Silver and Mr. Ziegler from the Premier's Economic Advisory Council, and we're looking at how we can engage, not just certain segments of the business community on transportation, but the broader community. Thirdly, I mentioned at the Business Council when I spoke to them about our great budget a few weeks ago, divulging lobbying efforts—it was after the budget, so I guess I don't know how they countered—we believe that we've got to actually use a similar form of action in Manitoba on engaging the community as we did with the disease lab.

So that's my recommendation to the business community. Let's everybody get involved in this issue. I believe, on the economics and on the merit, we've done the majority of the work on the north-south corridor of any other jurisdiction. I say that the private sector, the City of Winnipeg—it was Susan Thompson that signed up originally with NASCO. Glen Murray was very supportive. Mayor Katz and I have been on missions together to Kansas where we've got a very supportive governor and mayor. Governor Sebelius is a very effective governor of Kansas and then, of course, Texas, we have good relationships with Governor Perry, in Nuevo León with Governor Parás, who's also a great ally. So we've done the work north and south.

We also have the merit with east and west. We're the only major western Canadian city that has both

railways going through its community. If you go to Saskatoon, it's got CN; if you go to Regina, it's got CP. You go to Edmonton, it's got CN; you go to Calgary, it's got CP. In Winnipeg, you got both. We also have Burlington Northern coming here. We're headquarters to the five major trucking companies here; we have the only 24 hours-a-day airport; we have a northern port that is the closest to northern Europe, which is becoming much more appreciated in transportation circles today than it was five years ago.

We have economic merit, just like we had health-care merit on the disease lab. We have got to be louder with our business community on the merit. So we're saying to the federal government, if you make any investment decisions on inland ports, it has to be made in Winnipeg, and we're saying we don't want political decision making. For example, we're dealing with lobbyists from Ottawa and lobbying from Vancouver against the disease lab, to be the command and control centre. If it is based on transportation merit or an inland port, then Winnipeg is a natural location.

*(10:40)

We also believe it's a savings of taxpayers' dollars for purposes of cost. The congestion costs in the port of Vancouver, the safety issues that are now more important with the increased security in North America and, when you look at even greenhouse gases' impact, more idling trucks in a port like Long Beach in California or Vancouver or Prince George, the more crucial it is to the climate. It is interesting when trains come now to the new port in Prince Rupert, the trains are now coming straight through Manitoba from Prince Rupert. In fact, the CN has bought another railway to go around Chicago and down to Memphis. So that's a portal that's very important to CN. We support the idea of that takeover of that rail line because right now a lot of their trains are actually bottlenecked inside the middle of Chicago. They're buying a train around Chicago. A lot of local politics going on. I know politics never plays any part in economic decision making in the United States and here. And CPR, of course, comes right through Manitoba as well, but they have a spur line off of Moose Jaw into the United States as well.

I appreciate your support. We need the business community to be more vocal. I've said that to them. We need our federal minister have his elbows up because this is a similar fight that I see as the disease

lab. We had to get very engaged publicly. Right as we speak, this item's on the agenda with Minister Ambrose in a meeting that's being held in a less exotic place than Winnipeg, Banff, but it's her meeting and it's in Alberta. Our minister's there, but there are ministers from every other western province there. I'm sure each one is making the case right now. She represents Edmonton, not that that would have anything to do with the decision making of any federal member of Parliament.

Mr. McFadyen: Madam Chairperson, the Premier is absolutely right in terms of the merits. Winnipeg and Manitoba are the place that these investments should take place for a whole bunch of reasons. The Premier has a lot of capital on this issue. I can tell you just from the comments made in Dallas a couple of years ago, there was, certainly, a high level of respect expressed by the Americans for the leadership he's shown on the issue. Similarly, fortuitously bumped into Governor Hoeven a couple of weeks ago on my way through Fargo on a family trip, and he had similarly complimentary comments.

The concern is exactly what the Premier's expressed, that lobbying and politics get in the way of good decision making, and the political risk internally is that there are lots of demands on infrastructure pots. There's lots of politics involved and, you know, stadium proposals and proposals for other projects, all of which have merit in their own right. But I think the experience has been that they're priority setting and sometimes having to say no in the short run to certain things in order to focus on priorities may have to come into play.

The more I have learned about this issue—and it's really been about three or four years—over the past three or four years, I've had an opportunity to get more information about it. It would seem that there is some real urgency building on it, that decisions will be made that may tip things in the wrong direction. I just want to say and encourage the Premier to use the great capital he has built up and credibility on the issue to really put this to the top of the infrastructure agenda and to assure him that we'll support that and ask him whether he might contemplate taking similar actions that were taken with respect to the disease control investment, the political will that was shown around the Human Rights Museum where leaders coalesced around a project and just were able to get it done.

My view, I think the view of many, is that this is the next big thing that needs that kind of push

politically. I would encourage the Premier to do that and just say that we'll be there to support it wholeheartedly because it's not a partisan political issue. We would like to see, as part of his legacy and achievements in office, this be one of the major ones.

So I wonder if he could be more specific about concrete actions to be taken over the next short while to make sure that Manitoba and Winnipeg don't get left behind as the lobbying intensifies in other places. Minister Emerson yesterday, I thought, said some helpful things from Manitoba's perspective about the natural advantages that Winnipeg and Manitoba have. Northwest Winnipeg, around the airport, there are some tremendous opportunities. Port of Churchill and those investments, and just ask for his thoughts on concrete next steps and what role we might play in supporting that.

Mr. Doer: Well, I did mention that Chris Lorenc, when I met with him in February, that he had to be very clear on the urgency of his recommendation.

Secondly, the Airport Authority is now working up a proposal on the—we already have the 24-hour advantage—they're working on a proposal that they're taking to all levels of government on some competitive tax considerations for the inland capacity.

The third issue is the whole issue of infrastructure money. We do not, I mean, there is the infrastructure program, but, when the member mentions the football stadium and we have sewage treatments and we have—my theory of life is, you know, the floodway is the defensive move, the Canadian Museum for Human Rights and the Public Health Agency is an offensive move. It moves you forward. Some things protect you, some things move you forward.

We're dealing with the sewage treatment. We're trying to—we're dealing with a problem of 20 years ago. It should have been done, but the inland port is required. Now, I'm not sure—for us it's not a conditioned precedent to have the sewage treatment, the football stadium, say, in Winnipeg and the inland port as—choosing one of those three, we think all three are necessary.

If we have to find it out of one source or the other, it looks like the federal government is talking a little bit about P3s, potentially for the football stadium. I can't speak for Mr. Asper on that but we have not said—and that's one of the reasons we put our \$200 million for the City of Winnipeg for the

first stage of the next stage of clean-up, and we're in for a third on the next stage, including the—which includes the whole \$1.8 billion. We wanted to stake out our position right away—as not conditioned precedent against inland ports or football stadiums or other community recreation projects like the wellness centre in Portage la Prairie. We think all are worthy and necessary.

We may end up with multiple inland ports, but the—an inland port in Edmonton, we'd be limited to CN. An inland port in Moosejaw would be limited to the CPR. An inland port in Manitoba would have Burlington Northern, CN, CP, and five major trucking companies. That may end up being what the politicians do in Ottawa. I'm not sure. If there is—if it's a political decision, I can't predict what it'll be. If it's an economic decision, Winnipeg will win hands down.

Now, we've had political decisions in the past. CF-18 comes to mind. I've read Brian Mulroney's book. I'm sure the member opposite has read it. It's an interesting book.

You know, talking about the CFI—what's that?

An Honourable Member: More for the omissions than what was in it.

Mr. Doer: Yes, I know, it's—I just hope Paul Vogt doesn't write a book because he won't admit anything. He knows too much.

The bottom line would be—we know that political decisions have been made in past. We almost lost the command and control of the disease lab. There was a proposal to have a summit later in this year. I've asked—my suggestions to people that want to run the summit, and that includes the business community, is, don't. You know, if you have to have less people at an earlier summit, better you do it. We can help you organize it. Let's do it 'cause I want to engage the business community in this as well. I've put that message out to the various business leadership in Winnipeg and I think they get it as well. They know this is a similar situation to the lab and, to us, we're not going to be restricted by infrastructure money from the federal-provincial infrastructure program, notwithstanding our argument on subtractions. Our view is, this is, economically, has merit. We already have assets way beyond what the other communities west of us have. They don't have both railways. They can't put in infrastructure money to do that. They don't have five

trucking companies located there. They don't have a 24-hour airport. They don't have any of that.

* (10:50)

So we start with huge economic advantages, and the only thing that's in our way is the potential political decision making. That's why I'm glad you met with Mr. Emerson. I know Minister Lemieux met with him last evening. I think he's fairly non-partisan. He hasn't been a member of our party. *[interjection]* He's multi-partisan, so maybe that's useful, or bipartisan, in the American term. We don't have any difficulty on the American side. We're competing with American routes. Alberta has got their own route, and we're competing. But we've got people south of us agreeing not to put all their eggs in the I-83 basket, but rather the I-35 basket. At one point, the politicians south of us didn't want to do that. I think we made progress in that area.

We should be dealing with this earlier than later. We've raised it with the politicians, and we will continue to raise it, but there's nothing better than an all-community effort, and I'll absolutely take up your—I knew you would be supportive, and we'll make sure it's an all-party, all-community including private sector effort. We'll be as agile as we have to be. My suggestion is to the business community that we be more agile.

Mr. McFadyen: I thank the Premier for that response. As he has said, it's only political risk at this stage. We'll certainly be there. The opportunity, obviously, with the mayor's report, and with the federal government that seems to be very committed to these sorts of projects, is a tremendous one for us. So I would encourage the Premier, and we can discuss this outside of Estimates, as well, to put together a full community effort in the next short while on this, and thank him for that response on that issue.

The next issue I just want to move on to, issues around Manitoba Public Insurance, just two specific questions on that. There's certainly a lot of comment about the practice of setting premiums and then issuing rebate cheques, well-timed rebate cheques coming from MPI, from a political perspective. There's a cost to issuing rebate cheques, an administrative cost, postage and administration and other things. It may not, in the big scheme of things, seem like a lot of money, but it is still money that is spent needlessly, in our view. I wonder if the Premier can indicate whether he would establish a policy framework that would have MPI set its premiums at

an appropriate level, rather than continue to engage in the practice of having premiums unnecessarily high and then be in a position of issuing rebate cheques at a cost to premium payers.

Mr. Doer: Well, we, from our end, have not interfered with the proposal that MPI makes to the PUB. We have worked with MPI on broader policy issues, such as the immobilizer program, because, quite frankly, usually, even if something is successful, the minority of people who are opposed to something are usually the ones that are the most critical. We certainly were involved in this issue, although the PUB asked MPI to come back to their agency on car thefts and costs to the consumer.

On the issue of rebates, well, first of all, MPI generates income from the PUB-established rates. It generates income from the competitive side of MPI. It also generates revenue from the investment side. The area that has been the actual operation of MPI, as I understand it, has been fairly stable on the rate costs for automobiles—thank you.

Oh, dear, this will keep me going all night, so we've got to keep going till midnight tonight. I've got two volleyball games for my daughter, but, other than that, we can keep going. Sorry. I'm sorry I had a—I don't speak for both of you.

An Honourable Member: I've got a birthday party for my daughter.

Mr. Doer: Oh, that's good. How old is she?

An Honourable Member: What's that?

Mr. Doer: Happy birthday to her.

An Honourable Member: Six. It's a big one. They're all big ones at that age.

Mr. Doer: They're all big at that age.

So the MPI goes to PUB. MPI believes there should be a certain—there have been overbudgeted returns on market investments that MPI has made, so the stock market has produced better numbers for MPI over the last three years than what they had budgeted. They budgeted for rate of returns at the benchmark levels, I think, and had exceeded those, I believe. I'm just going by memory here.

In terms of timing of the cheques, we had nothing to do with it. Actually, when something goes wrong in a Crown corporation, the government gets blamed. When somebody gets a benefit from a Crown corporation and says: Yes, of course, I should have gotten that; you charged me too much money to

begin with. Notwithstanding what the Member for Inkster (Mr. Lamoureux) said, we had nothing to do with the timing of any of that. Actually, if I had to make a political decision, I would prefer not to have it happen anyways, at any time.

So we believe that the rebate cheques are partially due to the reserve fund being—I think it basically was the investment fund, am I right?

An Honourable Member: Yes.

Mr. Doer: The reserve fund, which is there to deal with rate shock, was higher than what PUB felt was necessary to cover a rate shock. Now I'm not sure what's going to happen going into the rate issue this year of '08 because I know the stock market hasn't done as well. I don't know how MPI has done relative to the stock market.

We have taken the Deputy Minister of Finance, I think, off that board. We've taken government representatives off investment boards, Workers Compensation, MPI. In fact, we started that before some of the other issues that were raised in this House. So the rebate, I think, is primarily because of the extra money in the reserve fund partially generated by the better results in the stock market.

Now the other side of that is when I know that places like New Brunswick and Nova Scotia and Alberta and Ontario had major rate increases about three years ago or four years ago. It was a major issue in the election in New Brunswick a few years ago. It was again because their investment portfolios had tanked post-9/11, and they were passing all of that on to consumers in terms of average rate increases of 20 percent.

I would not want to have rates set on the basis of budgeting for MPI to exceed the market predictions of benchmarks for the '08 year. So my view is MPI should not lower rates based on stock market expectations. From a policy framework perspective, I would be against that. I'd prefer to have the stock market exceed expectations and a rebate cheque to be issued as opposed to the alternative of what happened a few years ago in some of the private sector. I prefer a reserve fund to be significant enough to deal with either a huge weather-related issue or a huge decline in the stock market.

My view is that it's a good thing to have a reserve fund particularly when so much money is invested in—some of it is predictable returns for health-care borrowing and school capita, and some of it is in the stock market, which is more

unpredictable. I don't think we have much exposure on re-insurance anymore, which was actually increased by Harry Enns, that great social democrat, when he was minister responsible for MPI, did all this stuff with Lloyds of London and everything else. It's kind of like the potash mine—or the potasher—being sold to the French Socialists a few years ago, counter-intuitive action, and me talking about profit.

* (11:00)

So my view is that they should not establish rates based on stock market exceeding the benchmark. My view is, I prefer to keep a reserve fund in case the stock market does go a little bit negative. I actually think reserves are a good thing for car owners, but that the PUB has substituted their judgment for the government or in MPI's, and we have not. We respect the job the PUB does. It's a tough job. I would be more prudent than they would on the reserve fund, but the rebate cheques I know people appreciate them. Especially maybe it'll deal with a couple tanks of gas this spring. In their more fuel efficient cars, of course.

Mr. McFadyen: I think the Premier knows that MPI's revenue streams are fairly predictable, but for the stock market element, but the investments are primarily in fixed-return instruments which are extremely predictable and the revenue flowing from premiums is fairly predictable as well, quite predictable. So, in a relatively small percentage of the revenue stream which is harder to predict, but they're good at arriving at ranges.

I think the suspicion of many people is that there is a deliberate policy of keeping premiums higher than they need to be. The Premier says that the premiums are set by PUB, which is not the case. The application is made by the corporation to PUB and either approves or doesn't, but the number is picked by the corporation which is overseen by a board appointed by the Premier and his government.

So I would just ask the Premier whether, as a policy in addition to the point just made about appropriate setting of premiums at the outset so that people can keep more money in their pockets to start with rather than wait around to see whether the benevolent corporation is going to issue a rebate cheque, whether he would also take a look at the issue of the way many Manitobans who are injured in motor vehicle accidents are treated by MPI.

This is an issue I think all members of this House hear about a lot from their constituents. It's

one of the, you know, if we were to add up the complaints we get on provincial issues, we get complaints about a whole bunch of different things. Some of them are provincial and some of them relate to other levels of government and some of them have nothing to do with government at all, but the ones relating to the provincial government, very many of them are related to MPI, people who feel that they have not been treated with a particular sensitivity or concern by that corporation. I know there are a lot of terrific people who work there, but there does seem to be a bit of an attitude, a slightly adversarial mindset when it comes to dealing with paying out claims for people who have been injured.

In particular, I want to just come to a very specific example that the Premier is well aware of. It's people, somebody who was in a catastrophic accident. He was a quadriplegic, and I'm referring to the Member of Parliament for Charleswood-St. James-Assiniboia. But there are other cases very similar to his that have come to our attention, and I can share other names with him, privately, who feel that they have not been treated with very much sensitivity on their claims. In the case of Mr. Fletcher, certainly, we were bothered and I was bothered by the evidence of political decision making when it came to the handling of his particular claim and the fact that benefits were denied that I think most people with a basic sense of fairness ought not to have been denied.

I wonder if the Premier—because I know he's shown at many times throughout the course of his premiership a willingness to transcend partisanship and partisan politics—would be prepared to have a direct conversation with Mr. Fletcher about his experience and with others who may be prepared to talk to him about their experiences with MPI, and might consider a review of that category of human beings who come to MPI with severe injuries from car accidents who, relative to people in other provinces and I think relative to our benchmark of fairness, that any of us might have, I think, quite rightly feel that they have been poorly treated.

Would he listen to those stories and following up on that? Would he be prepared to have MPI review its approach to those sorts of cases?

I know I personally would feel better about people in those situations being treated fairly by MPI than I would about receiving a rebate cheque. People who receive rebates from MPI are people who can afford to drive vehicles, certainly not all of them

wealthy by any stretch, many of them hardworking people who could also use the money.

I think lots would agree that people in that situation should be treated better, and all of us as Manitobans would want to think that if we found ourselves in that situation, we'd be treated with generosity rather than to be nickel and dimed every step of the way in that situation.

Mr. Doer: I think that in terms of bodily injury we probably have more constituency issues generally on both sides of the aisle and we have had, ever since—I mean, the Kopstein report was implemented I believe by Premier Filmon in the early '90s dealing with the no-fault system. It had its advantages but it also had its liabilities in terms of the system.

The member is asking me questions and we do get questions from constituents, and we absolutely try to stay away from politics with constituents because, say, the Premier overruling an appeal body, I don't think he can do that, but then we would be accused of being partisan.

So we've kept that and sometimes you get people outside of this door on worker's compensation and you have the appeal and everything else. You sometimes listen to the stories and your heart tugs, but you don't snap your fingers and change it. The law doesn't allow you to do it, nor should it.

On listening to people on general policies, I would be very concerned, if I go to a meeting with Mr. Fletcher, if I say yes to him based on merit it would be political. If I say no to him it would be political.

I think it would be important, if you have people who want to meet on issues—on general issues. I can't deal with or override a specific case, but if we dealt with some general issues. I've met with people from the head injuries group before, and we've tried to meet with other people before on the policy side, not on the specific case side.

If the member wants to set up a meeting on general policy and general attitude, we've tried to put an appeal mechanism in place because if you don't have tort retort ability for you. But even the courts can be insensitive, dare I say that. You could argue the courts are politically appointed too. Not our courts, of course. You could argue it's not a totally antiseptic world out there. The member knows in Ottawa it's even more susceptible to that than provincially now with the changes made.

I'd be willing to meet with people and listen to people. I cannot touch a political file as a political person. I won't do it. If you don't do it you get accused of being political by not doing it. If you do do it and don't get—either door, door No. 1 is you got involved politically and door No. 2 you got involved politically. I can't do that, but I can listen to general issues of policy.

No-fault system, particularly in a quasi-monopoly, should not be an insensitive system on bodily injury. Without second guessing MPI, I would prefer for changes on bodily injury as opposed to maybe something else on the other side of the equation on fees. We do have the lowest public insurance fees in North America right now. I want to say to the management that I think, in general terms, they're doing a great job, but none of us is perfect.

* (11:10)

Mr. McFadyen: I want to thank the Premier for that response.

I know that, certainly, the intent of the changes to the insurance scheme to move away from tort toward no fault was that it would, hopefully, get rid of that element of litigation and the associated costs and delays and uncertainty in terms of outcome and other things. That, I think, was the intent. I think that, and this is not a partisan point, the experience under previous government and current government of a lot of people has been that the claimant comes to the table without legal representation because of the way the system has been changed and sits across the table from a very large sophisticated corporation, which has lawyers on its staff operating in the background with a mandate to control costs, and end up feeling out-gunned in a sense, in terms of that relationship. It's always the risk. It's always something that needs to be guarded against with a large monopoly whether it's public or private.

So I agree with the Premier, individual cases, we all get them. I, certainly, point people toward the appeal procedures and encourage them to follow those procedures, and will sometimes assist with helping them prepare a letter or be good advocates. But we, certainly, can't go directly to the decision makers and try to influence individual cases. I know that's not appropriate, and I appreciate the Premier making the statement that he wouldn't do that. The request is not that he interfere in an individual case, but there's certainly more than one situation of somebody in Mr. Fletcher's position where people feel that they haven't been treated very well.

I think that looking at it objectively, probably all of us would, unanimously, if you heard the stories, feel there was injustice in some of those cases that we would want to have righted. So, if the Premier, and I think what he is saying is that he would agree to that kind of a discussion. Perhaps, it could be followed up with a request to the corporation that they review their policies in terms of how they deal with these sorts of cases, and, hopefully, improve on them. If that means some added cost, I think most Manitobans are fair and decent people. I think they would accept that that may flow from it. I thank the Premier for that answer, and we can have a conversation outside of Estimates about how we might take that forward.

Another case and this is, again, an individual case where there has been a sense of injustice in an individual case in dealing with the administrative apparatus of government. It goes back beyond this administration. That's the treatment of the Perrin family in respect of the Hotel Fort Garry, and I've had some discussion with members of the family. There's an ongoing sense of grievance with respect to what happened there. On the face of things, it would appear that there was an injustice in that case, even though one might say, procedurally, and in terms of form, all of the steps within the administrative apparatus were taken, but any person with a sense of fairness might look at it and say that there appears to have been an injustice. I wonder if the Premier has had any recent briefings on it, and, if not, he might undertake to request one and see if there are any reasonable steps that can be taken to review that situation and see if that apparent injustice can be rectified.

Mr. Doer: On the meeting we could follow up on with MPI. I'd also want Minister Chomiak to be there as well. So don't try to undermine my own ministers; it's not a good policy. But I know he listens to people all the time and he would be more than willing to go to that kind of meeting.

On the issue of the Perrin case and the Fort Garry Hotel, I'm aware that it started with assessment with the hotel and the City of Winnipeg. I'm aware that the City of Winnipeg took the hotel in lieu of taxes. I'm aware that people feel that it was assessed too high, given its market value and historical nature. I'm also aware that it's gone through all levels of government. I think the Municipal Board—I'll double-check whether it went to the Municipal Board or not.

I certainly have not ever interfered on the assessment of a property, except on the general policy side. We found out that the provincial assessor was not, as I understand it, assessing new geothermal installations as a capital asset, and the City of Winnipeg was starting to do it. So, now we're trying in our climate change bill to have a policy that's common.

I have never, ever, interfered with anybody's assessment. The assessment is in the eye of the beholder, and you get businesses saying they're being assessed way too high all the time. When businesses aren't being assessed too high, they don't talk to you. You get homeowners; they're going to be saying, especially when the new assessment comes out next year, they're being assessed too high. I'm worried about seniors, particularly, that are asset-rich and maybe fixed-income challenged. The Perrin case—I have not touched any assessment issue ever as Premier, even though many cases are brought to your attention. I have just not interfered with the legal process.

I don't know how to deal with—you have the City of Winnipeg; there's been this assessment issue. I think it started with Mayor Norrie. I'm sure it went to Mayor Thompson; I'm sure it went to Mayor Murray. I'm sure it went to Mayor Katz, even though the ownership has changed from the Perrins, to the City, to the Albo group with the Québec interest. They're doing, I think, a remarkable job. I don't know whether it went to any provincial body. I certainly have been told about the injustice, but I have not touched any issue of assessment as Premier. That's been my policy, not to get anywhere near it, including anybody I know. Just don't touch it with a 10-foot pole. So, that's been my *modus operandi* on assessments.

Mr. McFadyen: To be clear, I'm not asking the Premier (Mr. Doer) to interfere with assessments. I need to go back and check the chronology again; I don't have it in front of me right now.

My understanding, and the Premier is right, I believe it went to the Municipal Board. My recollection of the briefing I got, subject to going back and double-checking, is that there was an amendment to the act that may have changed a procedural requirement. It was applied in such a way that the Municipal Board wasn't able to deal with the substance of the issues because of a technical point. The judgment of the board was that they just didn't

have the legal authority because of a change in the act.

It wasn't intended to create problems for the Perrin family. It was just one of those things that happened. An unintended consequence was, I believe, that there was a technical issue that caused them from being prevented from having the merits of the case dealt with. It may have been a timing issue or some other technical element that blocked a proper review of the substance of their complaint. So, there is no neat solution to the problem, but a pretty clear and apparent injustice in this case.

Rather than having any comment on assessment or interference on assessment or interference with respect to the operation of that board, it stands out. These happen all the time in jurisdictions all over Canada and around the world. Sometimes people will get caught because of an unintended change to a rule or regulation on a technical point, and there's an injustice that flows from it, which can be quite significant and dramatic in some cases, as it appears to have been in this one.

* (11:20)

What I would ask is that the Premier review the facts and the chronology and see if there might be a way of trying to rectify that injustice that doesn't involve interference with existing administrative laws and procedures around assessments because it looks like they—it looks like it was a technical thing. I believe something happened that may have been applied retroactively, a real act of fairness and no remedy available to the family to deal with it within the legal system, which leaves it in the political realm in terms of the ability of this government and/or the City of Winnipeg to get together and try to find a way to deal with it in a fair way.

Mr. Doer: I'll look at the technicality the member's raised in terms of the on-ramp to the Municipal Board. I won't look at the original assessment decision, the decision to expropriate—appropriate the land or the hotel and subsequent decisions of mayors. I won't do that, but I will look at the technical issue of the Municipal Board.

Mr. McFadyen: I thank the Premier for that comment, and it's not—so I'm clear on the record on the point it's not—nobody would advocate that we try to go back and change past decisions, but it may just be that there's an outstanding way of providing some form of rectification to the family that has nothing to do with current ownership or any decisions or issues

that have been made to date, and I thank the Premier for agreeing to take a look at it.

Moving off of those issues, the issue of the WRHA headquarters—a question I asked yesterday, the Premier said he would take it under notice, wondering if he's got any new information on that that he can share today.

Mr. Doer: My preliminary information I have—and I'll confirm it in more detail—but my preliminary information I have is: No. 1, this is a move from one rental operation to another, so it's not something that required a capital request to the Province like a hospital, or a clinic, or a personal care home. It was one operating a rental cost to another one.

No. 2, that the group that's developing the land on Main Street will have CentreVenture—my wife is no longer on the board, even though she was a non-paying member, if you want full disclosure—CentreVenture was involved, and the development, I don't know who else is going to be in that area. There's an additional component to office operations for a clinic for residence in that adjacent area, which is different than what they have on Carlton Street, which the member would know because I think I saw him in the election campaign standing out in front of Carlton Street, if I'm not mistaken. I'm sure he got a Christmas card from Brian Postl and all his staff. I think I remember if I close my eyes, in fact, it almost might be—you know, a year ago today it was pretty close to the first week of the campaign I think, which we're in now, so it's kind of nostalgic, isn't it?—

Some Honourable Members: It is.

Mr. Doer: It is, it is. It's a good—

Some Honourable Members: How time flies when you're having fun.

Mr. Doer: It does fly, it just seems like yesterday, and, you know, three years from now, it will fly even quicker.

As I understand it it's cost neutral, but I'm going to put a caveat on it, I want to check that. When I hear cost neutral I want to see the numbers. Lucien Bouchard saying, show me the numbers, Madame. Let's see the actual numbers. I understand it's cost neutral and so it's going from one rental property to another and it has an additional—of course, we did reduce the number of people on the Winnipeg Regional Health Authority from two boards to one, but that was part of the debate a year ago that the member had in front of the Winnipeg Regional

Health Authority offices. So in the next election you will have to stand on Main and Higgins in front of the Winnipeg Regional Health Authority, as opposed to St. Mary's, or Hargrave, or whatever street you stood on. I couldn't tell exactly. I knew you were windswept, windswept on some parking lot. It looked like the Workers Compensation parking lot. I hope you had permission to go there.

Mr. McFadyen: It was that little courtyard next to 155 Carlton.

An Honourable Member: Oh, okay.

Mr. McFadyen: Yes, I see lots of his political staff frequenting that building up and down the elevator. I'm not sure where they're going exactly, but in any event—[interjection]. I think Eugene had an office up there somewhere. I think he had Mike Bessey's old office in fact.

But, without digressing, I want to just ask the Premier to be specific about the post-timing of moving ahead on that project and the exact footprint of the new building that's being proposed.

Mr. Doer: Again, there was abandoned land there for a long time. I think CentreVenture's been put out proposals for awhile. I'll get the footprint. I'll get that. I've been told the costs are comparable and that's from last night to this morning that's what I've received. I was dealing with some other issues this morning, so I apologize for not having more than what—I'll get more information. But I understand it has two components, the existing office space being relocated and a component for a clinic. I know that Dr. Postl is an old St. John's High School graduate, probably feels he should be closer in his workspace to the North End.

He also, I think—I don't know whether he's still doing his clinic. He used to do a clinic at the Health Access Centre in the inner-city, kept his hand in some of the front line medicine when time allowed him to. I know for awhile, as CEO of the Winnipeg Regional Health Authority, he was also doing clinical work as a pediatrician in the inner-city, but I don't know whether the demands of your questions and your scrutiny would limit that kind of access to the Health Access Centre, but I'll double-check, but I'll get those details for you.

Mr. McFadyen: Just carrying on with other activity downtown, we discussed the Hydro tower and the proposal with respect to the WRHA headquarters. Can the Premier indicate the status of discussions with respect to The Bay building?

Mr. Doer: Well, we had a meeting with Mr. Zucker before his very early death at a very relatively young age, and we certainly passed on our condolences on behalf of the people of Manitoba to the family. At the meeting with Mr. Zucker was his son and with the now-CEO of the Hudson's Bay Company. At one point, we had thought that there would be a reduction in the number of floors they would require, but they would also keep their retail outlet in downtown Winnipeg with a smaller space, but they were expanding Polo Park and maintaining St. Vital so they would have three major retail spaces at minimum here in Winnipeg. In fact, they then looked at different other commercial operations for about 18 months after we had the meeting. There were different proposals made by developers that they had encouraged to come forward. We have held back signing leases in different government entities for long periods of time to deal with some of the space issues for The Bay.

*(11:30)

So we have said to them, in fact, I expect we'll be meeting with the management—I got the feeling when I met with The Bay people, Mr. Zucker made all the decisions on The Bay and given that it was his money, you could understand why. Obviously, what a company will say when somebody passes is the current thinking still exists, but I don't think we should assume that. I, obviously, will respect Mrs. Zucker who has now taken over as the chair of the board and respect the grieving that will go on with her son who I think will have a lot to say as well as the management team.

Ms. Erna Braun, Acting Chairperson, in the Chair

As I say, his son was at the meeting I attended just shortly after he took over ownership of The Bay. There were some issues that they were concerned about, and we were concerned about. We, initially, had opposed the takeover, until we had guarantees on the Archives, the Hudson's Bay Archives, and their investments on the Archives, both of which exist at the auditorium and at the museum, the Manitoba Museum on Main Street. They keep changing their name so I better be careful.

Then we got an agreement from them on the Archives. In fact, they've made a new investment at the Archives they announced just in January, which we're really pleased about, and some of the publications they had—the old *Beaver Magazine*, which still exists; they had some great articles the other day on western Canada—and the other archive

writings right back to York Factory and other historical documents. They've actually transferred more documents to us—I want to thank the Zucker family for that—to the Archives. It's really important, and I think The Bay is to be commended for it.

I can't tell you now what the go forward plans are. The public position is we're on track. If that meant we're on track. They're going to reduce some of their retail space in the downtown building. They're not reducing their overall retail capacity in Winnipeg; in fact, they're increasing it, but decreasing it in the downtown store. Certainly, that's no secret. It has been in the community. How much they decrease it—what we'd like to see happen, we would like to see a retail presence with The Bay downtown, and we would like to see a private and public investment in some of the gap between the retail space in downtown Winnipeg.

We're also working with the City of Winnipeg, which is the implementing authority. We have pledged money for the walkway. As I understand it, that has been slightly altered with development of further retail space in the south side of The Bay, south and east of The Bay. Our money's on the table for that south-side walkway. We pledged at the time that we had negotiated the MTS Centre—it was called the True North Centre then—we wanted a loop similar to Minneapolis in the walkway, and that's also part of our planning and part of our commitment to The Bay, that our money would be there. The provincial money is there for that walkway project. But the implementing authority of that is Winnipeg, the City of Winnipeg. The member knows that different projects have different implementing authorities. Winnipeg's the implementing authority on the walkway.

Mr. McFadyen: Just, I think, a last question on downtown development and projects, there has been discussion about a range of potential projects. There was talk about a western Canadian music hall of fame at one point in the vicinity of the MTS Centre. There has been some recent public discussion about the Convention Centre. I think that there's a proposal to move Land Titles.

Could the Premier just provide an update on any other downtown projects that may be in progress?

Mr. Doer: On the Land Titles, I believe we did move it.

Mr. McFadyen: Okay. More than a proposal.

Mr. Doer: You know those old books that you went to law school with, you had to get—we've actually—*[interjection]*—we've computerized—well, you've got to do that for research for question period. I used to get some of my best material in question period from Land Titles—*[interjection]*—and the consumers' branch. It has been modernized, computerized, and it's online for lawyers. We want lawyers to not be inconvenienced, so it has all been streamlined, and it's downtown.

The issue of the rock and roll hall of fame, is that what he was asking about?

Mr. McFadyen: Well, there were competing proposals. Mr. Kostyra had a bit of stickhandling of these at one point.

Mr. Doer: Yes, stickhandling is the right word, or playing goalie.

There are a number of proposals on the rock and roll hall of fame. We have talked to—first of all, the most important part of the rock and roll hall of fame is actually the rock-and-rollers who would be in it. There are a lot of people who have their different views, but we've always believed that people like Randy Bachman, Burton Cummings, Neil Young, and I don't want to start and stop—I'm dating myself, of course, now—the Crash Test Dummies, Chantal, you know, Doc Walker and others would be part of that. We've got a great—*[interjection]* We even have others. We've actually talked to the rock and rollers, so they actually support the idea of not having the Juno group. The umbrella group for the Juno group has tried to have the musical hall of fame located in central Canada. So we've very definitely said we're not part of that. We're going to set up our own rock and roll hall of fame and we want it in Winnipeg.

So there are a couple of issues. One, in Cleveland, for example, if somebody donates a Fender guitar that played a famous song, there is a different tax consideration. The rock and roll people actually know the tax laws. So we've raised that with the federal government. Say the Fender guitar that plays "American Woman," what is it worth? It's worth more on eBay than it is for—we want it to be treated like other historical donations.

Secondly, they've all agreed. There's a lot of the stuff just now being stored in Ottawa, I think, in a warehouse or somewhere.

Now, there are two competing proposals. I'm hoping everybody can get their rock and roll act together, so to speak, because we had a group that

had been working together and they split off. It was like a single-cell amoeba. It split into two in terms of their vision. I don't have to tell you who the players are. We're all in the twilight of rock and roll, rock and roll dreams ourselves.

I'm hoping that people can come together. Actually, a person whom you know, Stu Murray, is actually working on bringing people together. Given his history of rock and roll in Manitoba himself, we'd like him to succeed. Why, I actually think he can do a good job, because I think he knows everybody involved in the two cell groups of the rock and roll hall of fame.

An Honourable Member: I think there are more than two.

An Honourable Member: Yes, well more than two.

The Acting Chairperson (Ms. Braun): Just a reminder that—

Mr. Doer: I know, I know. I'm sorry I'm out of order, Madam Acting Chairperson.

So, we'd like that to come together. Is it together yet? I'm not sure. We had some of the group with—I had a little chat with some of the major players that I talked about earlier. Any time we see them—and Randy Bachman is going to be at the new West Kildonan Collegiate on Monday night. I'd invite the Leader of the Opposition to be there. I'm sure it'll be neat for the kids to see him. You know we keep these conversations ongoing if any time we see some of the really—the most important part of the rock and roll museum. I would remind all these people that have got their own views, it's actually the rock and roll guys themselves—or women, people, persons—the rock and rollers themselves are the first step in this thing. I think sometimes these proponents lose track of that.

Mr. McFadyen: On a similar vein, and at some risk, I want to ask the Premier, because I think I asked him in April of last year about discussions with respect to NHL franchises, how those discussions are going.

An Honourable Member: Oh, Oh.

Mr. Doer: You know, when I—oh, oh, I better be careful what I say. I did not know that, when I said that we had—when you asked me whether there have been discussions, have you been involved in any discussions, I said, yes. Then, of course, it manifested itself into one of your pledges.

An Honourable Member: Actually, you promised to match it an hour later.

The Acting Chairperson (Ms. Braun): A reminder, again, to be recognized, please.

* (11:40)

Mr. Doer: The salary cap is good for Manitoba. The dollar is good for Manitoba in terms of its future. The arena with its luxury, not luxury, but with its practical box seats is good for Manitoba.

Some of the other markets are not doing that well. I think it's really important—this is like the potash mine I think I said yesterday or the day before to Len Derkach. You don't want to promise anything you can't deliver on this. We're more ready with an arena than we were without one. The dollar being better is better for us. A salary cap is better, but the going price set by Mr. Balsillie is high. He set a high price although that did include originally from Pittsburgh the arena as opposed to just the team. The other things we have are fans that would love it which isn't always available. Beyond that I'm not saying anything. I'm just not going to promise something to raise expectations I think would be unfair—or a good hockey town, and go Moose go, and go Thrashers go, too. I've got to watch the Thrashers.

Mr. McFadyen: I thank the Premier for the response. For the record, my recollection which is actually documented, is that almost a year ago we made comments about our desire to see the return of NHL Hockey. An hour later the Member for Minto (Mr. Swan) was saying that was our idea and if anybody can bring the NHL back to Winnipeg, it's our current Premier.

I think the Premier then followed that up by saying that we're the ones who can get this done and then I think they went to some focus groups later in the night and decided to adopt a different message track on that issue. That's fine, but can the Premier indicate whether the potential owner or ownership group here in Winnipeg has been in contact with him recently with respect to the potential to either acquire or move a franchise to Winnipeg?

Mr. Doer: Well, if he had had private conversations with me I would keep them private but I don't want, by saying that, to create any false impressions that something's going to happen. I did think it was rather ironic, forgive us for pointing out, that almost everyone of your caucus had voted against the MTS Centre and condemned us for a year. So we weren't going to give you a breakaway to the net on it. Nor

would I have—to give you gratuitous advice, had promised that if I didn't have it in my back pocket, but that is gratuitous, and I'm quite willing for you to promise anything you want in the future and I'm sure you will.

The other side of that was the media's—just in fairness to you, the media's speculation on the impact of that on the election campaign, in our view, was totally—the analysis was totally—or not totally correct, just so you know. So we will continue to point out the contradictions of voting against the arena and bringing back an NHL team.

So I don't know which part of the message track—I did hear you on TSN. It looked like you were skating backwards on TSN. I have that interview. I was riding up to Brandon for another debate but we live in—you got to only see the serious part of elections and the more interesting parts.

The last meeting I had with the head of MTS, Mr. Chipman, was dealing with a potential bid for the World Junior Hockey Championships. So I will fully disclose my—dealing with the concern the public has on lobbying. We're putting together a proposal for the junior championship but that was the last meeting I had with him.

Mr. McFadyen: Thank you. I—

Mr. Doer: Oh, I also saw Mr. Ludlow at Big Sky Montana. I bumped into him. We were both getting breakfast and I want to make sure—and he was telling me what ski hills to go on but they're a lot harder than I would ski. So that was another visit, I want to be very clear.

Mr. McFadyen: I just want to assure the Premier (Mr. Doer) that there's no trap, just curiosity here. The ability to skate both forward and backwards is important in both hockey and politics, as he knows. Sometimes you need to be able to skate both left and right, too, in politics and hockey, backward and forward, but, in any event, I thank the Premier for that response. I would only note for the record that I've never voted against the MTS Centre. It's a new era in Manitoba politics, of course, and to the contrary I've enjoyed many, many good hours in that facility.

Madam Chairperson in the Chair

It's a great facility and we look forward to have many more good things there. The management is also excellent. I had a chance to have a good

conversation with Kevin Donnelly recently about the number of great events going on there, and there are lots of good things happening.

Moving on from that back into federal-provincial issues for a moment, can the Premier just indicate what is the state of play with respect to the ecoTrust funds that have been provided to the Province by the federal government?

Mr. Doer: We indicated in our release that some federal funds would be used as part of our climate change plan. I'll get the complete breakdown of the money. When we met with Minister Baird and announced the money, I did mention the Brandon coal plant, as we talked about yesterday, as one of the projects to get to where we wanted to get to. He also mentioned that regulations would be brought in.

For example, with the copper smelter in Flin Flon, I mentioned that, when we released our plan two weeks ago, the full allocation of the money will be invested in—and more will be invested—in achieving our objectives for the zero emissions in the decade, and minus six by 1990. Some of it's a bit based on the transition—I mentioned yesterday that we have seven large emitters that we're trying to target in our plan. We now have announced the carbon tax on coal and so what we will need to make the transitions to reduce their emissions—it ranges in employees from 35 at one place with hundreds of thousands of tonnes to 200, 300 at other places. Those are all people working at a place, so we're trying to have a transition that reduces the emissions and keeps people working. We plan on investing that money and more by 2012 for the implementation of the commitment we made in law. The breakdown has been partially released with announcements we've made, but partially it still depends on what our transition plan will be, for example, with a company like—there's a company that has 35 employees that burns coal and emits a lot of CO₂. That'll be an easier one, I hope, to convert to another energy source than something that's lots larger, but we'll get the benefit of that beyond just the Brandon coal plant.

Mr. McFadyen: Similarly, the money transferred from the federal to the provincial government with respect to funding, HPV vaccines, can you just indicate where that money is at and what the Province's plans are with respect to the expenditure of those funds?

Mr. Doer: Yes, I didn't think it'd been—I thought it had been pledged but not spent. Our disease lab has a proposal into the national government. It has come

up in conversations we've had with the federal Minister of Health, and we haven't got a decision yet in that regard for some of those funds. We'd like it to go to—if I understand the question correctly.

* (11:50)

Mr. McFadyen: Just on two international issues relating to our relations with our neighbours to the south, I wonder if the Premier could just provide the current status on both discussions related to the Devils Lake filtration issue and, as well, the latest information he might have with respect to the country-of-origin labelling provisions within the U.S. farm bill.

Mr. Doer: On Devils Lake, the U.S. State Department has failed to implement the agreement they made with Canada. Mr. Connaughton at a press conference with Minister Ambrose in April 2006 in Ottawa committed the State Department to fund that project. They haven't been able to get it done.

It's totally unacceptable that the filter is not in place at Devils Lake. We've won a minor court victory on Devils Lake, and we won a major court victory on NAWS. On the file, I talked to Minister Toews about it two days ago. There are about three or four items.

I talked to the Prime Minister about it when he was in town. We had a bilateral meeting before we had the announcement at the MPI centre. We believe that Canada should hold the United States' feet to the fire to get that agreement in place on the filtration.

The water level is much lower in Devils Lake right now, but that logic has never played any part of operating that outlet because the amount of relief they get for flooding doesn't even get close to evaporation in a very short period of time.

On the issue of the country-of-origin legislation, I met, at the insistence of both Canada and our own producers, with Mr. Peterson who is the chair of the agriculture committee in Congress. I know him from past dealings because he has a Flyer plant in Crookston. I think it was 2001 or 2002 when we went through the difficult time of almost losing Flyer because of liquidity, not because of performance. When we re-established some security to that company through different investors, he was involved in that and was very aware of it. We had chats about it a couple of times. We knew each other from the past, so I had no problem meeting him.

You can imagine being the chair of the agriculture committee in the United States. You've got, not only dealings with Congress and Senate, but you've got every country and every state wanting to meet with you all the time.

He is aware that there are 1.3 million hogs for Manitoba, weanlings going to Minnesota. He knows inside-out that a weanling going to a farm in his riding or his district, completed by an independent farmer in Minnesota, going to Tyson's or Swifts, is not easy to label. It's kind of an integrated pig.

I made the point to him that it's in his economic interest and our economic interest to get something that has much more flexibility on the processing line, so things can happen appropriately.

I understand, last week, Tyson's has started to take weanlings again in Minnesota, which has put a little bit of relief in the short term to the uncertainty going on.

We would like something certain before the deadline of September. I think Canada would and the U.S. would. We're working with our own hog producers. They have their legal council there. We are looking at engaging our own legal council that dealt with the first countervail of hogs against Manitoba because we want to make sure that we have more.

I think Frank McKenna said to us, if you're going to get into a bear fight, bring a gorilla or bring a grizzly bear to a bear fight with the Americans. When we had actually hired this legal firm before, he actually thought it was good advice. Sometimes, for example, on some of these issues, like countervails, it actually benefits some corporate interests over the producers' interests. There are a lot of lawyers in Washington, you have to make sure you have your own one, own fighters, sometimes. Sometimes Ottawa has lawyers from the corporate sector influence them more than the farm sector, sometimes, not always.

I can't tell you where it's going to end up, except that we have an integrated livestock market in Canada and the United States. In the long run, it will hurt the Americans more than it will hurt us, but, in the short run, it will sure hurt our producers if they put a—as the Prime Minister said this week in New Orleans, if they thicken the border anymore, which is happening more and more in agriculture than we'd like.

It's counter-intuitive when the dollar is going up. One of the biggest complaints when the dollar was at 65 cents was the dollar. We seem to have solved that problem, not our way, but their way.

Mr. McFadyen: Just a final point on pork industry issues. Can the Premier indicate what the status is of discussions and decision making with respect to infrastructure requirements connected to the Neepawa expansion and Hytek's transaction with the colony there?

Mr. Doer: Well, first of all, Olymel pulled out of the Hytek proposal the spring of '06. It lost \$280 million, and Lucien Bouchard was hired to restructure the operation. Because money was coming from the Québec funding sources, we didn't think they would be able to lose money in one place and put money into Manitoba. Subsequently, they made that announcement.

The plant in Neepawa is smaller than the OlyWest proposal adjacent to Symington Yards. It will process less hogs than the former proposal was. It has two advantages for us. It does process more hogs and gives some competition for prices here in Manitoba, although a lot of those are world prices. Two, it allows the existing operation to survive in Neepawa. We've always felt that the lagoon and treatment had to be improved as part of this expansion, so we've done that.

We wanted to have federal-provincial infrastructure money go to that, but we have no infrastructure agreement. So, both in Brandon and in Neepawa, the federal portion was taken out of the money that was allocated to deal with the dollar. You know that debate about whether it should be passed earlier or late or tied to the budget. I actually thought it should be tied to the budget, but my colleagues east of us didn't. So that's politics or that's public administration, I mean.

We've flowed the money. It's on a per capita basis. It's the same as what would happen with the OlyWest proposal. It's half as much, I think, if not even more. We're not topping up the existing employees that were hired by the consortium. We're only topping up the new employees for the training costs. We're topping up the lagoon clean-up. I think it's going to be really good for Neepawa. It's long overdue. So we get more production and cleaner water out of that operation.

* (12:00)

Mr. McFadyen: I just want to move over to health care for a few minutes and just ask the Premier: This is the area of the provincial budget that has grown at the greatest rate over the past eight years, in fact, over the past, probably, 30 years as the share of budget, probably 50 years as a share of the provincial budget, with a 95 percent increase since 1999. We continue to get lots of evidence of dissatisfaction and pressure within the system.

I wonder if the Premier can indicate, given the announcements around staffing and positions—it's one thing to announce positions, another thing to fill them—starting with nursing: What is the current state of affairs with respect to meeting the targets that he's established in filling nursing positions in the province?

Mr. Doer: Well, first of all, the 95 percent includes the overexpenditure when we came into office. So, Deloitte & Touche identified about seven things that weren't in the '99 budget: (1) the MMA agreement; (2) the nurses' settlement; (3) the CUPE settlement; (4) capital and the amortization of capital; (5) the deficits being carried in the 13 health authorities. I'll have to get the number, but this number was verified by the Auditor General, Mr. Singleton, and verified by an outside accounting firm of overexpenditures when we came into office that were not in the budget.

Now, we've had overexpenditures, as well, in health care, but they're way down from where they were in '99 but not completely eliminated in terms of budget and actual amounts. So I just want to make that point of the 95 percent. I don't want to leave that on the record. The battle of the '99-00 year, we do have an independent scorekeeper called the Auditor General on the overexpenditure.

An Honourable Member: Is that the budget you voted for? I can't remember.

Mr. Doer: Yes, we did vote for it, and I can tell you I remember Jim Downey almost falling—his lower lip was quivering; you mean you're going to vote for the budget? You mean you're going to vote for the budget? I can see all those ads that the NDP had voted against every balanced budget and every tax-cut budget. I saw those ads just melt in Jim Downey's eyes. I wish I could be playing poker that day, because I didn't say whether I'd vote for it or against it because I didn't move an amendment when the budget was presented. Now, you should have seen our caucus meeting to get people to vote for a

Conservative budget. But you live in interesting times.

It wasn't a universally accepted strategy. In fact, I actually remember Tom Brodbeck writing the story that not only had Gary Filmon co-opted Gary Doer, he put him in the back of his Jimmy and drove off. I can't remember whether it was Tom Brodbeck or Frances Russell, but they both wrote similar columns that we'd been co-opted.

An Honourable Member: Hard to tell the two apart.

Mr. Doer: That's right. They criticize us from the far left and the far right. It still comes to the same thing: we get criticized.

Then, of course, the analysis was we had vacated the true opposition, I believe, to the leader of the Liberal Party. But I could tell, by Mr. Downey's eyes, to quote Radha Thampi about Howard Pawley. They had calculated in their election run-up that we were going to vote against the budget. So it's always useful to—I'm not giving the member advice—but being counter-intuitive is always an interesting move. Ah, dare I say it.

So that is the budget I voted for. There were two budgets I voted for in the years—once when I was third party and once when we were opposition. The one in '89 or '90, '89 was based on the fact that our family tax credits were completely contained and proposed in the budget. So, if you ask for something in an election campaign, and it comes back that way—*[interjection]*

Beg your pardon?

An Honourable Member: Not to mention that it would not have been a very good time for another election campaign.

Mr. Doer: We weren't peaking too early; we were at 6 percent in the polls; a million dollars in debt—what else? There was another—we weren't peaking too early in those days. It was a good character-builder.

An Honourable Member: The added benefit of not having an election campaign.

Mr. Doer: Yes. You don't pour gasoline on your head and light the match, would be my recommendation, but we wouldn't be the first party that did it, or leader.

Yes, that's the budget we're talking about. On the nurses positions, we've got about 1,600 more nurses today than we had in '99, and we feel confident we can meet the test.

Mr. McFadyen: Can I just ask for clarification, whether the 1,600 number's people or positions?

Mr. Doer: It's nurses registered at the college. Obviously, when you deal with vacancies or positions, some of them are part time, and some of them are full time. Both numbers some used to bargain against us recently, and some numbers are nurses, not full-time positions all.

I think I'll double-check. I know the vacancies that were used in the bargaining was. I believe, if you have one shift on Sunday afternoon that is usually filled, because of the shift schedule collective agreement change made in 1997 where full-time nurses get every second weekend off as part of the collective agreement and get three weeks guaranteed at summer, there is more requirement for part-time shifts because of that collective agreement, actual issue. Something, actually, I didn't know in '99. There're actually not—I didn't know everything in '99. One of them was the shift schedule of nurses that was agreed to after we were in office and before we came back that nurses would not want to change, I would suggest.

Mr. McFadyen: The nursing number—is he saying 1,600 new nurses or is it a net increase of 1,600 nurses from 1999? In other words, 1,600 new names or is it 1,600 active practicing nurses more today than there was in 1999?

Mr. Doer: It's the college number. I think it's the college. I'm not speaking to their methodology, but I'll double-check that.

Mr. McFadyen: If you could, just double-check as to whether, you know, in addition to doing the addition, whether he's done the subtraction as well, in terms of people who may have left the system in that same period of time where we ended up.

Mr. Doer: While the members opposite do the subtraction, because they talk about how many people have left, I think this is net numbers, what it was in '99, what it is today, but I'll double-check that. I mean, when we bargain with the nurses, they do vacancies to get higher wages. You know, they're not easy to bargain with. When we deal with the net numbers, they're higher today than they were in '99. I think we require—I don't think they're health-care numbers, I think they're college numbers. Yes, I think the numbers, it would be my assumption, but I'll double-check that it includes part-time positions.

Mrs. Myrna Driedger (Charleswood): Just to follow up on some of these nursing questions

because I noticed in the news release that came out yesterday, and looking at the net gain, it seems a little odd to me that, if we're graduating—and I'm assuming it might be in the range of 400 nurses a year—why are we seeing the net gain per year in the last four years dropping? We're certainly not seeing those positions out there as substantively as what we would think with those numbers of graduates.

*(12:10)

In 2007, the net gain was 200. So, if we graduated 400, but we're only seeing a net gain of 200, what happened to the other 200 nurses?

If I go back to 2006, if we graduated 400 nurses and the net gain is only 136, where are all those nurses going?

Mr. Doer: Well, we looked at the numbers in the late '90s when the member opposite was the Health executive assistant, and—[interjection]—legislative assistant, I'm sorry. I'm sure she read the same report I did. There was a prediction that we would require a number of nurses because the retirements in the next 10 years were going to be substantial.

Now, I'm not going to do the Health Estimates here. I know the Health Estimates are scheduled, so in terms of Executive Council, but I will—that's why I don't want to make any assumptions based on the questions, but, when I looked at the reports in '98 and '99 on retirement levels, it predicted in nursing, there were a considerable number of nurses that were predicted to retire. I'm assuming that, if you have 400 new nurses, some of that's retirement. Some of it might be out-migration, but I would want to know the numbers.

But, again, I'm not in a position to know. It's a fairly detailed question. I'm just going by what I would surmise to be the reason from a common-sense point of view, but I haven't got a technical briefing on the question the member asked. I'm sure the Minister of Health (Ms. Oswald) will now when she does the Estimates, or the Member for Steinbach (Mr. Goertzen) does the Estimates.

Mr. Blaine Pedersen (Carman): Madam Chairperson, I'd just like to bring the Premier's attention to a local issue that I have. We have a number of landowners in the Bruxelles-Swan Lake area, which is in my constituency, that have a hydro transmission line that crosses over their land. We refer to it locally as an H line.

In 2008, Manitoba Hydro dug in a fibre optics line on their right of way, which is their right. They have the right to do as they will on the right of way, but there are some land reclamation issues and some dig holes that were done there and some land damages that were done outside of the actual right of way by the contractor.

The landowners contacted me over the winter here, and I've sat in on a couple of meetings that they've had with Hydro. Hydro has been stalling on settling their settlement relating to the real costs of the reclamation. The landowners rejected Hydro's initial proposal as inadequate, particularly on, again, damages outside of the right of way and on forage and pasture land. The landowners, in turn, gave a counter-proposal to Hydro which was rejected by Hydro. To date, there's been no settlement.

I would like to add that many of these same landowners are presently dealing with EnCana on the pipeline project where they're installing two pipelines. The landowners tell me that there's night-and-day difference between dealing with EnCana and Manitoba Hydro. EnCana's in their yard every day making sure that the landowners are happy, and it certainly hasn't been that way with Manitoba Hydro. So I'd just like to ask the Premier if he would commit to reviewing Manitoba Hydro's land reclamation policies so that these landowners can be assured that they will be dealt with fairly and equitably with Manitoba Hydro.

Mr. Doer: I know that fibre optics is being dealt with at Hydro for purposes of security of transmission. I'll take the question as notice specifically, and I'll raise it with the Minister responsible for Hydro (Mr. Selinger) and, if need be, with the CEO of Hydro. But usually I'd like to go through the minister as normal practices on this, but I will follow it up.

Mrs. Driedger: When I was still in nursing and I was a nursing supervisor, before I got into politics, I can recall we were working in situations where, when we had a night shift that was going unfilled in an intensive care unit, I as the nursing supervisor would be making phone calls and begging nurses to come in and work or I would go to the ward, to the intensive care unit and ask, is anybody willing to stay and work a double shift? Never do I recall that in the '90s we were in a situation where nurses were forced to work overtime. Now we are seeing nurses actually being forced to work overtime, double shifting. It is quite a substantive problem. I just want

to let you know that, in an e-mail from a nurse that works at St. Boniface Hospital, she's indicated that she's beyond disgusted that a nurse can be mandated and forced to work a 16-hour shift or be pressured into giving more time than the shift rotation they have agreed to hire for.

That is happening fairly frequently in the system where nurses are forced to. In fact, if we even look at the newsletters put out by the Nurses' Union, that seems to be a common situation. I'm going to guess that, if the Tories were in power, that would become a really huge issue. I notice it's not been made into a big issue under a labour government. But how is it that nurses can be forced to work double shifts, work overtime, where they're saying patient safety is compromised because of that, nurse safety, nurse burnout? Job satisfaction is extremely compromised. She goes on to say, forcing nurses keeps a broken system going. This is not good business. We need immediate change. The overtime dollars are in the multi-millions.

I know the Premier has been involved as a union leader. How can something like this be happening in health care where nurses are actually forced to work overtime for fear of losing their job, by the way, if they don't agree to do that?

Mr. Doer: Well, there are staff throughout government that can be forced to do overtime in terms of safety issues. I would have to check the Corrections law or collective agreement and standing orders. You've got a situation in Headingley, for example, if you had a blizzard. There are conditions, if you have huge flu and, you know, that's a situation. If you have fire TAC crews, as a union leader, we agree to complete dealing with emergencies, protecting a town. You have public health people that could be required beyond agreements. There are grader operators that sometimes have to work 16-hour shifts when it snows for the safety of people, sometimes even more.

I don't know what's in the collective agreement for nurses, so I'll have to check. I know that this was raised by the Nurses' Union as some of the public comments during the last collective agreement. I'm not sure of the collective agreement and the protocol, and I'll double-check the overtime payments because that's something I can quantify. So I'll take the issue of overtime payment as notice.

I know some nurses like to work overtime. Particularly some nurses have told me that they like to work overtime. They will take as many shifts as

they can in January, February and March. They kind of enjoy taking a little time off with their family in the summer when their kids are home too. So I've heard both sides of that, but I'll take the question. I don't know the collective agreement and conditions. I don't know whether the member is just talking about my past background, and, of course, I've talked only about her past background in government. I'll take a look at what the collective provides. Because the first issue is, is there a breach of the collective agreement? I'm not sure. I don't know the agreement that well.

* (12:20)

Mrs. Driedger: I think what I'm certainly hearing from nurses that are contacting us is they are being forced to do that because of the nursing shortage. I doubt that's built into any collective agreement. When you have an nursing shortage of over 800 nurses in the WRHA, probably over a thousand nurses short throughout the province, the reason they're being forced to work overtime is because of the nursing shortage. A lot of them do it because of their commitment to patients. Patient safety is a huge issue.

I know there have been times as a nursing supervisor where we couldn't fill shifts. I'll tell you, as a nursing supervisor, I felt very, very concerned about liability around that because then you're leaving, you know, intensive cares, emergencies, whatever, short a nurse, and you do your best as a nursing supervisor. There were nights I was in tears because I feared for patient safety, and that has escalated beyond anything we dealt with in the late '90s when I—mid-90s, late '90s when I was a nursing supervisor. My job was to staff the hospital, part of the job as a nursing supervisor. I've never seen anything like this where nurses are being forced now to do it, and I do have some really big concerns about that.

But not to belabour this issue anymore, before our time is up, I just would like to ask the Premier to maybe give me some insight as to why he didn't move ahead to lift the tuition freeze this year. I know it was being contemplated, and I'm curious whether it was the student union leaders that were making noise that made him back away from lifting it.

I know he talks about his, you know, pillars for economic development, and post-secondary education is right up there. We know that the tuition freeze from all of the people involved in post-secondary education who, to me, are the experts—and

I've looked at comments made from universities across Canada that have had prolonged tuition freezes and the detriment it has caused to their universities. In fact, Bob Rae even commented that tuition freezes have become popular with governments trying to govern by polls, but said that it has contributed to a chronic underfunding of education, that it is destroying Canada's future.

I'd like to ask the Premier why he has allowed that tuition freeze to go on so long and why he backed away from it this year.

Mr. Doer: First of all, the issue of funding universities is the fundamental question. There are two ways to fund them. One is through only tuition fees, which represent a minority of the costs of universities, and two is to fund both capital and operating and, I would argue, bursaries and post-secondary graduate scholarships to the universities.

So, No. 1, we've introduced a new system for economic relief called the tuition rebate for people that stay in Manitoba. So that is now something we've put in place for a transition. No. 2, we introduced on top of the pledging for capital in the past that we introduced more capital. It dwarfs what happened in the past. No. 3, the funding to universities this year, I know, wasn't high enough for the member opposite, but it was 7 percent. That's at odds with what her leader said about funding programs with the rate of inflation. Madam Chair, 7 percent represents the 2 percent extra that we had pledged this year on top of the 5 percent operating grant, which is twice the inflation promised the member opposite had made. The 2 percent represents a 5 percent tuition increase for students.

So we put other planks in place. We're also now doubling the bursary program. I'll check the doubling, but we're increasing the bursary program. We've increased it in past years. We didn't have any post-graduate scholarships when we first came into office. We're still low on post-graduate scholarships, but we're catching up. So it's a multiple program that I think dwarfs what happened in the past.

Mrs. Driedger: The Premier didn't really answer the question as to why he backed away from what I thought he was moving toward, was a thaw on the freeze, and wondered if he would be interested in commenting on why he did back away this year.

Mr. Doer: We always see policies and investments in longer term. We announced the transition over a period of time. We announced our capital over a

period of time. We announced our bursaries over a period of time. We've introduced our tuition rebate over a period of time. We've introduced our scholarships, post-graduate scholarships over a period of time, so we don't just look next week or next month. We look longer term; we're long-term thinkers; we're long-distance runners. We know that public policy is a marathon and some people sprint and some people run marathons. We run marathons.

Mrs. Driedger: Some just kind of plod along with no big-vision picture.

Can I ask the Premier, I know they've indicated that they're setting up a one-person—I don't know what you call it. They're going to have one person come in and look at the tuition freeze and how to thaw it over the next period of time. Who does he have in mind for that, and will it be somebody that is non-partisan, or is he looking at somebody like Tim Sale coming in to do that, or is he going to be strictly non-partisan and bring in somebody else to, a totally objective person to have a look at that?

Mr. Doer: Well, that's a great name you've proposed. I was, he'll be very flattered that his—*[interjection]*

Mrs. Driedger: Well, I wasn't suggesting Tim Sale.

Mr. Doer: Oh, I thought you were suggesting Tim Sale. He will be very flattered that his name and his intelligence and his presence live on in a very consistent way with the member opposite. I will make sure that the person can provide us with balanced advice, so balance is the key. Balance, knowledge, who would be perceived as best by university presidents would be different than students, so we'll try to find that balance.

Mrs. Driedger: It seems I have a couple of minutes left so I would like to ask the Premier a question that has been something that I have been troubled about for a number of years now, so here's my opportunity. I noticed there are many occasions where ministers

are not around to talk to the media. They're either AWOL or MIA or evading the media, and it has happened so consistently it's become quite well-known out there. People, whether it's the media or us or the public, have been monitoring the situation. We actually were counting, you know, the times that this happened where this government has put up spokespeople rather than the ministers to speak to the media. I can recall Gary Filmon taking ministers aside because he had the bar set quite high, where he would not be happy when ministers were MIA because they had ministerial accountability. He felt that they should be the ones talking to the media, not hired staff. I would like to ask this Premier why, over the last number of years, he has increasingly allowed ministers to not be accountable by avoiding responding to media questions.

Mr. Doer: Well, the bar for accountability is comparable. I remember the former press secretary, Ms. Biggar, commenting a lot on media issues. Quite often, I remember Ms. Staples commenting on certain issues. I remember officials of departments commenting, and I remember ministers accounted for it. We're accountable every day in the House, and we're here; we have more session days now than we did in the past, and we're accountable. Ultimately, most of the accountability is not—is actually the public. They perceive whether you're in touch or not. Now we have more people in northern Manitoba, which is a little bit different than members opposite. We don't want people representing them only in this building. We want them listening to people outside of this building, and I don't apologize for that.

Madam Chairperson: The hour being 12:30 p.m., committee rise. Call in the Speaker.

IN SESSION

Madam Deputy Speaker: The hour being 12:30 p.m., this House is adjourned and stands adjourned until 1:30 p.m. on Monday.

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, April 25, 2008

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