

Second Session - Thirty-Ninth Legislature
of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS

Official Report
(Hansard)

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

Vol. LX No. 31 – 1:30 p.m., Monday, April 28, 2008

ISSN 0542-5492

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Ninth Legislature

Member	Constituency	Political Affiliation
ALLAN, Nancy, Hon.	St. Vital	N.D.P.
ALTEMEYER, Rob	Wolseley	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
BJORNSON, Peter, Hon.	Gimli	N.D.P.
BLADY, Sharon	Kirkfield Park	N.D.P.
BOROTSIK, Rick	Brandon West	P.C.
BRAUN, Erna	Rossmere	N.D.P.
BRICK, Marilyn	St. Norbert	N.D.P.
BRIESE, Stuart	Ste. Rose	P.C.
CALDWELL, Drew	Brandon East	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CULLEN, Cliff	Turtle Mountain	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
EICHLER, Ralph	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
GERRARD, Jon, Hon.	River Heights	Lib.
GOERTZEN, Kelvin	Steinbach	P.C.
GRAYDON, Cliff	Emerson	P.C.
HAWRANIK, Gerald	Lac du Bonnet	P.C.
HICKES, George, Hon.	Point Douglas	N.D.P.
HOWARD, Jennifer	Fort Rouge	N.D.P.
IRVIN-ROSS, Kerri, Hon.	Fort Garry	N.D.P.
JENNISSON, Gerard	Flin Flon	N.D.P.
JHA, Bidhu	Radisson	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
MAGUIRE, Larry	Arthur-Virden	P.C.
MALOWAY, Jim	Elmwood	N.D.P.
MARCELINO, Flor	Wellington	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McFADYEN, Hugh	Fort Whyte	P.C.
McGIFFORD, Diane, Hon.	Lord Roberts	N.D.P.
MELNICK, Christine, Hon.	Riel	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
OSWALD, Theresa, Hon.	Seine River	N.D.P.
PEDERSEN, Blaine	Carman	P.C.
REID, Daryl	Transcona	N.D.P.
ROBINSON, Eric, Hon.	Rupertsland	N.D.P.
RONDEAU, Jim, Hon.	Assiniboia	N.D.P.
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SARAN, Mohinder	The Maples	N.D.P.
SCHULER, Ron	Springfield	P.C.
SELBY, Erin	Southdale	N.D.P.
SELINGER, Greg, Hon.	St. Boniface	N.D.P.
STEFANSON, Heather	Tuxedo	P.C.
STRUTHERS, Stan, Hon.	Dauphin-Roblin	N.D.P.
SWAN, Andrew, Hon.	Minto	N.D.P.
TAILLIEU, Mavis	Morris	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 28, 2008

The House met at 1:30 p.m.

PRAYER

ROUTINE PROCEEDINGS

INTRODUCTION OF BILLS

**Bill 28—The Strengthening Local Schools Act
(Public Schools Act Amended)**

Hon. Peter Bjornson (Minister of Education, Citizenship and Youth): I move, seconded by the Minister of Science, Technology, Energy and Mines (Mr. Rondeau), that Bill 28, The Strengthening Local Schools Act (Public Schools Act Amended); Loi sur le renforcement des écoles locales (modification de la Loi sur les écoles publiques), be now read a first time.

Motion presented.

Mr. Bjornson: Mr. Speaker, this bill will allow school divisions and communities to plan for better opportunities for their children, enabling schools to remain viable, for example, as centres for early childhood education where there is a demand in the community and capacity in the school.

The community school is an important asset to all communities both urban and rural. Moreover this legislation will support our efforts to minimize the amount of time a student will spend on the bus to and from school.

Mr. Speaker: Is it the pleasure of the House to adopt the motion? *[Agreed]*

PETITIONS

Lake Dauphin Fishery

Mr. Leonard Derkach (Russell): Mr. Speaker, I wish to present the following petition:

The reasons for this petition are as follows:

Fishing is an important industry on Lake Dauphin.

To help ensure the sustainability of Lake Dauphin fishery, it is essential that spawning fish in the lake and its tributaries are not disturbed during the critical reproductive cycle.

A seasonal moratorium on the harvesting fish in Lake Dauphin and its tributaries may help create an environment that will produce a natural cycle of fish for Lake Dauphin, therefore ensuring a balanced stock of fish for all groups who harvest fish on the lake.

We petition the Legislative Assembly of Manitoba as follows:

To request the Minister of Water Stewardship (Ms. Melnick) to consider placing a moratorium on the harvesting of any species of fish on Lake Dauphin and its tributaries for the period of April 1 to May 15 annually.

To request the Minister of Water Stewardship to consider doing regular studies of fish stocks on Lake Dauphin to help gauge the health of the fishery and to consider determining any steps needed to protect or enhance those stocks.

This petition is signed by Basil Price, Rudy Aller, Sophie Wilson and many, many other Manitobans.

Crosswalk at Highway 206 and Centre Avenue

Mr. Kelvin Goertzen (Steinbach): I wish to present the following petition:

These are the reasons for this petition:

The safety of children crossing Provincial Highway 206 in Landmark has been a local concern for a number of years.

Provincial Highway 206 through Landmark is a busy route serviced only by pedestrian crossing signs where it intersects with Centre Avenue.

Safety at this pedestrian crossing needs to be improved before an accident results in a major injury or a fatality.

We petition the Legislative Assembly of Manitoba as follows:

To request the Minister of Infrastructure and Transportation (Mr. Lemieux) to consider approving the installation of an illuminated crosswalk sign at the intersection of Provincial Highway 206 and Centre Avenue.

Mr. Speaker, this is signed by Randy Herrmann, Denise McBurny, Gwen Smith and many, many other fine residents of Landmark.

Dividing of Trans-Canada Highway

Mrs. Mavis Taillieu (Morris): I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

The seven-kilometre stretch of the Trans-Canada Highway passing through Headingley is an extremely busy stretch of road, averaging 18,000 vehicles daily.

This section of the Trans-Canada Highway is one of the few remaining stretches of undivided highway in Manitoba, and it has seen more than 100 accidents in the last two years, some of them fatal.

Manitoba's Assistant Deputy Minister of Infrastructure and Transportation told a Winnipeg radio station on October 16, 2007, that when it comes to highways projects the provincial government has a flexible response program, and we have a couple of opportunities to advance these projects in our five-year plan.

In the interests of protecting motorist safety, it is critical that the dividing of the Trans-Canada Highway in Headingley is completed as soon as possible.

We petition the Legislative Assembly as follows:

To request the Minister of Infrastructure and Transportation (Mr. Lemieux) to consider making the completion of the dividing of the Trans-Canada Highway in Headingley in 2008 an urgent provincial government priority.

To request the Minister of Infrastructure and Transportation to consider evaluating whether any other steps can be taken to improve motorist safety while the dividing of the Trans-Canada Highway in Headingley is being completed.

This is signed by Liz Carter, Gavin Fenton, Pat Mersereau and many others, Mr. Speaker.

Mr. Speaker: In accordance with our rule 132(6), when petitions are read they are deemed to be received by the House.

Long-Term Care Facility—Morden

Mr. Peter Dyck (Pembina): Mr. Speaker, I wish to present the following petition to the Legislative Assembly.

The background for this petition is as follows:

Tabor Home Incorporated is a time-expired personal care home in Morden with safety, environmental and space deficiencies.

The seniors of Manitoba are valuable members of the community with increasing health-care needs requiring long-term care.

The community of Morden and the surrounding area are experiencing substantial population growth.

We petition the Legislative Assembly of Manitoba as follows:

To request the Minister of Health (Ms. Oswald) to strongly consider giving priority for funding to develop and staff a new 100-bed long-term care facility so that clients are not exposed to unsafe conditions and so that Boundary Trails Health Centre beds remain available for acute-care patients instead of waiting placement clients.

This is signed by Bryan Fehr, Lucille Bell, Ed Hildebrand and many, many others.

Lake Dauphin Fishery

Mr. Stuart Briese (Ste. Rose): Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

Fishing is an important industry on Lake Dauphin.

To help ensure the sustainability of the Lake Dauphin fishery, it is essential that spawning fish in the lake and its tributaries are not disturbed during the critical reproductive cycle.

A seasonal moratorium on the harvesting fish in Lake Dauphin and its tributaries may help to create an environment that will produce a natural cycle of fish for Lake Dauphin, therefore ensuring a balanced stock of fish for all groups who harvest fish on the lake.

We petition the Legislative Assembly of Manitoba as follows:

To request the Minister of Water Stewardship (Ms. Melnick) to consider placing a moratorium on

the harvesting of any species of fish on Lake Dauphin and its tributaries for the period of April 1 to May 15 annually.

To request the Minister of Water Stewardship to consider doing regular studies of fish stocks on Lake Dauphin to help gauge the health of the fishery and to consider determining any steps needed to protect or to enhance those stocks.

This petition is signed by Roy Gamack, Donna Wildeboer, Chantell Tardiff and many, many others.

* (13:40)

Provincial Nominee Program—Applications

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

The background to this petition is as follows:

Immigration is critically important to the future of our province, and the 1998 federal Provincial Nominee Program is the best immigration program that Manitoba has ever had.

The current government needs to recognize that the backlog in processing PNP applications is causing additional stress and anxiety for would-be immigrants and their families and friends here in Manitoba.

The current government needs to recognize the unfairness in its current policy on who qualifies to be an applicant, more specifically, by not allowing professionals such as health-care workers to be able to apply for PNP certificates in the same way a computer technician would be able to do.

We petition the Legislative Assembly of Manitoba as follows:

To urge the Premier and his government to recognize and acknowledge how important immigration is to our province by improving and strengthening the Provincial Nominee Program

This is signed by J. Aguirre, M. Boittieux, Roberto Evaristo and many, many other fine Manitobans.

TABLING OF REPORTS

Hon. Diane McGifford (Minister of Advanced Education and Literacy): I'm pleased to table the 2008-2009 Departmental Expenditure Estimates for Advanced Education and Literacy.

MINISTERIAL STATEMENTS

Day of Mourning

Hon. Nancy Allan (Minister of Labour and Immigration): Mr. Speaker, I have a statement for the House.

Today, April 28, is the annual Day of Mourning for workers killed or injured on the job. Manitoba Member of Parliament, Rod Murphy, introduced the legislation that prompted the Parliament of Canada to officially recognize April 28 as the annual Day of Mourning in 1991. The government of Manitoba, unions and employers, will observe the national Day of Mourning at various ceremonies throughout the city and province today.

Every year, we pause on this day to reflect on the serious nature of work. We honour the memories of the men and women of Manitoba who died or were injured on the job over the past year and their efforts to make this a better province. The Day of Mourning is an opportunity for us to renew our commitment to prevent occupational injuries, illness and death.

As leaders in the community, along with our business and union colleagues, we must set the example that safety and health on the job is a daily priority at every workplace in the province. The Manitoba government will maintain strong partnerships with the WCB, workers and employers in order to continue developing joint prevention, awareness and education initiatives that will further reduce injuries, illnesses and deaths on the job.

We are experiencing positive results in reducing workplace injuries in a number of areas, but we need to and will do more. We are committed to the safety and health of our workers and look forward to continued participation from employers, workers, educators and prevention organizations.

Mr. Speaker, following statements by my colleagues, I would ask that all members stand for a moment of silence in the Chamber to honour the memory of men and women of Manitoba who were injured or killed in the workplace this past year.

Mrs. Mavis Taillieu (Morris): Mr. Speaker, I thank the minister for her statement.

Mr. Speaker, on behalf of all of us on this side of the House, I would like to recognize the gravity of the issue that is marked by the national Day of Mourning each April 28. I was privileged to participate in the Leaders' Walk today, raising public

awareness of the vital importance of workplace safety and health, and to hear a student's eye view of safety in the workplace. We need to ensure a safe environment for our workers of tomorrow.

Our foremost concern on this day is to remember those who have been lost or injured in accidents or made ill in their workplace. This day affords us an opportunity to remember the lives of those unfortunate individuals who are no longer with us and to preserve their memories.

I would like to express our sincerest sympathies to all of those Manitoba families who have suffered the loss of a loved one in the workplace in an accident this past year and, in fact, every year past. We also offer our support to individuals who have been injured or made ill in the workplace.

In this collective act of reflection we cannot avoid confronting the magnitude of these losses with every year which robs vibrant individuals from our families, our communities and our province. Their tremendous sense of loss is not made any easier by the fact that many or all of these accidents were ultimately preventable, and for those whose lives have been changed by injury we hope this day will help us better understand their personal experiences.

We applaud those who continue to make our workplaces safer: employers, safety officers, educators, unions, Workplace Safety and Health, Workers Compensation Board and many others, Mr. Speaker. We must constantly renew our awareness and continue in these efforts.

Mr. Speaker, those workers who knowingly enter into high-risk occupations, those like police officers and firefighters who risk their lives; those in the trades like electricians, welders, road crews, construction workers, those in manufacturing and many others who face great risks on the job. Every worker in every sector deserves the right to return home safely each night to their families. Today, we salute those who didn't and those who sustained injuries or were made ill while at work.

Thank you, Mr. Speaker.

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

Mr. Speaker: Does the honourable member have leave? *[Agreed]*

Mr. Gerrard: Mr. Speaker, I join my colleagues in the Legislature in recognizing this national Day of

Mourning and in remembering the workers who have been injured or killed on the job.

I still remember vividly, as a young labourer working as a labourer on a construction crew, being in a situation where an accident happened. It happened very quickly, and certainly in that instance it was very lucky that somebody wasn't killed, but it brings home the problems of workplace injury, the problems of death in the workplace and why it is every day we need to focus our attention on making sure that we do everything possible to reduce and eliminate injuries in workplaces and make workplaces as safe as they possibly can be.

So, with the others, I join everyone and my colleague, the MLA for Inkster, (Mr. Lamoureux), on behalf of the Liberal Party, in saluting the workers of Manitoba and in remembering those who have been hurt or killed.

Mr. Speaker: Is there agreement for a moment of silence to rise? *[Agreed]*

Please rise for a moment of silence.

* (13:50)

A moment of silence was observed.

Introduction of Guests

Mr. Speaker: Prior to oral questions, I'd like to draw the attention of honourable members to the public gallery where we have with us from Riverton Collegiate 39 grade 9 students under the direction of Ms. Linda Stevens. This school is located in the constituency of the honourable Member for Interlake (Mr. Nevakshonoff).

Also in the public gallery we have from River East Collegiate 60 grade 9 students under the direction of Ms. Janice Bigourdan. This school is located in the constituency of the honourable First Minister (Mr. Doer).

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

ORAL QUESTIONS

Canadian Museum for Human Rights Crown Corporation Funding

Mr. Hugh McFadyen (Leader of the Official Opposition): Mr. Speaker, when we consider the very tragic events today unfolding in the Sudan and we look back at the human rights violations that took place in Rwanda a number of years ago, ongoing allegations of human rights abuses in China and the

history of human rights abuses throughout the world, including Stalin's famine, which resulted in millions of victims of Ukrainian background, the Holocaust, where six million human lives were lost as a result of a horrific totalitarian regime, we know the importance of establishing institutions, including the Museum for Human Rights, that will ensure that we are educated, that we teach young people about the importance of human rights and, most importantly, provide opportunities to ensure that the sorts of horrific events of the past cannot be repeated into the future.

Mr. Speaker, we've supported the commitment by this government of capital funds toward the construction of the Museum of Human Rights, but learned, to our disappointment this morning, that the government had directed four provincial Crown corporations in a sneaky and underhanded way to direct funds toward the project.

I want to ask the Premier whether the \$4 million in funds that were disclosed this morning as a result of information coming forward from the Crown corporations is in addition to or is it included within the \$40-million number that was printed in the budget document, \$40-million commitment to the Human Rights Museum.

Hon. Gary Doer (Premier): Mr. Speaker, again, it's almost a year ago where we secured the announcement from the federal government for a capital commitment of \$100 million that was first pledged a few years ago and a secondary commitment for the institution becoming an ongoing national institution.

Mr. Speaker, the \$40 million, as the member should know and probably does know from the government entity, flowed in the previous fiscal year prior to the March 31 deadline. That was contained within the supplementary spending. It was contained within a special warrant. It was contained within documents released by the government. It's well-known.

In terms of the Crown corporations, Hydro, as I understand it, made a commitment based on an appeal from the late Izzy Asper a few years ago. Other institutions, including in the private sector and the public sector, had been approached earlier by Mr. Asper and later by Gail Asper and other friends of the museum. Certainly I believe the Hydro commitment was made and actually has even had money flow prior to this. The issue of timing of announcements is sometimes left between the Crown

corporations and the Friends of the Museum. There's a number of private sector announcements they have. So, the bottom line is, just like the Pan-Am games, the announcement on Crown is above the amount pledged by the provincial government.

Mr. McFadyen: Mr. Speaker, only eight years ago, when the same Premier tried to use a Crown corporation to fund something completely outside of its mandate, which was the university, he knows that there was a public outcry because Manitobans want transparency and accountability. They want to know that, when they pay their money to MPI, it's going toward public insurance. They want to know that, when they pay their hydro bill, it's going toward generating electricity for Manitobans and for export and for other matters related to it. When they pay their taxes, they want to know that that money is being spent in a way in accordance with budgets that are presented in an open and transparent way.

Eight years ago, when he got caught sneaking money from MPI toward other purposes, there was a public out roar, and he promised at the time that it wouldn't happen again. Here we are, eight years later and he's done the very same thing again, Mr. Speaker.

I want to ask the Premier: Why is he tarnishing this great and important project by using sneaky and underhanded means to finance it?

Mr. Doer: Well, Mr. Speaker, if the member goes to a football game, he'll probably notice advertising from Crown corporations. Under his definition, it would not be allowed. If he goes to a Special Olympics event this week, the Liquor Commission is helping to sponsor that. If he goes to the Assiniboine Park, the Friends of Assiniboine Park have obtained money from Crown corporations. I certainly support the idea of Crown corporations investing in communities.

Mr. Speaker, in 1999, the member opposite was chief of staff, Crown corporations invested money in the Pan Am Games, comparable amounts to what's being invested right now. Now, here you have the Pan Am Games, \$42 million from the provincial government, some millions of dollars from Crown corporations going to a two-week event, probably good for the community.

Here you have the Canadian Museum for Human Rights, you have the private sector investing money. You have the provincial government investing money. You have private citizens investing money.

The member opposite knows because he was certainly informed, or his members of his caucus were informed, by the late Israel Asper and Gail Asper of all the efforts they're making in the private sector and the public sector to raise money. This has not been a kind of secret.

This has been the approach they've been using for years, Mr. Speaker, and I think that the museum, now that we've secured ongoing operating expenses from the federal government, between \$15 million and \$20 million a year. We've got donations and investments from Wawanesa, private insurance company, of a million dollars. We've got investments from the Buhler family of \$6 million, the Richardson family for \$3 million. From the provincial government—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. The honourable First Minister has the floor.

Mr. Doer: Thank you. As I said, a couple of years ago, Hydro made the initial pledge I certainly support. I supported the Crown corporations advertising at Bombers. I guess we now have to go back, under the Tory policy, and get rid of that. I support the Crown corporations investing in Assiniboine Park. I think they invest lots in cultural agencies in Manitoba. I supported the Conservatives who had Crown corporations investing millions of dollars in the Pan Am Games.

In fact, if you look at the provincial portion of the money going to the Pan Am Games and the Crown corporation portion, it's less than what's going to go to the Canadian Museum for Human Rights. I think it's good for Manitoba to have investments in the Canadian Museum for Human Rights. I certainly supported Israel Asper when he first approached the Crowns. I supported Gail Asper when she followed it up, and I certainly support the Crown corporations, as I did with the Pan Am Games, investing in the future of Manitoba.

Mr. McFadyen: My question to the Premier is that we all acknowledge it's a very good project. Why not be upfront enough to simply print \$44 million in the provincial budget rather than \$40 million and be proud of the investment rather than trying to sneak money in through the backdoor, through Crown corporations, that are monopolies where people don't have any choice as to whether they pay money into those corporations or not, Mr. Speaker?

Why not just be upfront about it? Put 44 in the budget instead of 40 so that we could all stand up and support it, and we could all go forward with our heads held high supporting a project that's good for Manitoba and good for humanity instead of a project that's been *[inaudible]*

Mr. Speaker: Order.

Mr. McFadyen: because of this Premier's unwillingness to be straight up about it?

Why is he playing politics and tarnishing this important project, Mr. Speaker?

* (14:00)

Mr. Doer: Well, Mr. Speaker, for the same reason the Pan Am Games pledge was \$42.5 million from the provincial government and the Crown corporation money was on top of it, based on different Crown corporations, the same reason. In terms of timing of announcements from Crowns to the Friends of the Museum, Hydro made its announcement, I think, two years ago in terms of their investment. Long before this issue became public, I supported the idea that the Crowns will work with the Friends of the Museum on the timing. I certainly applaud the Crowns investing.

The member opposite mentioned the fact that, Mr. Speaker, the Crowns are, quote, monopolies. The same rule would apply to the Pan Am Games. The same rule would apply to the Winnipeg Football Club, the Winnipeg Blue Bombers. The same rule would apply to Friends of the Assiniboine Park. The same rule would apply to many hospitals that get money from Crown corporations. The same rule would apply to liquor investing wine money to Special Olympics this Thursday night. The Crowns, like private companies, are involved in the community. They were under the Conservatives, they are under us and they will be into the future.

Vehicle Registration Fees Increase

Mr. Cliff Graydon (Emerson): This NDP government has a long history of raiding Crown corporations while raising fees to suit its own political purpose. They also have a long history of coming up with sneaky backdoor tax grabs that hit Manitobans hard, right in the wallet.

This year, vehicle registration fees are going up by 20 percent. In total, the NDP have hiked the vehicle registration fees by 150 percent since 1999.

Why is it this NDP government is punishing families with its 150 percent backdoor tax increase?

Hon. Greg Selinger (Minister of Finance): The member raises the fee for our driver's licences. The reality is that we've maintained the second-lowest gas taxes. It's a flat tax. It does not go up when the price goes up at the pump. So Manitobans receive very good value. All the money that's raised through the gas tax plus several tens of million dollars more goes back into the roadway system. We're making record investments in improving our infrastructure. These contributions are towards having a better infrastructure in Manitoba, because the infrastructure deficit was one of the things that had to be addressed during our term in office.

Mr. Graydon: This smacks of blue collar fraud. There's a \$100-rebate being sent out in the mail today and they're taking back \$25. This fee increase is a tax grab plain and simple. The vehicle registration fee is \$70 in Alberta, \$68 in Saskatchewan, \$37 in northwestern Ontario, \$28 in British Columbia, while budget 2008 now tops them all at a whopping \$119.

The MPIC Act prohibits MPI from giving money directly to government. Is this fee increase a way of creating a political slush fund for the NDP? I ask the minister again: How does he explain the backdoor tax hike?

Mr. Selinger: I want to thank the member for putting on the record that people will get on average about \$100 back on their Autopac rebate. The member suggests that we were less than straightforward on the increase in the driver's licence fee. It was published in the budget. It was the subject of press releases. It was completely disclosed. It was completely debated in this Legislature during the last couple of weeks. It was voted on by all members of the Legislature. It's further subject to review during the Estimates process. If only members opposite had been as transparent on transfers they took out of the Crowns, we wouldn't have had some of the challenges we've had over the last several years.

Building Canada Fund Government Participation

Mr. Hugh McFadyen (Leader of the Official Opposition): Many provinces across the country have signed on to the Building Canada Fund and are moving forward with important infrastructure projects for their provinces. Here in Manitoba, we have many important projects from across Manitoba

that are being held up because this Premier is playing political games with the federal government on this agreement. Mr. Speaker, he's claiming that the federal Conservatives are in breach of an agreement that he says doesn't even exist, that there's no paper, no signed agreement between the levels of government.

I want to ask the Premier: Why is he letting political games get in the way of moving forward on important projects for the people of Manitoba?

Hon. Gary Doer (Premier): After the member opposite goes to the Winnipeg football stadium and sees some Crown corporation ads, I'll show him a video of the announcement made by Minister Cannon and Minister Toews last year wherein he says that the amount of money for the floodway in the next stage will not be subtracted from future infrastructure commitments to Manitoba. It's reported in the newspaper. It's reported in the electronic media. It's reported in the press release that is vetted once, twice, three and four times by any federal government minister before it's released, vetted here, in Ottawa, back here, back in Ottawa, back here. I'll show him the release, Mr. Speaker, but thank you very much for the question.

Mr. McFadyen: Mr. Speaker, the federal government is flowing money to Manitoba at record levels through a variety of ways, an extra more than \$300 million coming in a variety of transfer programs. There's a pot of money for the inland port. There's a new infrastructure program. There's a variety of programs across the board. They're not subtracting money from anything. They want to get ahead and move ahead so they can start flowing money to Manitoba. Why is the Premier standing in the way?

Mr. Doer: Well, Mr. Speaker, there's a difference between standing in the way and standing up. I've never seen a Leader of the Opposition act like Neville Chamberlain in this Chamber. It's the first time I've seen that happen.

The member opposite is saying that a commitment made that I—as I say, after he goes to Assiniboine Park and sees the lottery donations to the Friends of Assiniboine Park, after he goes there, I'd like him to come back and I'll show him a video tape where in fact the Minister of Infrastructure (Mr. Lemieux) or the Minister of Intergovernmental Affairs (Mr. Ashton) can see a tape where people say—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer: Thank you very much, Mr. Speaker, and we do stand up for the original commitment and we stand up for Manitoba. We are proud of the fact that Manitoba's economy in '07, in spite of the doom and gloom from members opposite, is ranked second in Newfoundland and Labrador. It's second and tied with Alberta and ahead of other provinces that members opposite cite every day.

We stand up for Manitoba. I hope the Leader of the Opposition does as well.

Economy Tax Revenues

Mr. Rick Borotsik (Brandon West): Mr. Speaker, the Minister of Finance is either overly optimistic about the Manitoba economy, or he's simply ignoring the negative economic signals that are bombarding him from all sides.

Gas will hit \$1.40. Groceries are going up by 35 percent. Here's a news bulletin: something will give. PST is the third-largest revenue generator behind personal tax and—guess what?—equalization. Sales tax revenue decreased by 0.2 percent in February, yet the budget shows an annual growth of a whopping 10.8 percent in PST. When revenue drops, will the minister, as he always does, blame the feds or will he take responsibility?

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, the member and I had the opportunity to discuss this in Estimates, and he knows that the actual sales tax revenue last year was higher than the budgeted amount. So the difference is not as great as he's putting on the record.

He will also know that we have, for our financial economic projections for this year, reduced them over last year, even though we're growing well above the Canadian average. We're one of the leaders in the country for economic growth, even though all of us, with few exceptions, have moderated the growth projections, given the economic forecasts that are out there all across North America. So the reality is, as we discussed in Estimates, the revenue numbers that have been put forward are prudent, given the forecasts that are available to us.

*(14:10)

Mr. Borotsik: Mr. Speaker, I don't share his optimism. The revenue side of the budget is full of

holes. The only way to grow an economy is to be business friendly. This government is anything but business friendly. Besides punishing labour laws, the payroll tax is budgeted to raise an additional 4.7 percent next year. Loewen Windows laid off 100 people. Motor Coach Industries is coming off forced vacation. Convergys in the city of Brandon just got rid of 450 jobs. Agricores moved to Regina. Western Glove moved to China. If the minister wants to chase large corporations away, he's doing a great job.

Why can't the minister see the folly of his ways and put out the welcome mat for large corporations as opposed to chasing them out of this province?

Mr. Selinger: Mr. Speaker, the member opposite accuses us of being too optimistic. It's not us that put out the data today from Stats Canada that said Manitoba had the second-highest growth rate in Canada last year at 3.3 percent in 2007.

Mr. Speaker, we have one of the lowest unemployment rates in the country. We have one of the highest employment rates in the country. We have one of the highest participation rates of all the working-age people in the country right now. We also know that wages are growing above the Canadian average. Yes, the member has, since he has arrived here in this Legislature, since the very day he arrived here, he's been very negative on economic forecasts. I guess if you do it for enough years, eventually there will be some evidence to support your contention.

Potash Industry Government Initiatives

Mr. Leonard Derkach (Russell): The minister's rhetoric just does not fit with what's really happening out there in the real world, Mr. Speaker. We are losing companies to other jurisdictions. We are losing our working people to other jurisdictions.

Mr. Speaker, last year, on February 22, the Minister of Energy announced that with a consortium of BHP Billiton, there would be a \$15-million investment in potash in Manitoba. To date, that resource stays dormant. While Saskatchewan has moved ahead with \$6.5 billion of investment in the potash industry, Manitoba sits on its duff and waits for welfare cheques from Ottawa.

I want to ask the Minister of Energy and Mines why he isn't aggressively pursuing the development of potash in this province as other jurisdictions are doing, like Saskatchewan.

Hon. Jim Rondeau (Minister of Science, Technology, Energy and Mines): I'm very pleased to tell that member, in fact, the whole House, that we've moved from about \$16 million to \$20-million average on expenditures for exploration to exploration expenditures about \$100 million a year, five times the record under the Tories. Mining, the exploration has increased, the amount of companies has increased. I know that oil and gas is only up 500 percent, and I know that mining's only up 357 percent, but it's growing. We have companies that are doing exploration. They're exploring for all sorts of things—copper, gold, tantalum, all sorts of things, and I'm *[inaudible]*

Mr. Speaker: Order.

Mr. Rondeau: Up 357 and almost 500 percent. It shows that mining and petroleum is growing in our province.

Mr. Derkach: I'm going to ask the minister, and I'm going to look at him, to really focus on the question because he seems to lose the intent of the question. I know it's difficult sometimes, but I'm really glad *[inaudible]*

Mr. Speaker: Order.

Mr. Derkach: Mr. Speaker, Saskatchewan has just announced a \$1.8-billion mine being developed at Rocanville, just 30 miles away from where Manitoba's potash site sits dormant.

Mr. Speaker, there's a warehouse full of core samples sitting in Manitoba waiting to be analyzed and a go-ahead to be done. The land has been acquired, not by this government. This minister talks about investment. He hasn't invested a penny. It's private companies that are investing, yet, he's a 49 percent stakeholder.

I want to ask the minister when he's going to get off his duff and do something about a potash industry that is waiting to be developed in this province.

Hon. Gary Doer (Premier): Mr. Speaker, I'm pleased that the minister has repatriated the ownership of 51 percent of the potash from the French government, that the Tories sold the potash shares to the French government at 51 percent. I'm glad this minister has repatriated that ownership to a private-sector company that can start investing in the potash of Manitoba rather than remaining in Paris like the Tories did when they were in office.

Mr. Derkach: Mr. Speaker, and I'm going to ask the Premier to focus as well, because he seems to lose focus like the minister does as well.

Mr. Speaker, Saskatchewan is selling potash and is producing potash flat-out. The price of potash has gone up by \$400 a tonne in the last year. Youth from our province are leaving Manitoba, going to Saskatchewan where they're finding work in the potash industry; yet, the potash resources in this province remain dormant under this government.

I want to ask the minister or the Premier to answer directly when he and his government are going to get off their duffs and start to invest in potash in this province like we should.

Mr. Doer: Mr. Speaker, we spent a number of years—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. The honourable First Minister has the floor.

Mr. Doer: Yes, we have great confidence in the future of potash, although there have been so many false promises to the people of Russell and Binscarth, we don't want to make any other commitment. But the first—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. The honourable Member for Russell has asked a question; he has the right to hear the answer.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. Plus I need to hear the questions and the answers in case there's a breach of a rule or departure from our practices, because if there is you will expect me to make a ruling, rightfully, but I need to be able to hear the questions and the answers. I ask the co-operation of all honourable members.

The honourable First Minister has the floor.

Mr. Doer: We had to deal with the fact that the French Crown corporations had the share of 51 percent sold by the members opposite. It's kind of counterintuitive, if you will. We now have that into a private-sector firm, the 51 percent, back from the French Crown corporations, back across for investment in Manitoba and in the future. The company that now has 51 percent, BHP, has a considerable amount of capital. This is an asset that's worth a considerable amount of money, the ore and

the body, as the member said; the core, is very, very positive in Manitoba.

We believe the first step, but it took us a while, to get the ownership that was taken over to Paris, but I guess that doesn't fit into their definition of Crown corporations. Mr. Speaker, they sold our potash to Paris and we've got it back from Paris, and we hope to develop here in Manitoba.

Lake Dauphin Conservation

Mr. Stuart Briese (Ste. Rose): Mr. Speaker, last Wednesday there were 55 people fishing on the Turtle River at the grotto at Ste. Rose, taking pre-spawning walleye. Walleye counts continue to decline in Lake Dauphin.

Mr. Speaker, I ask the Minister of Water Stewardship: Why isn't this government doing more to protect spawning walleye? Why isn't she protecting the fish stocks in Lake Dauphin?

Hon. Christine Melnick (Minister of Water Stewardship): Mr. Speaker, as I explained last week in the House, we are working with the community. We have three primary objectives. One is to make sure that there is a long-term sustainable fishery in Lake Dauphin and fisheries around Manitoba to protect the treaty rights through sustenance fishery. We are respecting treaty rights. Again, we are making sure that there's education around the need to protect spawning grounds. We are working with the Western Regional Tribal Council. In fact, this is their pilot project. They are bringing in elders, so that there's a strong component of respect for the fishery being portrayed through the elders.

The question isn't why do we believe in creative solutions that include the community. The question is: Why don't they?

Mr. Briese: Mr. Speaker, closure was put in place in 1999 and could be used again. This government has spent close to half a million dollars since 2001 to try and come up with a management plan. That plan is still not finalized. Seven years to address this problem and it's failed.

Mr. Speaker, I ask the Minister of Water Stewardship: Is she ready to table a co-management plan today, or is she prepared to admit this plan isn't working now and put a full closure in place on this valuable fishery during spawning season?

Ms. Melnick: Mr. Speaker, we are doing better than tabling a plan in this House for co-management. We

are working with the Western Regional Tribal Council this day, making sure that the co-management plan includes people from the community, making sure we are respecting the sustenance fishery as the right under the treaties. We are again working with the community. Again, I'm not sure what it is with creative solutions that maintain a long-term fishery that members opposite don't understand. I wish they would go and talk to people in the community and see that there's a positive response, a much better response in working together than the conflictual ways that members opposite always bring to the floor of this House.

*(14:20)

Victoria Hospital Emergency Room Wait Times

Hon. Jon Gerrard (River Heights): Mr. Speaker, the government has made many promises with regard to health-care delivery but repeatedly has failed to deliver on most of those promises. There are long waiting times today for ultrasound at St. Boniface Hospital. There are long waiting times for many other areas, but I would like to focus today on the long waiting times present in the Victoria Hospital emergency room.

Last week on April 23, patients had to wait for up to 13 hours to see a physician in the Victoria General Hospital ER. I'd like the Premier (Mr. Doer) to explain to Manitobans why his government has so badly failed to deliver on quick access to quality health care when it's needed.

Hon. Theresa Oswald (Minister of Health): Mr. Speaker, I thank the member for the question. I'm certain that, more than most people, the member opposite, being a physician, knows that patients who come into an emergency room, of course, are prioritized based on the urgency of their medical needs. That is a decision that needs to be made. One of the ways that we know we can improve the speed with which people can be seen is by increasing our complement of doctors and nurses in the ER.

We know that last year, June of '07, we made an unprecedented agreement with emergency room doctors in Winnipeg and across Manitoba, indeed, that was enabling us to increase the complement of doctors. We have more vacancies to fill at Victoria Hospital and we're committed to do that, Mr. Speaker.

Mr. Gerrard: Mr. Speaker, April 23 of last week, the situation was so bad that the nurses were literally

crying for help, indeed, when patients were asking why they would have to wait, coming in at 1 o'clock in the afternoon, till 2 o'clock in the morning, 13 hours. The nurses were desperate, and they said, we have no idea what to do. The only thing you can do is to call the minister and try to have the minister explain what the problem is and what she's going to do about this.

My question is to the Premier: Why is the organization of health care so bad in this province that the people on the ground are desperate, and the minister herself is not able to make sure that people get quick access to care when they are sick and waiting, sick in an emergency room?

Ms. Oswald: Mr. Speaker, of course, when anyone is feeling ill or has been injured and presents at an emergency room, it's our goal and commitment to not have individuals have to wait any longer than necessary.

I know that when issues were raised in this House just a few moments or a few weeks ago, I met immediately with—

Mr. Speaker: Order.

Ms. Oswald: —the CEO of the Winnipeg Regional Health Authority who, in turn, immediately sent officials to go into Victoria Hospital to assist with issues of patient flow, to increase any types of services that could be provided.

We're working with them to improve that flow. We have more work to do on that issue, Mr. Speaker, but we know that investing in education of ER doctors, bringing more nurses to Manitoba, and ensuring that we construct facilities like the one at Victoria, we're going to be better in this regard.

Crown Corporations Council Manitoba Hydro Capital Investigation

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, by law, the Crown Corporations Council is supposed to be reviewing capital expenditures of our Crowns. In fact, I quote the law direct where it says, duties of the Council is to review long-term corporate plans and capital expenditures, proposals of corporations.

Mr. Speaker, when I asked the minister the question in terms of what has this minister received, he says, nothing. I asked him to provide any information to this Legislature, and he says, no. I suspect it's because he does have nothing or it's like the Crocus affair where he just doesn't know. It's a minister that doesn't understand.

There is a responsibility of this minister to have received a proposal from the Crown Council, and I'm asking the Minister of Finance: Will he table that proposal today as to where Manitoba Crown Council believes that hydro line should be going?

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, there's so much misinformation in the preamble to that question. First of all, I've made it very clear to the member that the Crown Corps Council does review all capital that's submitted by the Crown corporations, and they make a recommendation to Treasury Board. The result of those deliberations is published in the budget. I pointed him to the page in the budget where Crown Corps capital is identified so he's fully aware of that.

Crown Corps Council doesn't make decisions in lieu of any Crown corporation; they respond to the Crown corporation's priorities as identified by them and then make an assessment of whether or not the capital they're asking for to meet that priority is sufficient. They have done that every year. In the previous government, they've done that every year and in this government. The member is just twisting the facts.

Family Choices Program Government Announcement

Ms. Erin Selby (Southdale): Mr. Speaker, the Minister of Family Services and Housing announced Manitoba's new five-year agenda for early learning and child care today.

Can the minister please tell the House how Family Choices will benefit all Manitobans?

Hon. Gord Mackintosh (Minister of Family Services and Housing): Well, Mr. Speaker, we certainly have heard from parents and—well, we are parents. I think that's a big part of what we're doing. But, we've heard clearly from parents about the challenge of balancing work and family and so therefore today, we've introduced a five-year, 12-point strategy called Family Choices that will address just that.

Since coming into office, we've added 7,000 more funded spaces in the course of eight years. In the next five years, 6,500 more funded spaces, Mr. Speaker, up to 35 more child-care sites. I was very pleased to be there with the Minister of Education where also we announced a \$37-million capital fund, particularly focussing on child-care spaces in our schools. Thank you.

Roseau River Land Transfer Service Agreement

Mr. Ralph Eichler (Lakeside): Mr. Speaker, it's been almost a year since government transferred land to Roseau River First Nations reserve. To date, the R.M. of Rosser still has no service agreement in place.

My question is to the Minister of Intergovernmental Affairs: Can he take action today, enter a service agreement? Enough's enough. Municipality needs to know whether to go on with this project.

Hon. Steve Ashton (Minister of Intergovernmental Affairs): Mr. Speaker, I think it's been almost that length of time since the member has been asking questions. He still hasn't taken the time to talk to the federal government which engaged—

Some Honourable Members: Oh, oh.

Mr. Ashton: Well, Mr. Speaker, the treaty land and entitlement process—

Mr. Speaker: Order.

Mr. Ashton: Mr. Speaker, I know there are 19 members across the way that can see the Harper government in Ottawa as doing no wrong here, but you know,—

Some Honourable Members: Oh, oh.

Mr. Ashton: —well, maybe three or four. But, Mr. Speaker, the member opposite knows or should know that that process was actually fast-tracked by the federal government. The member opposite knows or should know that in fact, if concerns had been raised there has been a mediator put in place, a former Conservative MP.

Mr. Speaker, the member should know, or perhaps hasn't taken the time to find out, that that is not the responsibility or the jurisdiction of the provincial Minister of Intergovernmental Affairs. It is the federal government. Maybe he should ask his federal colleagues.

Potash Industry Government Initiatives

Mr. Leonard Derkach (Russell): Mr. Speaker, you know the Premier (Mr. Doer) likes to take us off on a different track sometimes when he's asked the question. The reality here is the Manitoba Potash Corporation is owned by both the provincial government and by BHP Billiton. On February 22 last year, the Minister of Energy and Mines

announced that BHP Billiton would be investing \$15 million into this project. Not a penny has been invested to date. That's over a year ago. The provincial government hasn't invested a single penny. The Saskatchewan mine wasn't even on the radar screen yet. Today, that deposit is getting a \$1.8 billion—

I want to ask the minister: Where is the investment for Manitoba? Where is the work being done on our potash project? Why is he sitting on his backside doing nothing?

Hon. Jim Rondeau (Minister of Science, Technology, Energy and Mines): The member opposite might not know this, but what you do in order to produce and develop a mineral deposit is you explore it. You analyze it. You find out whether it's commercially available to do. The member opposite never did this. The member opposite never had a company that would develop—

Mr. Speaker: Order.

Mr. Rondeau: So we're working with BHP Billiton to do advance exploration, to do the exploration and homework to see if there's a commercial deposit, to see if the partnership between a real mining company and the provincial government can go forward to create real economic development. You didn't do it. We're doing it.

* (14:30)

Mr. Derkach: I hope Manitobans are listening to how much this minister doesn't know about what was done at the site. The land has been assembled. The tailings area has been explored and engineered. The core samples are all sitting in Russell in a large warehouse. Mr. Speaker, a tremendous amount of work has been done.

He's talking about exploration. He's talking about to see whether it's got commercial value. This is one of the largest potash deposits in this province, Mr. Speaker.

Mr. Speaker, this is incredible. He told the community that yes, his government would kick some tires and see whether or not there was any commercial value in it, but I want to tell him the potash value has gone up by \$400 a tonne.

Mr. Speaker, when is he going to wake up? When is this government going to wake up and do something about this potential exploration crisis?

Mr. Rondeau: Mr. Speaker, I am very sorry to say that that member, when he was in Cabinet, was not able to put the puck in the net. I know it was sad that he had a partner that was in France that did not wish to put the puck in the net.

I am pleased to say that we're working with the largest mining company in the world to do the final feasibility study to move the project forward, and we've had mine development under this government now and you didn't. You closed down mines, we opened them up. Just like Hydro, over and over again.

Mr. Speaker: Time for oral questions has expired.

MEMBERS' STATEMENTS

United Nations Declaration on the Rights of Persons with Disabilities

Ms. Jennifer Howard (Fort Rouge): Mr. Speaker, the United Nations Declaration on the Rights of Persons with Disabilities is a historic document that assures people with disabilities the right to full access. The declaration recently reached the ratification threshold needed to bring it into force on May 3. I believe it to be truly impressive that after only a year and a half from its adoption by member states this document has received the support of 20 UN members. I stand with many in the disability community who look forward to Canada soon joining these countries to ratify this important document.

Mr. Speaker, it is incumbent upon all of us to take the concerns of persons with disabilities very seriously. The UN estimates that there are at least 650 million persons with disabilities worldwide. In Manitoba, we have recognized the priority of having policies and programs that promote full citizenship by appointing the first-ever Minister responsible for Persons with Disabilities, my predecessor, Tim Sale. We also opened the Disabilities Issues Office to co-ordinate this work. I was privileged to meet the staff of this office this morning and hear about the progress we have made and the work still to do.

For persons with disabilities from around the world to know that governments are listening to their concerns is a step toward realizing human rights for all people. As someone who lives with a disability, being part of a government that is a leader on accessibility and equality is an honour.

I call on all honourable members to mark the ratification of the Declaration on the Rights of

Disabled Persons by learning more about what can be done to create a society in which all Manitobans can fully participate. Thank you.

South Perimeter Bridge

Mrs. Bonnie Mitchelson (River East): Mr. Speaker, that cloud of steam you see rising from south Winnipeg is from taxpaying Manitobans frustrated by the Doer government's inability to get the westbound lanes of the south Perimeter Bridge over the Red River reopened. The lanes have been closed since last fall when cracking was discovered on the newly rebuilt concrete bridge deck.

When questioned recently in this House, the Infrastructure and Transportation Minister could not give a date when the lanes would reopen.

The government admits that \$12 million in taxpayers' dollars has already been spent on this bungled project. Tens of thousands of dollars more will be spent fixing it.

If this government can't get its house in order, it's conceivable that bridge repairs will not be completed during this construction season and that the traffic problems will stretch into 2009. In the meantime, questions remain about protecting public safety.

The City of Winnipeg recently embarked on its long-planned repairs of the Fort Garry twin bridges on Bishop Grandin.

Having lanes on the bridge over the Red River on the south Perimeter out of commission at the same time that the project on Bishop Grandin is under way could have an impact on the movement of emergency vehicles. This risk could certainly have been reduced if the provincial government had not bungled the repairs to the bridge over the Red River on the south Perimeter.

The south side of Winnipeg is growing rapidly with increasing traffic flows. It's critical that vital infrastructure projects are started and completed on time. As it stands, we are in a situation where motorists will face untold delays and Manitoba taxpayers will spend untold dollars to fix this government's bungled bridge project.

The Doer government likes to trumpet it's infrastructure record. Clearly, it's not as good as they would like to lead you to believe. If the situation with this bridge is an example of the NDP's ability to manage construction projects, then south Winnipeg motorists will be spinning their wheels in frustration

for many months to come and, Mr. Speaker, that is simply unacceptable. Thank you.

Granny's Poultry

Mr. Daryl Reid (Transcona): Mr. Speaker, Granny's Poultry is one of Manitoba's 50 fastest-growing companies for nine years. They opened their leading-edge head office and hatchery recently on Pandora Avenue in Transcona.

The new hatchery will be the most energy-efficient and technologically advanced hatchery in the world. Granny's Poultry has been a member of Manitoba's prestigious top 100 companies for 23 years. This fantastic new facility only adds to the accomplishments of this home-grown Manitoba success story.

With the growth experienced by Granny's Poultry, there was a need to increase both hatchery capacity and office space in Winnipeg. The new corporate office and hatchery positions Granny's Poultry to continue to be one of the most successful companies in Manitoba.

Mr. Speaker, one of the very exciting aspects of the new hatchery is that this facility would be the first in North America to utilize heat recovery technology. This innovative technology allows the hatchery to capture the heat emitted by the development of a chick still in the egg. This heat can be used for operations in the building. The new hatchery will also have a geothermal component to provide all of the cooling requirements for the facility's incubators.

Granny's Poultry has made a conscious effort to become a more water-conscious company. All of the water conservation measures in this new building will result in a projected 70 percent to 80 percent reduction in water consumption and sewer discharge. With water becoming scarce globally, we all must do our part to decrease consumption.

I was extremely impressed with all of their water and energy conservation measures when I had a tour of that facility. Granny's Poultry will also expect to save money on heating, water and energy costs with this new facility. This company is living proof that what is good for the environment is good for the bottom line.

Congratulations to Granny's Poultry on the opening of this new facility. They have demonstrated time and again that they are living on the leading

edge of business and environmental innovation. Thank you.

Jack Oatway

Mr. Ralph Eichler (Lakeside): Mr. Speaker, on April 20, at a special ceremony at the Fred Douglas Lodge in Winnipeg, Jack Oatway was honoured with a Love of Caring Award from the Fred Douglas Society. This award acknowledges his outstanding contribution and dedication to the betterment of his community, his steadfast support of local health care and a lifetime of volunteerism. He has given of himself to others and to his community and is most deserving of recognition of this award.

Over his lifetime Mr. Oatway has made countless contributions to the betterment of his community, the Rural Municipality of Rosser and the province of Manitoba. His dedication led him to serve as councillor for the Rural Municipality of Rosser from 1971 to 2002, and has been a long and active participant in the Lilyfield United Church. Mr. Oatway was appointed to the board and undertook the planning and construction of Rosewood Lodge Care Home in Stonewall. While on the same board he supported the expansion of the Dr. Evelyn Memorial Hospital.

Mr. Oatway has always promoted the importance of an active lifestyle, improving the lives of seniors in his community. He was a board member and volunteer driver for the South Interlake Seniors Resource Council and currently serves as past president of the South Interlake 55 Plus.

Mr. Speaker, I ask the members here to join me today in congratulating Jack Oatway for being honoured for this very special 2008 Fred Douglas Humanitarian Award. His long service to health care and quality of life is selfless and remarkable. He is an outstanding man for serving the citizens of his community with each endeavour that he undertakes. We thank him for his energy, his devotion in helping to make this community and the province of Manitoba a much better place to live.

* (14:40)

Government Crime Prevention Strategies

Mr. Rob Altemeyer (Wolseley): Neighbourhood safety is an important priority for all Manitobans and, unlike our political opponents, our government recognizes that a successful crime prevention strategy needs to have both increased resources for prosecution and new resources for prevention

measures. With this in mind, I am very happy to report that we are making some very good progress on both fronts and pleased to provide a little bit of an update for honourable members today.

Our province of Manitoba has gone from having zero Lighthouses in 1999 to having 52. Several of these are in my constituency, and they give young people a safe place to go for recreation and after-school hours. Last year alone there were almost 130,000 visits to Lighthouses across Manitoba.

Our Safer Communities and Neighbourhood Act has shut down 280 crack houses, drug dens, sniff and prostitution homes. This was legislation that the opposition ridiculed and now it's been very successful and other jurisdictions across Canada are copying it.

I would also like to draw attention of all honourable members to a new confidential safety tips line being run at the community level by the Spence Neighbourhood Association. This phone number, also with an e-mail component, enables residents to send in information on safety concerns. This information is then funnelled directly to the Spence Neighbourhood Association's safety co-ordinator, who can either investigate the issue in person or bring the information to the attention of the proper authorities. This new service has just been established, and the phone number is 783-0226. I wonder if other members might perhaps want to encourage their communities to bring in a similar effort.

Mr. Speaker, I'd like to close off with a congratulations to Manitoba's Justice Minister for his fantastic work lobbying the federal government to toughen the Criminal Code of Canada. On May 1, 2008, federal laws will change to raise the age of consent, to set mandatory minimum sentences for serious firearms offences and reverse onus to the offender for bail in serious firearms offences. Now, all of these are issues which our Attorney General (Mr. Chomiak), our Justice Minister has pushed for and Manitoba was once again a leader in bringing these improved laws to everyone in Canada.

I'd like to encourage all members to join with their communities in the pursuit of a safer neighbourhood. We all know that when governments and communities work together to combat crime, the results can be very inspiring and all neighbourhoods benefit.

ORDERS OF THE DAY GOVERNMENT BUSINESS

House Business

Hon. Dave Chomiak (Government House Leader): Mr. Speaker, would you please canvass the House to see if there's agreement for this week, on Tuesday and Thursday morning, for two sections of Supply to sit concurrently with the House while the House considers Private Members' Business, with no votes or quorum calls to be in effect.

Mr. Speaker: Is there agreement for this week, on Tuesday and Thursday morning, for two sections of Supply to sit concurrently with the House while the House considers private members' business, with no votes or quorum calls to be in effect? [*Agreed*]

Mr. Chomiak: I thank the House.

Mr. Speaker, would you also see if there's agreement for the Estimates of Agriculture to follow the Estimates of Finance in Room 255, and Infrastructure to follow Justice in Room 254.

Mr. Speaker: Is there agreement for the Estimates of Agriculture to follow the Estimates of Finance in Room 255, and Infrastructure to follow Justice in Room 254? Is there agreement? [*Agreed*]

Mr. Chomiak: I, again, thank the House.

Maintenant, c'est quelque chose de plus difficile, je pense.

Translation

Now for something a little more difficult, I think.

English

Would you please canvass the House to see if there's agreement for the bills that are to be considered this evening by the standing committees on Justice and Social and Economic Development, to have the distribution of any potential report stage amendments deferred until May 5?

Just to clarify, the amendments would not be distributed until May 5, but notice of the amendments still needs to be provided to Legislative Counsel on April 29.

Mr. Speaker: Is there agreement for the bills that are being considered this evening by the Standing Committee on Justice and Standing Committee on Social and Economic Development to have the distribution of any potential report stage amendments deferred until May 5? Just to clarify, the amendments

would not be distributed until May 5, but notice of the amendments still needs to be provided to Legislative Counsel on April 29. Is there agreement? *[Agreed]*

Mr. Chomiak: Mr. Speaker, I ask that we resolve to Committee of Supply.

Mr. Speaker: The House will now resolve into Committee of Supply. Will the respective Chairs please report to the appropriate committees.

**COMMITTEE OF SUPPLY
(Concurrent Sections)**

JUSTICE

* (15:00)

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 for 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 or comments.

Hon. Dave Chomiak (Minister of Justice and Attorney General): Madam Chair, I know that the Member for Lac du Bonnet would want me to say what a pleasure we had at the police charity gala on Saturday night and what an honour it was to have the police raise, in the last couple of years, another \$100,000 for the children's health research centre, and to have one of the children that receive treatment there to be up speaking. It certainly dwarfs all of the speeches that we made. So I'm just sure the members would join me in congratulating the police for another fine effort.

Mr. Gerald Hawranik (Lac du Bonnet): I thank the minister for that particular statement. I share in those sentiments, and certainly, a great time was had by all in a very good cause. Even though I wasn't able to respond to what the minister said that evening because I wasn't an invited speaker, I'm happy to report that he did mention that I was there, which was a good thing, in any event, from my perspective. So, absolutely—*[interjection]* Oh, and he complimented me, yes, absolutely. I forgot to mention that. But, in any event, that won't get you off the hook for today.

My next line of questioning will deal with the Taman Inquiry. I note that in the green book, the Supplementary Information, Departmental

Expenditure Estimates, there's a total of about \$2 million allocated in this year's budget to conclude the inquiry.

I wonder if the minister could provide me with information as to a breakdown of that \$2-million budget that's anticipated within the expenditure estimates.

Mr. Chomiak: It's an estimate based on past experience of inquiries. It is comprehensive to the extent that it covers the anticipated costs of the commission, which includes legal fees, rental fees, transcript costs and the usual costs associated with an inquiry of this kind. We hope within the \$2-million figure to capture the costs of the commission, which is, of course, set to report in September.

Mr. Hawranik: I take it, then, from the minister's response that it's sort of a ballpark estimate of the total inquiry costs. I believe the inquiry's to take place in June, July and August, and the minister, from his comments, could he confirm that he expects the report to come forward in September?

Mr. Chomiak: First off, in terms of the expenditure, it's based on experiences in other circumstances. Obviously, to the extent—we can't totally control the costs of the commission. For example, issues of standing and who has council standing, et cetera, can and has on occasion become an issue, with the commensurate legal costs throwing out, et cetera, but it's the best that we could guesstimate.

With respect to the timing, we're obviously very optimistic on the timing but that has been based on discussions we've had with the commissioner, and it certainly was—we had hoped for a relatively quick process based on the fact that the evidence and the information had been dealt with in other forums, and, of course, the public interest was such that we wanted it to be done as soon as possible. The time frame that was developed is an ambitious one, but to this point, it certainly appears to be on time.

Mr. Hawranik: With respect to the enquiry, I notice that several parties have received standing. I'm just looking at the list of parties that received standing effective February 4, 2008, and I note that Robert Taman has received full standing, and Marty Minuk has full standing. Am I given to understand then that full standing means that their legal fees will actually be paid out of the \$2 million for that particular inquiry?

Mr. Chomiak: I do want to be a touch careful in terms of responding because all of these matters are

under the jurisdiction of the commissioner, and I don't want to tread into that area.

Standing is determined by the commissioner, and legal costs may or may not be paid for by the department. Full and partial standing relates to what portion of the commission. There's a review of the prosecutions, review of the police and review of the victims' supports so there are different areas of investigation of the commission. Some entities have been granted full standing for the entire commission, and some have been granted partial standing related to their participation directly in the events that the commissioner is examining.

* (15:10)

Mr. Hawranik: Okay, so the minister's indicating that the commissioner himself makes the decision what kind of testimony they would be giving or what kind of representations they would be in, certain areas of the inquiry and so on. I see that there are three, four, five, six—there's nine. As of February 4, 2008, there were nine parties that received either full standing or partial standing. Can the minister indicate which of those will receive funding for legal counsel?

Mr. Chomiak: I can say that, generally, when an individual is before a commission of inquiry of this kind, and the matter directly affects their reputation or themselves directly, the commission will ask—the individual will, obviously, be granted standing and the commission will recommend or suggest payment of those legal fees.

Having said that, one would also assume that everyone who appears before the commission would love to have their legal fees covered. There are certain practices that are followed here and in other jurisdictions as to what entity would or would not qualify for having their legal fees covered.

Mr. Hawranik: I'm getting down to the particular parties that have received standing. I noticed that Derek Harvey-Zenk has received standing for investigation and prosecution issues. Has any decision been made with respect to covering his legal fees and disbursements?

Mr. Chomiak: I'm sorry, you're asking about Zenk?

Mr. Hawranik: Yes.

Mr. Chomiak: Madam Chairperson, any entities or individuals that have received funding for their legal costs have done so on the recommendation of the commission.

Mr. Hawranik: Has the commission then recommended that Derek Harvey-Zenk's legal fees and disbursements be paid during the hearing, the inquiry?

Mr. Chomiak: Yes, Madam Chairperson.

Mr. Hawranik: I noticed that, as well, one of the parties that had received standing on February 4, 2008, was the Manitoba Bar Association. They had full standing, but they withdrew their participation on March 7, 2008. Does the minister have any idea of why that would have occurred, why they would have actually withdrawn after having received full standing?

Mr. Chomiak: We, actually, here thought that they had been granted some limited standing, but I'm not looking at the document. Nonetheless, I don't want to speculate as to why entities or individuals will withdraw or will seek to appeal as to whether or not they should be given standing by the commissioner. I can't speculate on that.

Mr. Hawranik: As I understand from the Bar Association, they withdrew. It may be a bit of a strange question because the Manitoba Bar Association is a group of lawyers, of course, but as I understood it, they wanted to have the Province fund their legal fees and disbursements as other parties to the inquiry have received.

There may be some value in that, in having the Bar Association there, particularly since where they do represent quite a number of stakeholders; they really have a vested interest in the hearing itself. They could make valuable recommendations to assist to the system itself and I think that's what the minister is looking for, recommendations to the Justice system itself, to ensure that this kind of thing doesn't happen again. There may be some value of the Bar Association making representations there and, while I don't make any comment as to whether or not, since the Bar Association is a group of lawyers, why they couldn't represent themselves.

One of the concerns I guess they have, of course, is that the Taman Inquiry could take a few months in the proceedings, and it certainly would be a difficult thing for a lawyer to do on a pro bono basis.

So there may be some value for the Bar Association to be there at the inquiry. I'm wondering what the minister's thoughts are in terms of their value, first of all, to the inquiry and second of all, whether or not there is some merit in paying their legal fees and disbursements as well.

Mr. Chomiak: I concur with the member's observation that there would be some value in having them participate.

With respect to the issue of legal fees, et cetera, we've tried to follow the general principle of obviously paying the legal fees of those directly involved. On other related matters, as I indicated earlier, we've gone to the commissioner for advice as to whether or not legal fees and disbursements should be picked up by the Province.

Mr. Hawranik: To another topic in terms of the police act, I know that The Provincial Police Act hasn't been changed, I believe, since 1932. There has been talk over the last number of years, in fact, I think I asked the question in Estimates last year with respect to modernizing The Provincial Police Act to make sure that there's a uniform and appropriate training for all levels of law enforcement and security personnel in the province.

My question to the minister is: Will he be reviewing the police act and if so, when will that occur or what kind of time frame is he looking at?

Mr. Chomiak: Yes, Madam Chairperson, we intend to review and bring in a new police act. There is a review process that is internal to the extent that it's not a public process in terms of public hearings, et cetera. There's internal process reviewing. I would prefer to bring legislation in for review and comment as soon as it's practical.

Mr. Hawranik: I know we've been asking this question for a number of years. I know that it's important that we bring in an updated piece of legislation sooner rather than later. So, given that fact and given the fact that there's an obvious need for this legislation, would the minister commit to a certain date or at least the latest date at which he may, in fact, bring in either amendments or revamp the act entirely?

Mr. Chomiak: Madam Chairperson, having been involved with significant legislative reviews in other areas, I would really like to give the member a definitive date, but I'm not going to because I have, in other areas, not been able to meet my targeted dates on legislation in other areas of government when I've been involved.

When it's a significant review or reconstruction of an act, it always seems to take far longer than one would like. So that's why when I answered the member's question, I said, as soon as practical, so there's no lack of effort in order to bring it forward.

But I don't think I could get a definitive time line other than as soon as practical. Having said that, I would, as all members would, and I think the entire police and the entire community would, like to see a modernized police act as soon as possible.

*(15:20)

Mr. Kevin Lamoureux (Inkster): Madam Chairperson, I do have a few questions, a couple of more kind of follow-ups from the other day and then we'll have some new questions.

Last time I talked with the minister, I had asked the questions about the forfeiture act and he'd indicated that one of the biggest changes is from the police chief over to a new director in terms of responsibility. He was going to get back to me as to where that allocation actually is and if, in fact, it's allocated in the budget.

Mr. Chomiak: Yes, I believe it's on page 39 of the supplementary budget form that shows a nominal allocation of where two FTs are shown on page 39, relating to the establishment of the criminal forfeiture unit.

Mr. Lamoureux: Okay. I don't actually have the Estimates book with me at this time. I was just more interested in finding out where it was that it was actually put into the budget. So that would be the only line in the budget that would deal with the enforcement aspect of the legislation?

Mr. Chomiak: Madam Chairperson, as the deputy minister goes through the book: when we conceived of the idea of modelling legislation based on other jurisdictions, we put in two positions in the allocation. There are other positions in operating costs that will be dealing with criminal forfeiture when the unit is up and running and actually functioning on a full-time basis. That will take a while until the legislation passes and we actually have the legislative authority and then recommendations are made on through.

So we're tending to structure this over a year period because that was the time line, as I recall, that was given to us when we were looking at a remodelling of the criminal forfeiture act. A year to set up and operate a unit that would effectively function and have some effective resources come back.

Ontario did a review of their act and did an update after something like five or six years and gave an allocation of how much property had been

forfeited. It was significant but not significantly more than the actual operating cost of the unit. So the obvious question is, why do it? And the obvious answer is, to disrupt and cause difficulty for criminal organizations and to make consequences for their behaviour.

We knew going in that assigning resources—it's always—resource allocation is a difficult issue. You assign more police officers; they're involved in solving more crimes; your statistics go up, and you have to make resource allocations. You make resource allocations on the investigatory front for investigations that don't actually show up necessarily under statistics, except for our major crime bust that we've had recently.

We're not expecting this unit to bring in so much money that it becomes a cash bonus to the Province. What we want to do is have a unit that puts a little bit of teeth and a little bit of fear into criminal organizations with respect to their assets.

Mr. Lamoureux: This is what I was hoping to be able to get at and why I was wanting to find out in terms of where it's allocated. I think it's important that we recognize what the actual cost of taking this direction and I would ultimately argue, even if it's kind of a break-even or not even quite a break-even, at the end of the day there's still a great deal of value to it.

The concern that I have is that when we talk about legislation of this nature that we've got to be careful that we don't give a false impression that we're going to get great gobs of money and this money's going to be distributed out to victims when we know that, in the first few years, we don't really know what kind of money to look at. It might be safer to say that, over the first few years, if we hit the break-even in terms of cost that it would probably be a good thing. Is that a fair assessment?

Mr. Chomiak: That's not only fair; that's accurate.

Mr. Lamoureux: I'll move on. The other issue that I had brought up, and someone had provided me some further information, it was in regard to MPI. I guess it wasn't a poll that was done; it was more of a study of individuals within our youth detention centres. These were young offenders that were incarcerated, and they were canvassed as to what they thought of the dispositions for their crimes. Based on the results of that, I understand it helped form government positions, or it might have helped in formulating government positions on automobile theft. Given that

it would have been a taxpayer study, would the minister be prepared to share that with us?

Madam Chairperson: The honourable Member for Inkster, is that a public document that you're quoting from?

Mr. Lamoureux: No, it's not.

Madam Chairperson: No, it's not. Okay.

Mr. Chomiak: Madam Chairperson, I know for a fact we provide more public documentation than any previous regime in history. Having said that, when you get into the area of investigation or personal information that may or may not be utilized by either investigating authorities or other agencies to deal with a crime, we're on much trickier ground. I don't think we're in a position to make that kind of information public, other than perhaps general comments. If we have a strategy that helps to define how we are going to deal with offenders, it's probably best that we keep that information between the appropriate entities and not make it a public issue.

That's just, in my view, common sense, aside from the issue of legal and PHIA-related information. When you get into third-party, when you get into matters that may or may not be criminal, when you get into attitudes of those kinds, it's best that information, like any other information relating to investigation or prevention or developing strategies, specifically when it deals with offenders, I don't think it's in the public interest to provide that information.

Mr. Lamoureux: Madam Chairperson, I want to move on to an area of drugs, in particular with crystal meth. Does the government or the department have any sense in terms of whether it's a guesstimate, an educated guesstimate, as to what sorts of numbers we're talking about in terms of crystal meth labs in the province of Manitoba?

Mr. Chomiak: Madam Chairperson, we adopted a very aggressive strategy on crystal meth which was subsequently adopted by most other jurisdictions. It's interesting, at the last federal FPT conference, one of the Maritime ministers indicated that they didn't find a significant amount of crystal meth operations. We haven't either, and he concluded that it was because of the aggressive strategy. I'd like to hope that, but I don't know. We haven't had any major crystal meth lab busts since I've been minister.

* (15:30)

Mr. Lamoureux: I take it, then, to mean the development of crystal meth is not really occurring in the province to a degree which we should be concerned about. Were there any labs that were found in 2007?

Mr. Chomiak: Not that I'm aware of, but we will double-check.

The fundamental issue is really one of prevention. First off, we know that crystal meth unfortunately is in use in Manitoba. It doesn't appear to be reaching the epidemic-like proportions that it has in several other jurisdictions in Manitoba. I'm just saying that from my knowledge of the type of individuals thus far that have been apprehended under our legislation and some of my discussions with people in the field. Having said that, we have trained a significant amount of first responders in dealing with crystal meth labs and the dangers of crystal meth labs and a significant amount of front-end providers as to how to deal with coming upon a crystal meth operation.

In my discussions with western Justice ministers and others, we've all taken a bit of a deep breath and said, at this point, it hasn't appeared to hit with the volume with we earlier anticipated. You can't ignore and we know it's imported quite obviously in quantities. The aggressive strategy of both the advertising, the removal of products, the legislation, some of the restrictions that have been put in place and the training may have had an impact on the usage of crystal meth. What I hear on the street, I think it's accurate to say, that crack cocaine is the No. 1 problem still in Manitoba.

Mr. Lamoureux: With the manufacturing with drugs, you quite often get side effects that are fairly damaging to the environment, in the sewer lines and so forth, where things are just going to get washed away. Typically, the cost that would be involved in clean-ups, who would be covering that? Does the government attempt to recuperate cost or how does that happen, assuming that the messes are cleaned up?

Mr. Chomiak: It's an interesting question because I can remember in the development of the crystal meth strategy that we went through all of those implications when we were looking at legislation, et cetera, and ramifications, et cetera.

What I do know is that in any drug operation the pattern has been developed. I heard this from a front line police officer who had a grow op on this block.

The home was purchased at a very low cash payment, very high mortgage and is essentially a write off investment for individuals that run the operation. They take a sort of business approach, I think, where they take a business risk approach and just assume they'll get a good return and then they'll eventually be busted and they write it off. The point is, their investments are not such that they can necessarily be chased down to recover the costs but to the extent that, if we can, we obviously will.

The environmental clean-up is significant, if it's a crystal meth operation. I'm told it's literally a poisoned environment. There was, again, discussion. We've trained our first responders to be conscious of the possibility, and if it is a possibility of being a crystal meth operation, presumably, the hazmat team would be the agency involved in actually undertaking the task. Then, after that, I think there would be follow-up in terms of, to the extent that we could, receive remuneration from whomever for the clean-up.

It is costly, but the thing I should have known but didn't, and one would have postulated this that, you know, people go in, buy houses in suburbia where you wouldn't expect it, run grow operations, but their investment isn't very extensive. It's minor. The place has a high mortgage and they walk away from it.

Mr. Lamoureux: You know, I take the opportunity to move into the grow ops issue. I know, a while ago, the province was talking about the possibility of legislation to deal with grow ops, and I don't know if something went by me and I didn't quite notice it, or maybe there's still something that's dealing with grow ops. I'm aware that, I believe, it's the police department that now posts houses that used to be grow ops. Can the minister give any indication in terms of does the government have a strategy in dealing with grow ops, and, specifically, is there some legislation that's in the wings with regard to it?

Mr. Chomiak: Can the member maybe clarify, as he springs the trap on me, as to what he's referring to?

Mr. Lamoureux: Actually, there really is no trap on this particular line of questioning in regard to the grow ops. There was just an article that had appeared in which it had indicated that Justice was working on possible, and I'm quoting right from it, and I can provide the minister a copy of it.

It's an interesting link that was provided to me, and it just talks about the Province bringing forward

possible legislation to help police shut down marijuana grow operations which are thought to be fuelling violent crime in the city. I'll provide the minister a copy of it if he can just get it back to me just for my own personal record.

Mr. Chomiak: What we have found really useful is our Safer Communities Act that's shut down a number of operations. The key element there is that police just can't walk up to a house and, for no reason, go in and check it for a grow op, and that does allow for undesirables to inhabit homes and have either prostitution rings or crack houses or grow ops undisturbed by the law.

* (15:40)

So both the intent and the impact of having the Safer Communities legislation was that we have our own—like we're contemplating criminal forfeiture—we have our own branch of the department that monitors complaints against particular buildings and/or individuals involved in buildings. The monitoring gathers evidence which is then utilized to, civilly, try to compel the owners to, in most cases, dislodge the tenants. That's been effective in about 300 cases. It was first here, and it was copied by virtually every jurisdiction in the country now.

So, not only are we able to gather evidence, but we're able to gather evidence so that, on occasion, we'll also be able to provide it to the police to allow them to then have an opportunity to go in and do criminal searches. It sort of fills the gap between: your home is your castle and ought not to be disturbed, and, your home is your castle and you're doing very bad things in there that affect the community, and how do we get to protect the community. I think that's probably, maybe, the reference, and if the member has any suggestions as to legislation, we're obviously prepared to deal with it.

I had a discussion with the federal minister responsible for the Treasury Board, on Saturday night, where we voiced our concerns, publicly and otherwise, about a recent Supreme Court ruling on search. I certainly will endeavour, as I think all ministers across the country and the federal minister will endeavour, to see what the impact of that Supreme Court ruling may be on searches and see that we can ensure that, while respecting Charter rights, we can protect the public from behaviour that is dangerous and has severe ramifications, particularly amongst youth.

Mr. Lamoureux: I think that there's probably quite a commentary I could give in terms of when you say, shut down houses; some might say relocate. I think it's still open for debate in terms of the effectiveness. In time, we'll see just how effective the legislation was, the Safer Communities. I think, to a certain degree, it has been effective. I just don't believe it's as effective maybe as the minister states it has.

One of the concerns that I get, on an ongoing basis, is from individuals that will tell me that they've made someone aware of a house with suspicious behaviour in the house, and a sense of frustration because something seems not to have been done. I can recall comments, whether it's from a retired police officer to just a community resident on Burrows Avenue, saying, well, I'm absolutely convinced; showing me licence plates, incredible detailed information, and wondering why is something not happening in regard to that house.

Being somewhat aware of the time, the only question that I'd really appreciate if the minister could answer, at this point, is in regard to automobile theft. It's important, and we always get into fairly heated discussions about automobile theft, but I would like to see us make sure that we're operating from the same numbers.

What I have found is you get different numbers from MPI than you would from the police force. You'll even get different numbers from MPI depending on which document that you might be looking at. So when I say, in 2004, there were 13,425 vehicles that were stolen, and I have a list of years indicating how many vehicles were stolen, I want to feel comfortable in knowing that it is the actual number. I don't expect the minister to be able to provide me the number instantly, but sometime over the next 30 days, if I could be provided a list of vehicles, in the province of Manitoba, that have actually been stolen—not attempted theft, but actually stolen—ideally from 1999 up to today. If the minister can provide that at some point, I'd appreciate it. Thank you.

Mr. Chomiak: Just three things for the member. First, I understand the issue. One of the main tools that we have in our arsenal to fight organized crime is disruption. Organized crime, in some form or another, has always been present. The extent to which you can disrupt it—you can't eliminate it; I would be foolish to say that. That's the first point.

I'm told, of the 280 houses shut down, there have only been five repeats of the same individuals, but

we don't assume that every time we shut down a place that heaven on earth is going to appear. What we do know is that in a community like Point Douglas, where they're really pleased with what they've done, well, they're going to expand those efforts to other parts of Winnipeg. We know that places will move. I've been in these places. We know that'll happen, but for every person we pull out, for every one that goes into treatment, for every street that has one of these places removed, we're doing a public service. It would be good, but I mean the reason for The Safer Communities Act was to fill a gap and we filled the gap. So it's a step forward.

On auto theft numbers, I'll provide the member with a consistent sheet. The member could also know he could refer to—when he's referring to different stats, crime stats has the attempts and the number on the Web site regularly. Auto thefts are down dramatically. Attempts are down dramatically.

The information that I am provided is in fact on a month—You know, I actually am sometimes loathe to—because you never know. I did criminal law and the weather always had a major factor in whether the Remand Centre was full on the weekend or not. You know, in minus 40 it wasn't that full. On a full moon—that's right. On a full moon, long weekend, like it was just jammed packed. Having said that, this last month has been the lowest month in auto thefts since 1993, and 1993 was the take-off year for auto thefts in Manitoba where it just went out of control and if we can even—you know, so we've made progress. I'll get the specific numbers to the member.

Mr. David Faurshou (Portage la Prairie): I just wanted to follow up in regard to what I mentioned to the minister about visiting an institution in Minot. It was Youth Jobs Corps, and it is in fact sponsored by the United States Congress at no cost to those persons that are residents and taking the vocational. I think we could actually look to how well that program really is addressing youth at risk.

I want to also follow up, though, about the frustrations of those personnel that are responsible for teaching in our corrections' facilities, and I will speak very specifically of the women's correctional facility, where the majority of persons that are housed at the women's correctional facility in Portage la Prairie are on remand. Being when you're on remand, you are not available to the counsellors, to the educators, to the resources of that institution that, in fact, address the problems that saw those individuals into the facility in the first place. What

really bothers myself, personally, is to see that the persons end up getting a double credit for days spent in an institution. *[interjection]* The minister recognizes the case law that recognizes significantly more days as time spent when in remand.

But I want to ask the minister: Could we not, because the individuals are there anyway, if we are going to see this double or triple credit, as seen in Alberta, actually come to fruition, that the individuals have to have had some of the benefits of that institution insofar as the counselling, the education, to really rehabilitate the individual so that that individual won't again be coming into our system because of conflict of the law?

* (15:50)

Mr. Chomiak: I agree with what the member is stating. The one thing, if we could fix that, and we've strongly recommended, all the ministers, that two for one be legally clarified to be one to one, or at most 1.5 to one, that legally we do that and that it be done in the Criminal Code. That would decrease substantially, I think, the number of people in remand.

The fundamental issue, though, is, if you're in remand, you have to agree to some form of counselling or rehabilitation because you're presumed innocent until—it is a catch-22 situation. I know the member's frustrated and it is frustrating. There are some legal principles we have to follow.

I think two things. I hope there will be a judicial or a legislative end to the two for one. Whether or not that will withstand court challenges is another thing, but I'm hoping that they'll do that. Secondly, I know we'll see a different form of corrections' involvement when the new facility's constructed. It will be constructed and will be meshed and built with programming and the ability to have people return, as whole as they can, to full-functioning members of society as much as possible, with that as the major goal.

Mr. Faurshou: I want to emphasize once again the importance of education. There is study after study which will bear the statement out that persons that are better educated are far less likely to come in conflict with the law. If you speak with the teachers in the women's correctional facility, it varies from time to time, but between grade 6 and grade 8 is the level of formal education on average of the individuals serving sentences at the Portage Correctional facility.

You can see that the work is cut out for us. We have to provide for an education and give individuals the ability and self-esteem that is garnered from education. I know the minister and I are both on side in that regard so I leave that with the minister.

I'd like to move on to one other issue of his responsibility as minister of the Crown and that is the gaming for The Gaming Control Act.

It is just a very quick question in light of the most recent plebiscite results in Brandon, a few years before that, the same results in Headingley here, just west of Winnipeg. We wonder if, at that point in time, though, there was an extensive exhaustive competition for potential casinos by First Nations here in the province of Manitoba. Is the minister looking at reopening that, being that there is now only two of the five after this length of time operating? I ask that on behalf of Chief Meeches who has launched a campaign now for a potential site to be in Portage la Prairie for a casino.

Madam Chairperson: Honourable Minister, just before you—

Mr. Chomiak: I wonder if I could pre-empt, if we can have leave of the committee to have the member ask a question with respect to Manitoba Gaming Control Corporation during this round of Estimates for one question.

Madam Chairperson: Is there leave from the committee for the member to Portage la Prairie to ask a question related to the Gaming Commission while we are in the Justice Estimates? *[Agreed]*

Mr. Chomiak: Madam Chairperson, I thank the committee. We've been very consistent in regard to gaming. Following the Bostrum report, recommendations were made with respect to casino proposals. The legislation had changed. A review was done following the casino initial offering of sites to First Nations.

We reconstituted a committee with AMC and worked with AMC on a committee that reached, at this point, two conclusions: First, that a gaming trust would be set up with a portion of revenues from lotteries going directly to a First Nations development fund called the First Nations peoples fund, where a guarantee of approximately \$2 million a year would go to First Nations for economic development fund. A board of directors was established, comprised of prominent Manitoba business people, to make recommendations as to where that funding should go. That was the first

aspect. The second aspect was to determine the future of gaming sites in Manitoba.

We commissioned a report and a study that indicated there would be viability of a casino within 100 kilometres of Brandon. To that end, we then went back and the committee recommended that Brandon be looked at as the site for a second—for a plebiscite—for a casino.

A plebiscite was held and it was defeated in Brandon. We're now meeting as a committee to look at proposals to have a casino site within 100 kilometres or so of Brandon that would meet the criteria, as defined in the consultant's report that was made to both the Province and AMC during our process.

In short, we sit at a table with AMC and have committed to continue to work on the rollout of providing job opportunities—economic opportunities to First Nations people. We have the trust fund. It's now been set up, and we'll see \$20 million flow over a four-year period. We also will find an alternative site for a casino to be run and operated by AMC.

Mr. Faurschou: Plain by the answer, asking that question, it was out of scope for this particular section.

Might I ask for future reference at what section could I pose this line of questioning without requiring leave of the committee?

Mr. Chomiak: I actually think that it comes under the auspices of standing committees or Crown corporation committees, I think, and doesn't come to the Estimates process, in the best of my knowledge.

Mr. Faurschou: So then next week, when we get Crown corps—corporations and standing committees, that's the opportunity then to dive more fully into this question?

Mr. Chomiak: Madam Chairperson, since the Gaming Control Commission generally fits into the category of commissions, most questions with respect to lotteries, et cetera, are asked at Lotteries Corporation and that's generally been the forum where these matters have been discussed.

* (16:00)

Mr. Faurschou: That's where I did get into this line of question. Again, it was determined that it was out of scope for the Lotteries Commission because it was under The Gaming Control Act, which was different from this. I know I've asked this question of the

Clerk's office and it is sort of a fuzzy-grey area at best.

In any event, I appreciate the minister taking the question. I wanted to raise the issue in regard to Long Plains First Nations and Dakota Plains First Nations as well, that have both expressed an interest in seeing the exploration of their First Nations for a potential casino in Manitoba.

Mr. Chomiak: I actually am very excited about the prospect of another stream of revenue to First Nations and very excited by the prospect that all 62 or 63 First Nations in Manitoba will have the opportunity to share both in the revenues and the profits from that operation, because it has become one source of economic development. It's certainly not the be-all and the end-all, nor should it be, but it has become one source of employment and revenue that assists communities that otherwise have literally, literally no opportunity for economic development because of where they live in terms of parts of the province and in communities.

We provide assistance to municipalities and the First Nations reserves are totally under federal control, but we have significant involvement, and we want to ensure that economic development occurs as much as possible amongst First Nations to allow them to develop as individuals and as communities up to the standards that are appropriate in a modern Canada.

Mr. Faurschou: I appreciate the minister's response and we'll leave that area of questioning.

I'm understanding, back to the area of Justice, my colleague from Beausejour, Lac du Bonnet, has asked questions on probation. I want to be more specific in regard to those probation services that are co-ordinated with First Nations and the actual monitoring follow-through the department does to make sure that the probation officers along the reserves do have the resources in order to be able to follow through with court orders. I'm afraid, in some cases, this is not taking place and the probation requirements are not being fulfilled on reserve.

Mr. Chomiak: Madam Chairperson, ultimately, the issue of probation and probation services comes down to the individuals involved, and one obviously aspires to have the system as effective as possible. We are in review mode with respect to agreements that we have with a number of communities, and we are also aware that there are resource implications in

a number of communities that we are going to endeavour to meet.

Mr. Hawranik: I just had a follow-up question to the MLA for Portage la Prairie when he was asking for the double-time remand credit that has been given by judges in this province, and that's been happening for many, many years, as the minister well knows. A lot of it, of course, comes from the fact that there was a Supreme Court of Canada decision, which in many ways binds the court. But some of the reasons they gave for the decision were because they validated the two-for-one credit because of, first of all, a lack of proper facilities and a lack of rehabilitation programs.

Now, I think it's widely acknowledged that the two-for-one credit may need changes federally in order to deal with that particular issue, but regardless of that, there is a role to play by the Province and that role has to be ensuring that there are proper rehabilitation programs in place and proper rehabilitation facilities.

Is this something that the minister's going to be addressing because certainly it's not just good enough to point to the federal government. There is a role to play by the province and something has to be done with respect to programs.

Mr. Chomiak: Madam Chairperson, I agree with the member's statements. When we met in November, a shiver went through the entire table because an Alberta court had awarded a three-for-one credit in some recent rulings, and I've heard since that an Ontario court has ruled four to one. That's based, I think, on some faulty reasoning, but nonetheless, the member's right, we're required to follow the ruling of the Supreme Court on this.

We have asked that the government legislate a target of—Manitoba's proposed one to one, all the ministers in general have felt that they could probably get away with 1.5 to one. So this is one area, on all the discussions we've had with the federal government with respect to specific legislation, I don't think we've got a specific answer on this issue. Whether or not that's because in law it's felt it's too difficult, it has been in the top two or three issues that are raised every meeting, and it's been long-standing, as the member acknowledges.

With respect to the rehab, I think all jurisdictions—let's face it, with the two for one, remand has become a way of mitigating sentences. We are faced with the dilemma of someone in

custody, presumed innocent, and if they want to participate in any kind of programming, they have to do so, I guess, essentially voluntarily. The ADM says—it's pointed out to me—in order to take part in the volunteering program, one must accept responsibility for one's actions, and that is more difficult if you're saying you're not guilty. So, yes, we think the solution is to lessen the credits given on sentencing from remand. It almost certainly will reduce the number of inmates on remand. I was going to start reflecting on some of my experiences in criminal justice, but then I thought I don't have to because the member's encountered the same thing.

* (16:10)

Mr. Hawranik: As a follow-up question to the Member for Inkster (Mr. Lamoureux), he was asking about grow-op operations within the province itself, and there'd been many documented cases over the last few months where grow ops have been shut down across the city, across the province. Of course, in many of those cases, though, they're using purchased homes, homes purchased by the accused and so on, and, in many cases, they are not always paying cash. Sometimes they're all cash transactions and sometimes they're not. Sometimes they've got a mortgage on it. When that grow op is shut down, of course, if there's a mortgage, they'll likely go through foreclosure and so on, and they'll pay off the mortgage and then the expenses. But we've seen an increase in the real estate market here in Winnipeg.

Can the minister indicate, due to the increase in the real estate market in Winnipeg, the increased values that are attributed to homes throughout the city and throughout the province, whether, in fact, any money has flowed to the Province under our proceeds of crime legislation as a result of shutting down these grow ops?

Mr. Chomiak: I'll reply to the member's question in a second. Just to set the record straight on the federal government, on a release from the last FPT meeting, the ministers discussed the credit being given for pre-trial. The ministers reconfirmed the October 2006 agreement that credit for pre-sentencing should be limited to a maximum of 1.5 to one. When the accused has been detained due to his or her criminal record for having violated bail conditions, the maximum ratio should be one to one. We encouraged the federal government to proceed and quote: The federal minister confirmed his commitment to addressing this matter. So it was a stronger

commitment than, perhaps, the impression I left with the member in terms of the one for one.

As has just been explained to me, the assets, when an operation like a grow op has been shut down, move under the federal act of the proceeds of crime into our internal RCMP division and the money remits to the federal government. There's an agreement between the Province and the federal government where, on a quarterly basis, some funding is remitted to the Province of Manitoba as a result of the federal proceeds of crime legislation.

Mr. Hawranik: As the minister well knows, we have The Criminal Property Forfeiture Act, which essentially would do the same thing but would require an application by the Province to seize that particular asset, if it could be proved that the asset resulted as a result of the criminal activities. Has The Criminal Property Forfeiture Act at all been considered to be used in cases like that?

Mr. Chomiak: The way I understand it, the big money and the big operations that go under the federal operation, that's the money that's seized, the cash and the value, et cetera. The proceeds of crime at the federal level is a much bigger opportunity. The gap is precisely what the member has identified which is why The Criminal Forfeiture Act was first enacted.

The difficulty is that the police have not utilized the act, which is why we, like Ontario, are going to set up our own internal division that'll chase down these kinds of proceeds. In the scheme of things, it's relatively small amounts of money, on a relative basis, that's up. The federal Criminal Code—and remember, mostly these are drug-related so that falls under federal prosecutions—most of that will work under the Criminal Code. The big money goes under the Criminal Code.

It's the smaller amounts that we hope to capture but, in order to do that, we need someone to do the investigation and the follow-up, and that has been the failure of the previous act. I'm not critical of the police. It's been too small potatoes relative to the other activities they do for the police to follow up on that. That's why we're changing our operation to internally do what the police don't have time to do.

As I explained to the Member for Inkster earlier, it won't recover the big money or be the big cash bonanza that people might think. Hopefully, it'll at least cover its cost of operation and maybe earn a little bit of profit, but the fundamental issue is to

disrupt and get at criminal organizations just to make it harder for them to do business.

So I hope that captures the essence of the member's question.

Mr. Hawranik: So, if I understand the minister correctly, the money is really being seized at this point or the asset is being seized under the federal proceeds of crime legislation, and there is a sharing between the federal government and the province. Can the minister indicate how much money—take, for example, last fiscal year—did the federal government give the province under that particular piece of legislation?

Mr. Chomiak: I'll either provide the member with a copy of the agreement and/or the respective data.

Mr. Hawranik: Just a general comment to the minister. I personally know of several cases where there was no mortgage at all. The reality is some of these people come in and they buy a home in a rural area, in particular, all furniture and other assets included, for cash. That had been happening in some rural areas so the amount of money that can be realized from after they've been charged for taking their home back and all the furniture can be a substantial amount of money to the Province. So it's something that—and I know the minister is out looking at—he's got a bill now amending our particular Criminal Property Forfeiture Act, Bill 14, and it's modelled, I believe, after Ontario, that particular piece of legislation.

Does he believe then that we would certainly be able to seize assets and is there any kind of projections as to what effect that bill's going to have? Right now we're getting absolutely nothing other than what the federal government gives to us. Under that particular piece of legislation, are there any projections as to what we'd be able to get under The Criminal Property Forfeiture Act, say, in the next year or two?

Mr. Chomiak: Madam Chairperson, the member had questioned last year about the utilization of cash and cash transactions. There is a federal agency that actually monitors all cash transactions at certain levels and under certain conditions that—there's been criticism as to the effectiveness. I think that it is working.

Now, on the recent report that I saw from Ontario and their criminal forfeiture act, it showed several million dollars, if memory serves me correctly, in terms of seized criminal property under

that operation. The projections that I have from the department are that in the first year or two, we'd be fortunate to cover our operating costs. We could expect a modest positive cash situation, but the example that the member—there have been examples. We'll say someone blows into town and buys a farm property and operates a farm there—farm not a conventional cash crop but a different kind of cash crop and it's all paid for in cash.

Presumably, that transaction would be monitored and picked up under the—but such amounts of money passing would, you'd think, would presumably be picked up. Having said that, if it's busted, it would be busted under federal prosecutions and jurisdiction. They would take all of the assets. The extent to which Manitoba participated or was involved, I think we'd get a share.

* (16:20)

What I do know, what I've been told is that, in the past, bigger amounts have been captured by the federal government and smaller amounts have not been picked up. Our hope is to pick up some of these smaller amounts and, cumulatively, hope to have an impact. I don't want to promise that The Criminal Property Forfeiture Act will be an operation that's going to garner millions and millions of dollars. We do want it to pay its way and we do want it to have an impact on people out there who are involved in illegal activities.

Mr. Hawranik: Last year the police raided the Hells Angels' clubhouse. Can the minister indicate whether or not, under the federal Proceeds of Crime legislation, whether that clubhouse was seized?

Mr. Chomiak: No, I don't believe it was.

Mr. Hawranik: Any reason why, under our particular legislation, that clubhouse wouldn't have been seized for the Province?

Mr. Chomiak: I think that one of the purposes of our act is to allow us to have more powers of seizure in this area and that's what we intend to do.

Mr. Hawranik: Certainly, under the existing provincial legislation, our existing Criminal Property Forfeiture Act, they do have powers of seizure. Is there any reason why that piece of legislation wasn't used, at least for that purpose? It seems pretty clear that the Hells Angels have been ruled to be, in Québec, a criminal organization. We have a number of Hells Angels arrested at their clubhouse, certainly with illegal firearms and the like. I think the

argument could have been made at the time that—and probably should have been made at the time, it may not even be too late to do that at this point—but why aren't we acting to seize that particular clubhouse? If we're serious about getting after gangs and criminal organizations and really getting in their face, why wouldn't we do that even at this stage?

Mr. Chomiak: I can't talk about a specific site or specific location. We have not been successful at scheduling gangs as criminal organizations and scheduling, say, as we have for example, with terrorist organizations—which I actually think is a good idea, but we have been unable to have—and a recent B.C. court case affected that.

We have asked that scheduling be allowed in the Criminal Code so that it would permit associates and others to be followed up on in terms of forfeiture. But, having said that, The Criminal Property Forfeiture Act intention was to have the police apply to forfeit property, et cetera. You still have to have the burden of proof met. Certainly, under the Criminal Code, it's a tougher row to hoe. What we found is the police were not interested in utilizing the act because they were preoccupied with other activities—and that's not a criticism, it's totally understandable. So, instead of having the police do the investigatory and follow-up work, we will have people from the Department of Justice do the follow-up work—just as we have with Safer Communities—and essentially fill that gap and have a more rigorous follow-up than we have been able to achieve.

Mr. Daryl Reid, Acting Chairperson, in the Chair

The Québec situation, well, we have formed a joint working group with Québec, Ontario and Manitoba—it has not been expanded across the country—to exchange information on dealing with gangs and dealing with organized crime. The provinces of Ontario and Québec have moved towards our Safer Communities Act because they didn't have that legislation. Some of the investigatory techniques being used by Québec are being passed on to us. So, we've been sharing information in terms of dealing with the organized crime issue.

Having said that, two things: We've been relatively successful in the last several years on prosecuting gang members, certainly at the high-level end of things. That's quite apparent. Secondly, once we have our legislation passed and our unit working, I expect to see much more progress

on forfeiture issues. It'll be worth our while to put in time and resources even if the actual cash value isn't something that's—even if it's not seen as cost-effective, if only to act as a deterrent.

So, in that way of answering the member's question, I hope I've kind of outlined for him how we intend to proceed.

Mr. Hawranik: In this particular case, though, and it is very high profile case, in particular, these Hells Angels were in their clubhouse, there's no doubt that they were Hells Angels members. It was owned by the Hells Angels organization. Substantial criminal charges and to the credit of police, of course, they did their job, they rounded them up and had substantial criminal charges against the Hells Angels. And what's wrong with adding to their woes? I mean, the federal government's going to do its job under the Criminal Code and prosecutors are going to do their job under the Criminal Code and, hopefully, come up with convictions.

We have a piece of legislation that's still on the books, and we still have a piece of legislation upon which that police—you're right in terms of who lays the charges and so on and who does the seizure is the police—it still could warrant a seizure at this point, it's still available to us. There's an amendment that's in front of the Legislature, Bill 14, that will shift the ability from the police chief to a committee, I believe it is, to some judicial officials to be able to seize assets of this type under our provincial proceeds-of-crime legislation. Given that, and does the minister believe it's too late for the police, first of all, to authorize the seizure—I don't think it is, but does he believe it's too late? After we pass this particular amendment, will we be seizing the Hells Angels' clubhouse?

Mr. Chomiak: Mr. Acting Chairperson, I can't comment on that and the member will recognize why I can't comment on that. But I will say this to the member that next year, over Estimates, we should report back to this committee as to the effectiveness of our internal criminal forfeiture unit, presuming it gets passed—budget's passed, presuming that the legislation passes. I think we'll have actual results that we can show with our new operation at this time next year. I suspect two years from now, we'll certainly have, if the experience in other jurisdictions has been any indication, we will certainly have actual illustration of seizures.

* (16:30)

Mr. Hawranik: Thanks again, Minister, for that comment. Next year in Estimates, actually, I'm going to look forward to hearing the Justice Minister say he seized the Hells Angels' clubhouse and sold it right out from under them and is taking them very seriously and trying to get in the face of gangs. So I'm hoping that that's what he's going to report next Estimates. We'll give that some time, of course; hopefully, that'll happen.

The next question is with respect to studies that are ongoing, I understand, by the City of Winnipeg and by the federal government currently, a study to put a price on crime. They're taking a look at what it really costs to house an offender, whether it's in remand or whether it's longer term, one year, two years and so on, what it really costs to keep people in prison. Is this something that the Province will be undertaking as well, and if not, why not?

Mr. Chomiak: Just while we gather that information, I want to advise the member that I have done everything that I thought possible, as both a private citizen and as an MLA, to even make bizarre suggestions to the authorities that I could come up with creatively to deal with the Hells Angels' clubhouse. I thought I had a scheme in mind that would for sure result in its closure, but I was advised by people who are more experienced in this field that my best laid out plans actually wouldn't work for a variety of reasons.

But I don't want to talk about a specific location because there are some ongoing—and there will be ongoing work, and I can't talk specifically to that particular point other than to outline that I—you know, it's not often I think that you come to the legislation and say, yeah, we passed the piece of legislation; it didn't work, and we're going to amend it to try to make it work and we're having helpful suggestions from members opposite to encourage us to do that because the issue is more important than any political endeavour. So the hiring of internal people to carry out the investigations and to deal with the criminal forfeiture, I think, will have impact.

On the specific question of the cost of crime, we were presented with a report at the FPT meeting on the costs of incarceration, et cetera, as I recall. Put it this way. There is no doubt the extent to which we can prevent and interdict—I love that word "interdict." That's the first time I ever used it.

The way that we prevent crime is it's much more cost-effective than actually policing, sentencing and doing follow-up. It's much more cost-effective to—for

example, the \$500,000 that's going into rec centres in the inner city of Winnipeg will do a lot more to prevent individuals acquiring a lifestyle that's going to cause difficulty their entire lifetime, is much more cost-effective.

The City of Winnipeg is undertaking a study of the utilization of police time that we referred to earlier in the Estimates in the cost, et cetera, and we'll see what happens from that development. I mean, any number of sociologists, or any conferences that we have gone to—there's an actual Ottawa institute that has done a report on the cost of crime, and has made regular reports, and they reported at a conference I attended last winter. It's almost a no-brainer the extent to which you could prevent crime through provision of other kinds of services, be they social, education, cultural, recreational, is pennies compared to the dollars that have cost society in terms of imprisonment and subsequent criminal activity, which is why the Turnabout program, the Spotlight program, and the Lighthouse program—Lighthouse program in particular, is something that we're quite proud of and are expanding. That is keeping schools and cultural and recreational centres open after-hours and on weekends, and provide the range of activities to keep youth, in particular, occupied and part of a different kind of lifestyle than they would if they were involved in a more gang-oriented lifestyle. There's more to come on that.

There's never enough that you can do in that particular area, but if you can go into a community and keep the lights on in a school after hours—and the first one, I'm happy to say, was actually in my community in the early 1990s, when we set up Kildonan Youth Activity Centre in the schools, at the bequest of parents and school officials. The program's still running and now there are 52 programs around the province like that where—I go on too long. I'll cease at this point.

Mr. Hawranik: Referring to a document that's, year after year, a report done by the U.S. Drug Enforcement Agency and, year after year, they have almost the same kind of comment within it and that is, the presence of marijuana cultivated in Canada has increased dramatically. The Canadian drug organizations from Vancouver and Manitoba use the wide North Dakota border with Canada to bring these types of marijuana into the United States, but with the bulk of the marijuana destined for areas outside of North Dakota, suggesting, of course, that there's a massive drug problem in Manitoba. A lot of

the marijuana that's coming from Manitoba, of course, goes into North Dakota and then other points around the world.

Madam Chairperson in the Chair

Can the minister indicate to me, since the U.S. Drug Enforcement Agency has really been concerned about this particular issue for not only this year or last year, but the year before that and so on, what steps he's taking to stem the flow of marijuana into North Dakota?

Mr. Chomiak: This is a particularly wide issue. The very sophisticated and difficult drug export operations are in British Columbia and Alberta, and we attended a national conference on organized crime and crime-related initiatives with the Minister of Public Safety and the Minister of Justice to review these operations.

Recently, the federal government has enacted border measures to tighten up security on the border with North Dakota and we have an operating inter-police unit that works with the RCMP to deal with border-related issues.

I think the drone program has also been recently put in operation by the U.S. customs. I think that the record of the number of busts that have happened in Manitoba recently speaks for itself.

* (16:40)

The more fundamental issue to me is the disruption and the disorganization, to the extent that we can, of organized crime, disrupts those operations and we know that some significant busts recently have disrupted the flow of contraband around the province, and that continues to be our priority.

Mr. Hawranik: In February, I requested a freedom of access information from the Provincial Court and it took until April. Well, I did get an answer in February with respect to that, but really hardly what I would describe as hardly any real help in terms of how to structure the question in terms of what they wanted to hear. I wasn't—specifically what I was asking for is information of what kind of statistics are kept by the Provincial Court.

In any event, on April 18, I did get a response with respect to the kinds of statistics that are kept by the Provincial Court, and all of those responses indicated that they do it year by year. I can't tell from the letter itself whether or not they are speaking about fiscal year or calendar year. I guess that's a

first question with respect to that answer that I received on April 18.

Mr. Chomiak: Madam Chairperson, all of our information generally is run on a fiscal year basis. We run it for specified program-related purposes, et cetera. So I'm not sure what the member is looking at in terms of information but if it would be more helpful, we'll certainly endeavour to the usual stats or the stats that tend to be most often referred to are trial dates in setting of trial dates for in-custody matters and those related matters. The trend on that trend line has been positive. I can endeavour to get more information for the member if he could be specific.

Mr. Hawranik: I thank the minister for that answer as well as, I say one of the types of statistics that's reported by the Chief Judge is specifically the number of outstanding adult charges from the previous year, and I take it to be fiscal year, as the minister had indicated. So, the number of outstanding adult charges, now can he tell me whether or not that's broken down in terms of the kinds of charges under the Criminal Code. Is it broken down by Criminal Code number? Is it broken down by certain area of the Criminal Code or is it very generic in terms of the statistics that are carried forward and kept by the Chief Judge?

Mr. Chomiak: Madam Chairperson, generally for our working purposes, because of the shared nature of jurisdictional questions we break down on domestic, non-domestic kind of family-related matters. The member might find the stats in the annual report done by the Provincial Court where it might be more specific in terms of numbers. There are various Juristats—is it Juristats?—that refer to those specific kinds of numbers.

Mr. Hawranik: For example, if I were to ask under Freedom of Information to ask how many charges in a particular fiscal year related to break and enter of a dwelling house, would that be able to be provided by the Chief Judge? Is it broken down to that extent?

Mr. Chomiak: We're having a great internal discussion here. If the member perhaps wants to write and outline, specifically, what he's looking for, we can try to see if we could accommodate his goals in terms of the specifics that he's asking for. I mean, the member would know that tracking a case, say, of a charge that goes through, whether it's a charge or whether the charge is actually a conviction or whether it's done at Provincial Court or whether it's done at Queen's Bench court or whether it's done

before a Queen's Bench judge or before a jury makes the process not as seamless as I think the member's looking for.

Mr. Hawranik: I appreciate the minister indicating that, because one of the problems I find is that when I do Freedom of Information requests, if I'm not exactly asking exactly the right question, I never get an answer, and from January, February, till now, I'm still very unclear as to what kind of statistics really are kept and what is a proper question and what isn't a proper question.

So I take it, then, that the minister is asking me—I don't necessarily have to go under Freedom of Information, that he would provide me with information or if someone from his department could provide me with information perhaps on an informal basis, we could meet. I don't know, in terms of the kind of stats that are being kept. If I knew the kinds of stats that are being kept and how it's being kept, I'd better be able to frame my question, I guess.

Mr. Chomiak: That's a fair point and I think probably the best way to follow up so that there is follow-up is maybe the member can commit to writing to ask what he's looking for, and then we can respond to the member either in writing or setting up a meeting to go at it. I do know, with the various systems that we're using, the various changing of systems, sometimes the specific information may not be as accessible as one might hope in a system.

We certainly found that in terms of victim services, where we try to be as comprehensive as possible in providing victim services, we have people on site, but the nature of court and the nature of the way matters are dealt with makes it very, very difficult to be as systematic as one hoped.

When I looked at the new courthouse in Calgary, I almost laughed when I saw the digital court doors. Every courtroom had digital information about what case was going on et cetera, et cetera, and I know that within six months that system won't work. There will be confusion. I know that will happen because of the nature of court proceedings, and I mentioned that to the minister.

If the member could just do a letter outlining what he's looking for, we will try to, without going through Freedom of Information, we'll try to provide the member with the information.

Mr. Hawranik: I appreciate that. I'll certainly provide the minister with a letter and perhaps even it may warrant perhaps a meeting or whatever just to

take a look at the stats because I'd certainly like to see how they are gathered and the kinds of stats that are there. I think it's important that the minister knows that as well, obviously, because he has to measure himself according to certain objective standards, and I'd certainly like to have that opportunity and appreciate that opportunity.

In any event, we are going to be ending Estimates today in Justice before 5 o'clock, and I know that the Chairperson, I'm sure, is pretty anxious about getting through with the line by line. I do have a couple of questions about line by line as we go along, and perhaps we ought to go there. I haven't even begun to finish my questions that I had for the minister in Estimates, but I know I've only got so much time. In any event, we'll go line by line at this point.

* (16:50)

Madam Chairperson: Resolution 4.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$130,401,700 for Justice, Criminal Justice, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 4.3: RESOLVED that there be granted to Her Majesty—yes, the honourable Member for Lac du Bonnet.

Mr. Hawranik: I'm sorry. I don't think I heard, Madam Chairperson. Did you pass 4.1 and 4.2?

Madam Chairperson: The debate on the Minister's Salary is left until the end, so we just passed 4.2.

Mr. Hawranik: I'm not asking for a debate on the Minister's Salary, just something within 4.1. Did we pass 4.1 and 4.2?

Madam Chairperson: We have not passed 4.1 or considered it because it contains the Minister's Salary. So it will be the last item, and at that point you can ask, even if it's not about the Minister's Salary.

Mr. Hawranik: At that point, okay. I wasn't clear as to where you went there with your passage.

Madam Chairperson: We've passed Resolution 4.2.

Mr. Hawranik: 4.2?

Madam Chairperson: Yes.

Mr. Hawranik: I did have a question on 4.2.

Madam Chairperson: Did you want to go back, revert to 4.2?

Mr. Hawranik: Yes, I wonder if we have leave in order to do that?

Madam Chairperson: Is there leave? [*Agreed*] We are reverting back to 4.2.

Mr. Hawranik: Just briefly, looking at page 35 of the Estimates, I see a portion there for public debt. Although it's a very small amount of money, \$5,000, I believe, why would there be a public debt expenditure in this particular portion of Estimates in Manitoba Prosecutions?

Mr. Chomiak: Madam Chairperson, while we just check it out, my guess is that it's related to IT, but that's only my guess. We'll endeavour to find out and, if we can't provide the information to the member before the Estimates conclude, I'll provide it in writing.

Mr. Hawranik: Yes, I'll accept that. On page 35 as well, I had another question with respect to—

Madam Chairperson: This is also 4.2?

Mr. Hawranik: Yes, 4.2, page 35, witness programs and grants last year was projected at \$742,300. This year the same amount of money. Can the minister indicate what was the actual last year?

Mr. Chomiak: Madam Chairperson, the year-end hasn't been concluded as of yet. When that is done, we can provide that to the member.

Mr. Hawranik: I'll accept that as well, so we can go further beyond that.

Madam Chairperson: That concludes the questions on Resolution 4.2. Moving on to Resolution 4.3.

Resolution 4.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$27,711,500 for Justice, Civil Justice, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 4.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$133,492,400 for Justice, Corrections, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 4.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$46,964,500 for Justice, Courts, for the fiscal year ending March 31, 2009.

Mr. Hawranik: Yes, just a question with regard to (c) Regional Courts. I notice that on page 83 that

increase is largely due to an increase in staffing levels, being four full-time equivalent court clerks in rural Manitoba to address the workload.

Can the minister indicate where these four extra clerks will be going into rural Manitoba?

Mr. Chomiak: Dauphin, Portage, Selkirk and The Pas.

Mr. Hawranik: I take it from that answer, none is Beausejour?

Mr. Chomiak: You've got the jail already.

Madam Chairperson: Shall the resolution pass?

Some Honourable Members: Pass.

Madam Chairperson: The resolution is accordingly passed.

Resolution 4.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,333,100 for Justice, Costs Related to Capital Assets, for the fiscal year ending March 31, 2009.

Resolution agreed to.

The last item to be considered for the Estimates of this department is item 4.1.(a) Minister's Salary, contained in Resolution 4.1.

At this point, we request that the minister's staff leave the table for the consideration of this last item, and, at this point, if there are other questions related to 4.1.

Mr. Hawranik: This is probably where the minister expects me to bring forward a resolution to reduce his salary, but not this year, in any event. By and large, we certainly disagree, I think, on some of the approaches that I would take if I were in government versus what the minister would. The approach may be somewhat different in some respects. Not always, but in some respects the approach might be different. We're hoping for the same end result, in any event, and that is to ensure that Manitobans have the most cost-effective, not only just cost-effective, but most effective justice system in the country. I know the minister shares that particular view, and I look forward to—well, we'll see how long I'll be Justice critic, but I look forward to seeing how—

An Honourable Member: Many years.

Mr. Hawranik: Hopefully, not more than a couple.

I look forward to, of course, asking him questions in question period, putting him on the spot whenever I can. That's a different venue than this, of

course, but my approach in Estimates is and always has been to try to get information so that I can better understand the department, and to ensure that the minister, of course, does everything he can within his power to deal with issues that are of importance to Manitobans.

With that, that's the only comment.

Mr. Chomiak: Yes, very quickly, I want to thank the member. He has conducted the Estimates in a very honourable and respectful fashion. I've been very impressed. I know the staff, we all appreciated it, and that we can deal with significant issues in an information gathering and in a helpful manner. I think the member has been exemplary in that fashion, and I thank him for that.

Madam Chairperson: Thank you very much.

Resolution 4.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$6,743,600 for Justice, Administration and Finance, for the fiscal year ending March 31, 2009.

Resolution agreed to.

This completes the Estimates of the Department of Justice.

The time being slightly before 5 p.m., committee rise.

FINANCE

* (14:50)

The Acting Chairperson (Ms. Flor Marcelino): Good afternoon, everyone. Ladies and gentlemen, will the Committee of Supply please come to order.

This section of the Committee of Supply will now resume consideration of the Estimates for the Department of Finance.

At our previous sitting, questioning for this department proceeded in a global manner. What is the will of the committee regarding the discussion today?

Mr. Rick Borotsik (Brandon West): Yes, Madam Acting Chair, if I could, and I think with the approval of the minister, I'd like to continue with global and there are going to be a couple of other individuals joining us over the next hour and a half. It's my understanding that we would get into the Estimates line by line probably in the final hour of today. Then, hopefully, well, not hopefully, I would anticipate that the session would be over by 5 o'clock

if the minister is so willing to keep the global aspect of this going for the next little while.

Hon. Greg Selinger (Minister of Finance): Sounds fine.

Mr. Rob Altemeyer, Chairperson, in the Chair

Mr. Borotsik: And we're off. As I'd indicated to the Chairperson, Mr. Minister, if we can, we'll proceed with global. There are a couple of areas that I'd like to deal with and then we'll get into the actual Estimates booklet.

The one thing that I would like to just clarify now. I do know that we talk about revenues in different areas and one that was mentioned today in a different venue was gasoline tax. My comment was that gasoline is going up quite substantially. In fact, all economists and all of the reports that I read recently indicate that there should be, will be, probably, \$1.40 per litre of gasoline in the not-too-distant future, which, certainly, doesn't bode well for disposable income in families.

The minister, I believe, at that time said that Manitoba has the third lowest gas tax in the country. Just for clarification, I wonder if the minister would, in fact, agree with me: on page C-16 of the budget and budget papers booklet, you have listed the gasoline tax, and the Manitoba tax is identified at 11.5 cents excise tax per litre. There are, however, three others that are below Manitoba. One is Alberta, one is New Brunswick and the other one is P.E.I.

Does the minister agree with the fact that, in fact, we are 11.5 cents per litre, but there are three other lower excise taxes within the country?

Mr. Selinger: The member is right. Prince Edward Island is at 7.1 cents; that was an election commitment. New Brunswick is at 10.7 and Alberta is at 9 cents. So ours, at 11.5, would be in fourth position.

Mr. Borotsik: Just for clarification. Thank you for that, Mr. Minister.

Mr. Selinger: The reason we continue to say second lowest is because, in those eastern jurisdictions, they put the GST on top of that. They're a harmonized jurisdiction. So that takes their cost above ours on a per-litre basis.

Mr. Borotsik: Yes, they are harmonized, and we're going to talk about that a little later, actually. So that's a pretty good segue into harmonization.

Mr. Selinger: This would be an example of how harmonization masks additional costs to consumers.

Mr. Borotsik: Well, then, perhaps the minister may want to, or if he can, through his staff, give me the actual number of that 7.10. We also recognize that P.E.I. is regulated by the public utilities board, in P.E.I. So that may well have some reasoning for it. But, certainly, with the GST and the PST harmonization, it would be interesting to know just exactly what that number is and whether, in fact, we are fourth or second, as you would anticipate, or whether we would be, certainly, fourth within the country.

Mr. Selinger: Footnote 7 gives some further information there. I know it's in a ridiculously small font. So you will see Vancouver, Victoria, Montréal levy an additional 6 cents, 2.5 and 1.5 cents. That's not mentioned here. Effective July 1, B.C. will also impose a carbon tax of an additional 2.4 cents per litre. Then Québec applies QST, and New Brunswick, Nova Scotia and Newfoundland apply HST.

So that gives you just further information there. We'll try to get a precise number for where it's at right now.

Mr. Borotsik: I thank the minister for pointing that out but, certainly, those jurisdictions, Victoria, Montréal and the others, are not involved in the—certainly not into the calculation of the comparisons for gasoline tax. *[interjection]* They're already higher with B.C., and they're already higher with those other jurisdictions. So, really, it's just a matter of trying to find out what the real numbers are. It's always important to be able to compare, apples to apples, as opposed to, apples and oranges. I do appreciate that clarification. I do appreciate the fact that the minister's staff will provide me with that further information.

If we can—

Mr. Selinger: The member asked me for some information. I was wondering if he'd like me to table it.

Mr. Borotsik: Absolutely.

Mr. Selinger: The first document I wanted to give him was how we contract for budget research. Here's a couple of copies and I'll give you the third right after I explain it.

The selection process, I think I indicated last time that Communications Services Manitoba, which

is under Culture and Heritage, they tender it out. They have standing arrangements with two firms that I think they rotate, Prairie Research and Probe, so that's how it's done. I'll give you a third. Do you need three of the committee?

An Honourable Member: Sure.

Mr. Selinger: The second piece of information I wanted to give the member was, he asked for a breakdown of advertising costs. I have the document for him on that. He asked for the last two years. I've just given him a comparison between '07 and '08 on the advertising costs.

Mr. Borotsik: In fairness, I do believe this was a question from the Member for Inkster (Mr. Lamoureux), but he will be coming in shortly and, certainly, we can pass this information on to the Member for Inkster at that time. But I thank the minister and his staff.

Mr. Selinger: I have a third document I wanted to give to him as well. This explains what happens when you add the production media costs and the research costs together, what the differences are year-over-year. In this one, I have to make a correction: the costs did not go down as much in the last two years, because the information I had and was working off of was the 179 and the 196 in the total media and production costs. I had neglected to add in the cost of research. So I've put it all together in a table to show the totals and the comparisons over the different years.

All right?

Mr. Borotsik: Just as a clarification again, it was an area I wanted to get involved in but the Member for Inkster (Mr. Lamoureux) certainly talked about it to a level that I didn't have to go back into it. Although, as I understand this, the minister did suggest that it was a total cost of \$196,000 for advertising for this budget year, but, as I see here, it is an actual cost of \$236,132.

Mr. Selinger: If Rick could pass me that table back. No, the production and media costs were 196, but in addition there was the research. I wanted the whole story to be on one page so the member would know that. The second table I gave him showed just the—just showed him the advertising campaign costs.

You asked for it broken down, that's why I gave you the 196 and now, to make the story complete, I've added in the cost of research as well.

Mr. Borotsik: Thank you for that clarification.

If we can go on with the global discussion, I'd like to turn to the debt of the province of Manitoba, another two books, The Estimates of Expenditure and Revenue, which will be on page 99 of that particular book. I would also like to have the minister go to page B-11 on the budget and budget papers.

Starting with B-11, if we can, on that particular page, under Provincial Borrowings, Guarantees and Obligations, at the bottom of the page for the forecast for 2007-2008, there's a total number there of 17.984 billion dollars. That is an increase from the actuals of 2006-2007 of approximately \$1.8 billion. We do recognize in those numbers that there is a \$1.5 billion borrowing, which was the pension borrowings that the minister has mentioned on a number of occasions, the pension liability then going off of a pension liability—the liability for pension schedule onto a borrowing, so there's now debt incurred on that.

That 1.5 billion, though, is still \$0.3 billion less for the forecast. There was \$1.8 billion in borrowings.

Can the minister give some indication as to that \$0.3 billion in excess of the 1.5 billion, as to the borrowings and where they were required?

Mr. Selinger: If the member looks on the table of '06-07 actuals versus forecast for '07-08, he's right. The Hydro goes from 6.6-and-change to 6.8, so it's a couple hundred million of the 200 million there. Then the other difference seems to be the growth on the general capital investments, some 749 to 1.08 billion. Then there seems to be a decline in general government programs, some 6.5 to 6.37. So, when you net them against each other, you get the net 0.3.

Mr. Borotsik: Yes, and that's exactly how I read the financials. I guess my question is now, in capital investments, from 749 million to 1.08 billion, does the minister have a listing of those capital investments that were borrowed—that had borrowings?

Mr. Selinger: We don't have it at hand. I can see if I can get you the information.

*(15:00)

Mr. Borotsik: I would appreciate it because I'm going to go on to net debt as opposed to gross debt, and I do know that the minister has on numerous occasions said that the net debt is minus the sinking

fund as well as other capital investments so I assume—and maybe unfairly—but I would assume that some of the capital borrowings that are identified in this \$300 million would be those capital investments. Is that correct?

Mr. Selinger: I'm not entirely sure of what the member's trying to get at—[interjection] Yes, I need a little more clarity on what you're trying to—

Mr. Borotsik: If I can, once we get into the net debt that's increased, then perhaps that'll answer the questions, but you answered some of the questions. If I could get certainly the capital borrowings for that \$300 million, it would certainly help my trying to understand all of this.

Mr. Selinger: We'll see if that's available. It's not here, but we'll see if we can dig that up for you.

By the way, while I've still got the floor, there's another item the member asked me: How many staff are in the deputy minister's office? There are a secretary and administrative support staff. It's just to be read into the record, and then there are specific names, but I don't think we wanted to put those on the record, just positions. Okay?

An Honourable Member: Sure.

Mr. Selinger: So, you can take that chunk of it.

Just while I'm getting rid of stuff, I said I'd give the member the budget paper we did a few years back on fiscal relations, and I've tabled three copies for the committee.

Mr. Borotsik: Thank you. As for the staffing, once we get into the Estimates, I know the minister suggested that I talk about staffing levels during the Estimates discussion—

An Honourable Member: Yes.

Mr. Borotsik: —not in the global discussion, so that will come back in the Estimates discussion with respect to staff, not only from his office, from other departments that he's responsible for. So, maybe, if we could just read that into the record after.

On page 98 of the budget document itself, if the minister will recognize that, as identified in his Finance Department, there is a Public Statutory Debt payment, interest payment of \$262,500,000. When going down the line item, I've noticed that the Interest on Public Debt (a)(1) has increased from \$1.129 billion to \$1.15 billion. We have interest on departmental capital assets and interest on Trust Funds, which gives a total of \$1.3 billion as opposed

to \$1.281 billion. As I understand it, then, that would be the requirement, even the guarantees, and we'll go through that with the Sinking Fund of Manitoba Hydro, but the guaranteed debt interest payments that the province is going to be responsible for would be \$1.31 billion in the coming year?

Mr. Selinger: Yes, the short answer is, on a gross basis, that would be the number before Sinking on Recoveries and Investment Recoveries, which is listed below that, which is \$1,054,373,000, which gives you your Total Appropriations for Finance at the bottom there of—it goes back to the top; it gives you the \$262,500,000.

Mr. Borotsik: Yes, that's exactly how I read it, and I understand the Sinking Fund Investments. I understand why that's credited. Manitoba Hydro is \$515 million in debt servicing this year.

I wonder if the minister could explain the \$196,955,000 of Other Appropriations. Which areas would that be appropriated to? Those are costs that are associated with the government. They are debt-servicing requirements. Simply allowing them to sit as Other Appropriations, is there a listing of those other appropriations?

Mr. Selinger: These are actually recoveries, and they're from TRAF, which is budgeted in the Department of Education. So we net it back here. The other one is capital from departments, which we recover from departments.

Mr. Borotsik: No, I understand that they're credits, and I do understand that they're appropriated and they are paid by other funds. Obviously, TRAF is paying interest on its notes and certainly the other capital is. When you talk Other Loans and Investments of \$118 million, just above the Other Appropriations, what is that associated with and where is that allocated to?

Mr. Selinger: Those are recoveries related to other self-sustaining loans and investments and some of the examples would be universities. Some of them would be MIOP loans in the Department of Competitiveness, Training and Trade. All these reflect loans and/or investments that have built into them a recovery mechanism.

Mr. Borotsik: Not just necessarily a recovery mechanism, but they certainly are still debt that is guaranteed by the Province of Manitoba. The university loans are still guaranteed and there are monies being paid to service those debts, obviously. This is an allocation back, a payback from those

debts, as I understand it, but certainly there's still a guarantee there from the Province.

Mr. Selinger: The short answer to the member is that there is an advantage to taxpayers for us taking out the loan, for example, to the university in our name; we get a better rate on it. They pay it back through recoveries they make at the university level in the case of the University of Manitoba loan and the University of Winnipeg loan. So they have to budget for it and send the recovery money to us, the interest money, et cetera, and the principal amortization payment.

Mr. Borotsik: The Public Debt (Statutory) is identified at \$262,500,000. Can the minister's staff tell me exactly what the requirement for debt servicing for the Province of Manitoba will be paid this year to borrowings that are outstanding? What will be the total debt? What will be the total cost of servicing the debt for the fiscal year 2008-2009?

Mr. Selinger: I want to be clear with the member who's asking a question. Are you going back to try to identify what the gross payout is before recoveries, because that's listed there?

Mr. Borotsik: No, the gross payout is listed at \$1.316 billion. Is that clarified? The gross payout in debt paid by the Province of Manitoba, not only for the core debt but also for those other corporations that they're responsible for, will be \$1.3 billion in interest paid by the Province of Manitoba. Is that correct?

Mr. Selinger: On behalf of all these various entities, yes. Yes, that's the total gross payment before recoveries and then it nets out to \$262 million.

Is the member's question: What is the payout by the Province after you take away all these other entities?

Mr. Borotsik: I see that as being \$262,500,000.

Mr. Selinger: Yes.

Mr. Borotsik: Thank you, I just wanted to clarify. I do realize that you have to remove Manitoba Hydro particularly because it's a huge number, \$515 million at the present time, but they'll be covering off those interest costs themselves.

Mr. Selinger: What's removed are all the entities which generate their own revenue stream to repay the debt and investments they've received.

Mr. Borotsik: Thank you, that does clarify a little bit.

Let's go back to, if we can, page 24 in the same document. Then we're going to get to a really interesting—no, wrong one.

Mr. Selinger: Twenty-four has an abundance of information.

*(15:10)

Mr. Borotsik: No, that's not the one I'm looking for. Hang on. I'm sorry, Mr. Minister, just give me a moment, would you please?

An Honourable Member: I totally understand.

Mr. Borotsik: Now, I've got more documents than Carter's got pills.

I do know the number, but I can't find it in front of me right now. The net debt that's identified by the provincial government is \$10.9 billion. Did you find that number?

Mr. Selinger: It's in the front of the budget papers, page 24 and 25. That's where you got the \$10.9 billion at the bottom of the page.

An Honourable Member: That's the one I was looking for. Where is that?

An Honourable Member: Under budget papers, page 24 and 25.

Mr. Borotsik: I knew it was 24, it was just a different book. Yes, \$10.922 billion. That's the number that's used with the GDP, the net to GDP. We've already gone through those statistics. There has been an increase of some \$500 million in the net debt. I do know that, going over these other figures, that the TRAF dollars going in and coming out, as well as some of the university debt.

Can you explain to me where the additional \$500 million of net debt came from?

Mr. Selinger: Page 21 gives some indication there. Are you looking for more detail than that?

Mr. Borotsik: Yes, I would be. I appreciate the fact that I see the net debt at \$458 million, I can read those numbers. I know that you use sinking funds and I know you use other capital assets to take off the gross debt but we do have an actual increase of some \$500 million in net debt. Can you give me some understanding as to what that has been allocated to?

Mr. Selinger: I'm going to take you to page B-8. That gives you a comparison of last year over this year. You can see, by sector there, where the

additional money is going. For example, government service capital projects, it's up above \$15 million. Transportation equipment and capital, it's up about \$9 million, and similarly with—*[interjection]*—yes, that's the total—and there's \$1.3 million under information technology. There's a decline in Competitiveness money there. There is a decline in Family Services. There is a ramp-up for Health and Healthy Living for capital. A decline in the next Infrastructure and Transportation and the next one is a decline in Justice. Next one is, other projects are down.

So you can see, it's mostly at the top there, where the big increases are. Then infrastructure assets, you can see the increases there too, 239 to 249. The floodway investment is down this year, but you can see how much we did last year. The overall number, it comes out at about 579. That's the net increase and the net debt less depreciation. That number gets reflected back on pages 24 of 460. So you take that 579 less depreciation and that gives you your increase from 10.4 to 10.9.

Mr. Borotsik: Yes. As the minister explained it, it really doesn't matter if there's an increase or a decrease on 2007-2008. The bottom line is there's \$579 million in capital that has been capitalized, if you will, and thrown on to the net debt figure.

Maybe if you could have your staff just explain depreciation. I understand depreciation, but are you taking an ongoing depreciation from the capital assets and then reducing that from the net debt?

Mr. Selinger: So the cash is available for the new capital. The depreciation is offset by revenues so you don't need additional cash for that, and that gives you your net number.

Mr. Borotsik: I'm just trying to get a handle on the net debt. I do appreciate the number is \$10.922 billion and there's a calculation there that I'm trying to find that, in my own mind, I can realize what that is. If we're sitting at 17-plus billion dollars in gross debt, you reduce it by the sinking funds, which I understand. Capital projects, I can understand, because those are long-term projects, that you can use that as being capitalized item, but the actual debt of \$10.922 billion has increased by \$500 million. So we're showing additional capital projects to come to that net debt of 10.9. Is that a simple answer?

Mr. Selinger: Yes.

Mr. Borotsik: In looking at that, in the financials it shows a repayment of about \$110 million, and I don't have the document, I don't have the page where it goes to, but they're showing a repayment of debt of \$110 million. Yet, when you look at the final number there's—even if you're just using the net debt—there's an increase of \$500 million in debt.

So, on one hand, you're going to have a pay back of \$110 million, yet you're going to increase the net debt by \$500 million. So is the payback of 110 just simply an in-and-out? You're paying back the 110 and then borrowing an additional 110 because you'd have to, to bring it up the \$10.9 billion. So is it just an in-and-out on the \$110 million?

Mr. Selinger: I think I have to make an important distinction for the member here. The \$110 million is paying off the general purpose debt that was accumulated throughout the '70s, '80s and '90s, and that number was growing. So the 110 goes against that. These investments, these capital investments now have, built within them, an amortization and depreciation schedule. So they pay themselves off over time through the discipline of the way we do capital assets now. It has to be built into the budget every year.

Back in those days, they just ran a general purpose deficit at the end of every year to cover off all government obligations. There was a time, for example, when all highways were paid in cash until the auditors came along and said no. We want you to set up depreciation, et cetera.

So there was a time when government would be building up a general purpose debt through regular deficits and the discipline of the \$110 million was put in place to eliminate that general purpose debt over time, and that was also to address the pension liability as well. Every year there's a split in that allocation. Some goes to general purpose debt; some goes to the long-term pension liability. So that's the discipline built there.

These monies that you see here are budgeted for every year and, depending on the type of asset, they're set up on a schedule for depreciation and amortization: a building, 40 years; a highway, 20 years; a computer, four years. They write themselves down through the way we structure that on the books every year.

Mr. Borotsik: I appreciate that. There's a life of an asset and you depreciate that asset as we've just gone through and we've heard that explanation.

You don't necessarily have to borrow capital to put that asset in. You can still depreciate the asset off over a 40-year period. You don't have to borrow the money in order to put the highway in, or the bridge in, or the rest of it.

I appreciate that there is approximately \$500 million more in net debt and I appreciate it's probably coming from capital asset—

An Honourable Member: It has.

* (15:20)

Mr. Borotsik: It's been identified.

Mr. Selinger: Just to give the member, when we set these things up in the books, we had to take old assets that had been bought and set them up with depreciation, et cetera, and that's a cost that goes on the books. So the room to just do everything out of cash going forward was very minimal, because you had these older assets that you had to put on the books, and it took up room in the financials. So going forward, to keep a regular program going, we financed it over the life of the asset.

I know the member has said many times, you can pay cash. You could, if you wished. You'd still have to put the depreciation and amortization on the books; you'd still have to write it down that way. You'd have to find the room to do that and where the money was coming from that versus the regular programs that require cash because they're operational programs.

Mr. Borotsik: Some of that net debt, certainly, is program debt. There's no question about that. That's not all capital asset; that's program debt but, if we go back up just one line—

Mr. Selinger: Which page are you on?

Mr. Borotsik: Same page, 24 in the budget. The 2007-2008 forecast, and this is total debt; this is gross debt, as you've identified, has gone from 17.9 billion to 19.47. Now I do understand the pension liabilities. I do understand that Manitoba Hydro's debt has gone up from 6.8 billion to 7.33 billion in borrowings.

My question is: How much of this debt is going to be rolled over, over the next year? We can talk about rollover. How much is going to go back to the markets? How much do you have to look at the markets, right now, to rollover some of that debt, and how much is being rolled over?

Mr. Selinger: I'm going to give the member the table where we show that, B-10. That would be two pages over—*[interjection]* Yes, you do. It's in the same book of budget papers. You see the refinancing there and the new cash requirements and the estimated repayments and the totals? So that gives you an idea there.

Mr. Borotsik: Thank you, I had it identified, actually, in my book. I do thank you for the minister's bringing it to my attention.

Refinancing is \$1.49 billion. The minister has already agreed, I think, to a point that, in the marketplace right now, there are some liquidity issues. There's a credit crunch that people seem to talk about in the U.S. particularly, and even in Canada to a degree. Manitoba is going to go back to the markets for that \$1.49 billion rollover.

Are we anticipating the same rates that we've achieved over the past 12 months or are we looking at any changes to the borrowings?

Mr. Selinger: I think we discussed this in broad strokes the other day where I indicated to the member that central banks and, in our case, the Bank of Canada are reducing their rates 50 basis points, about half a percent. It's pretty significant. It's one of the biggest moves they've made since 2001 but, at the same time, spreads that banks are lending money to others, including themselves, are widening. So in our case, long-term money is still in the range that we expected it to be, running around 5 percent roughly at the moment.

Mr. Borotsik: So the budget amounts for the rollover on the refinancing was around that 5 percent level, as what you were talking about on the rollovers, and you can achieve that 5 percent?

Mr. Selinger: We've actually estimated it a little bit higher for the budget purposes. Right now, we would do better if we were refinancing it all today.

Mr. Borotsik: So you have a contingency built in on the rate?

Mr. Selinger: We have prudent assumptions, as I've indicated before. That would be prudent assumptions. I wanted to get that on the record.

Mr. Borotsik: You can call them prudent assumptions; you can call them contingencies. You can call them the spread between what's actual and, hopefully, you're going to achieve. I do appreciate that. Just for the record, gross debt has increased; net debt has increased. I do recognize that you borrowed

\$1.5 billion for TRAF, but the fact of the matter is that this province, and please confirm, will be in a larger debt position going forward in 2008-2009 than they were in 2007-2008.

Mr. Selinger: It's also important to note that the debt, as a proportion of our GDP, continues to decline. It helps to put these things in context, because the member has made statements that other provinces are reducing debt. They're actually increasing their borrowings, and they're increasing their borrowings more rapidly than we are, including some provinces to the west of us, that the member's mentioned before, because many provinces are now under enormous pressure. This is a generic trend across the country, to address the infrastructure deficit. There are lots of pressures all across the country on that.

Mr. Borotsik: Certainly, I've read some of those schedules and some of those articles, and from what I read, is that some of the jurisdictions to the west of us, particularly British Columbia and Saskatchewan—Alberta has no debt—are, in fact, having real reductions in debt as opposed to just simply additions to them.

But, if the minister can point to a document that can refute that, I would be more than happy to have that tabled.

Mr. Selinger: I'll pull it up for the member, but I had information that, in fact, some other jurisdictions are—for example, B.C., in its '08 budget, said: government is committed to a significant capital spending program over the next three years to build hospitals, roads, transit facilities, and bridges. As a result, taxpayer-supported debt is forecast to grow by \$3.3 billion over the next three years to \$30 billion.

But they still say that their debt-to-GDP ratio will decline. I think I had some other examples, too. I'll have to see if I can find them for the member, but this pressure for infrastructure money is quite enormous all across the country, affecting economies that—*[interjection]* Alberta, public accounts, they show \$34 billion more in '06-07? Is that correct? *[interjection]* That's the difference? Oh, okay. *[interjection]* Oh, they're into a positive number there, at the brackets? But it's going down from what it was.

Saskatchewan in '07-08, it's going down from \$7.3 to \$6.3 billion, but '08-09, it's going up by \$6.8 billion. That's what we have here. I'm just going to—*[interjection]* Yes, Ontario's going up. We know

that. That's sort of a long-term trend, but I think the member was interested in what's happening to the west of us.

So these pressures are pretty incredible. Gross borrowings are up in Alberta as well as in British Columbia, so Manitoba's net debt went up, no, went down. B.C.'s went down '06-07. Actually, Alberta's went up. Oh, between '06 and '07, it went—is that correct, if I understand this right, 26 to 34, or is it the reverse? It's the reverse there. So then, in Saskatchewan, actually, '06-07, it went down, and now, for this year, it looks like it's going up if I read the next page correctly. Yes, it looks like it's going up \$6.8 billion from \$6.3 billion last year, so it's up half a billion dollars.

They're following similar trends. We went down for several years. If you look at that page in our document, you will see that we went down for three or four years, and now there's a slow climbing up again as these infrastructure deficits are starting to be addressed.

So, if you take a look at ours, for example, on page 24, we went from \$11.1 billion to \$10.67, to \$10.52 to \$10.403, and then up \$29 million last year to \$10.432 to this year's number so. I think the trend is somewhat the same across the west.

* (15:30)

Mr. Borotsik: I wonder if there's a possibility if you could table those numbers that you just identified. You did mention that Saskatchewan—

An Honourable Member: We'll try to get this for you.

Mr. Chairperson: The honourable member has the floor.

Mr. Borotsik: Saskatchewan, you said went to, I believe, \$6.8 billion. That would be their net debt number?

Mr. Selinger: Yes.

Mr. Borotsik: Our net-debt number is 10.9, comparable to 6.8 net debt for Saskatchewan. Again, the debt-to-GDP ratio is a very important calculation, which we've talked to all along. We do recognize that, when debt goes up and GDP remains the same, then that ratio is obviously going to fluctuate as well. So I would like to have those numbers; \$6.8 billion in net debt certainly is still far superior to having \$10.9 billion in net debt so if you could give me those numbers, I'd really appreciate it.

Mr. Selinger: That's why when the member—I gave him this table before on page B-13, at the bottom there, net tax support of debt-to-GDP. It showed us in the fourth position for the country, and it gives the net debt-to-GDP for all the other provinces there. I think that was one of the first tables I think I indicated to the member. I was giving him the trend and the growth of the net borrowings. Then you can see what it's like across the country there.

Mr. Borotsik: Yes, I do appreciate that, Mr. Minister. As I said, I've analyzed that and again, the net debt-to-GDP depends on the calculation of the GDP in the numbers as well as the increase in debt or whether GDP is going to increase at the same levels. That's crystal-ball gazing and we don't know whether the GDP is going to grow.

Mr. Selinger: This is past performance and it's based on an independent review by Standard & Poor's.

Mr. Borotsik: Speaking of Standard & Poor's, you keep referring to the credit rating increases, which we have had. I don't have the page; it is in the budget books. There are three rating agencies. If we can shift gears a little bit. There's DBRS, there's Moody's, and Standard & Poor's.

Since 1999, I suspect, the minister is identifying six credit rating increases from all three of the agencies. When you report if one of the agencies has a credit rating increase at the same time as another agency during that same year, those are, I assume, calculated as being two credit rating increases, one by each of the reporting firms. Is that correct?

Mr. Selinger: I'm looking at page D-1 and we give a chronology there of the credit rating improvements and by which agencies and what specific actions they took. Ironically, your tab's yellow and mine's blue, but that's another story.

Mr. Borotsik: Perhaps next year we can change the tabs. I'll take the blue and I'll find you an orange one, if you don't mind. We'll see what we can do with the tabs.

I do know the rating increases. You've identified them for January 2003 to December 2007. Again, six rating increases by three different rating organizations. Is that standard? If there were seven rating agencies, would we have seven increases in one year if each of those rating agencies increased it by one?

Mr. Selinger: Yes. Each rating agency operates with its own information and its own analysis, and they're

all slightly different. But these are the major ones. DBRS is Canadian. It's headquartered in Toronto. Moody's and Standard & Poor's have branch offices in Toronto but they're headquartered in New York. There are other rating agencies as well out there, but these are the primary ones that we rely upon and most provinces rely on.

Mr. Borotsik: So, if you really wanted to do 10 or 11 or 12 rating increases, we could go to three other different rating bond agencies, and we could get those as well and have a 12-rating increase over the last nine years?

Mr. Selinger: That's a bit cynical because these are the ones that were in place before we came into government. There actually was a fourth one as well, but it got bought up. Canadian Bond Rating, that got bought up by Standard & Poor's, didn't it? Yes. There was actually a fourth one. So, if the member is trying to suggest that we buy on, get more agencies to do it so we can have more credit rating increases, the reality would be that we actually have less rating agencies giving us increases now than we did at a time when there were four in the previous government.

Mr. Borotsik: The rating increase by Standard & Poor's for Manitoba right now is a AA (stable), A1+ is what it's shown as. Just for the minister's information, the New Brunswick rating is AA (stable), A1+. It's the same as Manitoba's. So New Brunswick has the same credit rating as Manitoba at the present time. When we go to the marketplace to look for rollovers in debt and we go to the marketplace to look at the new debt that we have to acquire over the next fiscal year, are we competing with places like New Brunswick for that capital?

Mr. Selinger: We have a slightly different rating for New Brunswick, so we'll check that. I don't know. What source of information is the member using? *[interjection]* We might have to check notes with the member because we've got New Brunswick at AA- by that rating agency, Standard & Poor's. Is yours off the net recently?

Mr. Borotsik: Okay, the minister caught me on that one. It is a AA-. Manitoba is a AA (stable), A+. It is a AA-. I can go to Saskatchewan, though, and Saskatchewan is also a AA (stable), the same as Manitoba. I guess my question remains the same. We recognize that there's going to be some competition in the marketplace over the next 12 months. We recognize that capital may not be as equally accessible as it has been over the past simply because

of what's happening in the marketplace right now with liquidity and certainly the credit crunch, particularly in the U.S. We then would be competing with Saskatchewan for that same capital and that same debt and that same rollover. Are there any concerns that there are too many people out there competing for the same capital dollar?

Mr. Selinger: Well, there are a couple of things that I think the member needs to know about our strategy. We keep a continuous face to the market through regular borrowings. We diversify our borrowings inside of Canada, in the United States marketplace and in the European marketplace. We do that for all the reasons of having more sources of interest in our paper that we sell. These credit ratings are, you know, I think the member has to put in perspective these are among the highest credit ratings in the world. Any time you are into AA's you are in pretty good shape relative to all the other countries out there and all the sub-national governments that are borrowing all across the world.

Then, of course, even though we have say a AA rating, people don't like to get all their AAs from the same source. So they may wish to get a lot of AA paper, but from various sources. So Manitoba is a good niche product for a lot of pension funds or insurance funds. They'll take a look at ours and say, oh, yes; we'd love to have more of that because we don't have that in our portfolio.

When I go out and talk to them, we tell the Manitoba story, we tell our experience and usually are very well received in all of those markets because they see us as a source of diversity for their investment portfolio with a very stable and very high credit rating and a good track record. I don't know that I would say that we are competing. I would say that we are presenting to the market a product which allows major investors to diversify their investments and still get a AA rating. They may wish to have some of ours. They may wish to have some of another province. They may wish to have some from another jurisdiction but all at the same level to provide a diversified portfolio of high-quality credits.

Mr. Borotsik: Thank you for the explanation. I do have a colleague of mine who would like ask some questions. Before we do that, this isn't meant to be facetious, but Standard & Poor's did have, at one point in time, a AAA rating on Enron, and we all know what happened. Not to suggest ever that Manitoba is anything like Enron. Manitoba has a lot better opportunity of raising revenue, certainly, than

Enron had. I'm just saying that Standard & Poor's sometimes sells paper that's, perhaps, not quite as good as it should have been in to the marketplace.

* (15:40)

Mr. Selinger: First of all, there is one big difference. They're a private corporation and—[interjection]—yes, thank you for that clarification. They are a private corporation and we're a government. Manitoba has never defaulted on its debt, ever in its history. Now other provinces have, including some of the provinces you like to compare us to all the time. [interjection] No, they actually defaulted on their debt in a point in history, which is very well known in the financial community, who has always stood behind the paper that they issue.

Manitoba has an excellent reputation in that regard, and I would have to say that the ratings of how you rate a private corporation are quite different in the methodology than how you rate a government, so I don't even think you can put Enron and a government on the same level playing field in terms of the methodology used. There's a completely different structure, completely different purposes. I know the member wasn't being facetious, but it would be inappropriate to compare those two types of credits rating on different products, because they're in entirely different sectors. We have to compare ourselves to other government jurisdictions at a sub-national level and in that regard that's how the credit rating agencies look at us. They look at us as a sub-national in the context of Canada vis-à-vis other sub-nationals in other jurisdictions in various federations and our national governments. Sometimes we get compared to cities, for example, because there are some large cities. Sometimes there are cities that are quite a bit larger than the province of Manitoba, including within Canada, so when people are making investments in government bonds, we sort of fall into that broad universe of comparables.

Mr. Borotsik: As I said, I wasn't at all comparing Manitoba with Enron by any stretch of the imagination. Governments, particularly provincial governments, have different ways of obviously paying for their debt. They do have the ability to tax and to raise taxes. They do have that revenue that they can generate at that point, so certainly it's not in the same area, and I do appreciate the fact that Manitoba goes to the marketplace and, I assume, is able to sell its debt quite easily. The only variance right now that we're going to see over the next little

while, I assume, is going to be the interest rate variable that may well impact the province of Manitoba as well as others, simply because of the inability to have all the capital into the marketplace.

I would like, if I could now, turn it over to my colleague for just a short period of time, and then we'll go into harmonization.

Mrs. Bonnie Mitchelson (River East): Mr. Chair, just a few questions on the Housing portfolio just to help me understand finances, because I do know there are some pots of money in the Department of Finance, one as a result of the Social Housing Agreement that was signed with the federal government back in 1999, I know that there's a certain amount of money that flows to the Province from the federal government to support the administration of the Housing portfolio. I don't know how far back the minister's officials might be able to go, but I believe the agreement transferred a certain number of dollars to the Province every year from the beginning of the agreement until I think it was 2030 or 2031.

Do you have a schedule of that amount of money on a year-by-year basis? Does it flow through to the Department of Finance, and is it housed in the Department of Finance in a special account for Housing?

Mr. Selinger: I'm just going to wait for our Treasury Board official to come, the Secretary of the Treasury Board to join me. I'm assuming the member's referring to the transfer of the social housing portfolio in the late '80s to the province of Manitoba.

Mrs. Mitchelson: Oh, sorry. I believe that the agreement was signed in 1999. It was the transfer of the federal portion of Housing over to the Province. It was devolution to the provinces. I know it happened under our administration, and I believe the agreement was signed just before the change in government.

Mr. Selinger: So the member's referring to the transfer of the social housing portfolio in about '99 just before government changed and is asking at that time there were some resources that came with that Social Housing Agreement to be applied towards repair and improvements of the Housing stock?

Mrs. Mitchelson: My understanding was that with the signing there was a significant amount of money.

Mr. Selinger: That money is in the Department of Housing, Minister of Family Services area. We'll

have to get details for you, about what the status of that is. I don't believe that we keep that in Finance. *[interjection]* It's through the corporation, MHRC?

I'm informed that it's MHRC that holds those resources. So we'll verify that, but nobody here is claiming that they have their finger on that bank account.

Mrs. Mitchelson: Then I guess I might ask, is there any money for Housing in the Department of Finance, any pots of money for Housing in the Department of Finance?

Mr. Selinger: My officials, knowledgeable as they are, are not aware of any honey pots of money for Housing in Finance. On page B-9, there's an indication of our borrowing program for Manitoba Housing and Renewal Corporation. That's the \$98,600,000 and change. We show that as sort of a total story here on loan and borrowing requirements. My Secretary to Treasury Board confirms for me that it's in Family Services with the Manitoba Housing and Renewal Corporation.

Mrs. Mitchelson: Are there any trust funds in the Department of Finance or Treasury Board for the Department of Housing?

Mr. Selinger: I think, and I'll just be certain of this, the member's referring to money that was transferred in the last two or three budgets under trust monies under the federal budget to the Province of Manitoba for social housing? If that's the money she's referring to, that money is held in the Fiscal Stabilization Fund.

Mrs. Mitchelson: Mr. Chair, so the only money for Housing that's in the Department of Finance, then, is in the Fiscal Stabilization Fund? How much would that be over how many years?

* (15:50)

Mr. Selinger: Perhaps it shows an abundance of caution, but my officials would like to take that question as notice and give you a number. They don't have the information right here. They'd like to give you the number. We'll endeavour to get that specific information of how much money we received from the federal government in the Housing Trust Transfer and how much remains.

Mrs. Mitchelson: Mr. Chairperson, I'm wondering if the minister would explain to me how Loan Act funding is provided to or how decisions are made on how much Loan Act authority will be provided to MHRC or to housing on a yearly basis.

Mr. Tom Nevakshonoff, Acting Chairperson, in the Chair

Mr. Selinger: It's part of the Estimates process that the Department of Family Services and Housing submits through Treasury Board, and it's reviewed like Loan Act requirements of special operating agencies or any other agency that's looking for loan authority.

It's page B-9 in the budget papers, sort of shows the story. Your colleague from Brandon has it. We went over it once. So it gives you an idea there. The top half shows the incremental authority, and then the bottom half shows the total story. For example, MHRC, which is about five lines down there, their incremental requirement, cash assets, the \$62.6 million and their capital program globally is \$98.6 million, which means they have some money that was previously approved.

Mrs. Mitchelson: Mr. Acting Chairperson, I'm just having a little difficulty following that, but I am not a financial expert. So, maybe you'll just bear with me as I ask a few questions.

If we could have the history, when did Manitoba Housing start to use the provisions under The Loan Act to fund their operations?

Mr. Selinger: Without trying to date any of my officials, they seem to think it stretches back into the '80s. The Loan Act authority has been used for Manitoba Housing on various levels, depending on the needs and the approvals every year.

Mrs. Mitchelson: Mr. Acting Chairperson, I know the Estimates process and the budget-setting process. Under what parameters would money be loaned to MHRC under The Loan Act?

Mr. Selinger: In broad terms, they have to identify the purposes for which they would need the money, and it's usually—the member would understand—to improve existing housing stock which we inherited in those '99 agreements. Then it's amortized and depreciated as per accounting guidelines, and housing stock has a certain life attached to it versus other types of assets. I'm just going to see if anybody can tell me what that would be under our accounting standard.

I see my comptroller up trying to check it out. There's an accounting rule for how much time you get to amortize and depreciate the money over. Then it has to be for the purposes that MHRC is set up for, which is to provide social housing and to provide it

in a reasonable quality of standards that people can give live in. You understand the issues. I know the member wasn't the minister for that. The Minister of Family Services and Housing at that time was in another department, as I recall.

A lot of the housing stock that was inherited through that transfer was not in the best of shape, and some of it is quite old. So there is a requirement to fix it up. I'm just looking at our amortization schedule here. Buildings, a bricks and mortar and steel building is amortized over 40 years; a wood-frame building is amortized over 25 years. On the bricks and mortar building because it's longer, they do straight-line amortization of 2.5 percent; on the wood-frame buildings, they do 4 percent. So, 4 percent times 25 years, completely written off. Then you start again, because by then, you need some more repairs or new stock to replace it.

So those are the guidelines. What do you need to do? What kind of shape is it in? As the member knows, there are inspectors out there who look at it and make a determination of where the greatest needs and priorities are. Then they present their program, and it's prioritized against all the other Loan Act demands made on government, and there's an allocation made.

Mr. Chairperson in the Chair

I would say there has been growing pressure to continue to fix up that stock, that it needs some investment. The other issue, the member might recall, is that the money that was transferred during that time was lumps, a lump that didn't go on for ever; it runs out. Then, as these mortgages are paid off, the federal government no longer has an obligation to pay that part of their mortgage. So there's a legacy saving to the federal government that many provinces and community organizations have been asking to have reinvested in social housing across the country, because there's a growing need for social housing, not only in terms of renewal, but with growing population, coming in immigration, et cetera. There's a growing need for social housing.

So this is going to, probably, in my guess, be a future issue at the federal-provincial tables. I know the Minister of Family Services and Housing (Mr. Mackintosh) has had a conversation with his colleagues across the country and the federal minister, and I suspect I'll be raising it as well with the federal Minister of Finance as we go forward, because, if we could even keep that legacy savings,

reinvest it in social housing, that would be tremendously helpful.

Mrs. Mitchelson: I thank the minister for those comments.

It's my understanding, when the portfolio was turned over to the provincial government, that many of those properties were at varying stages re-mortgaged. The mortgages ran out and they were re-mortgaged, very often at a lower rate of interest, and the amount of money that was saved on interest costs was accrued by the Province of Manitoba. Am I correct that, because the properties were turned over to the Province, there would have been a considerable amount of money as those properties were re-mortgaged that would have accrued to the provincial government? Am I correct in that statement?

Mr. Selinger: I'd have to check the record on that. I don't think so, but I honestly don't have the information at my finger tips.

It is probably true that some of these mortgages came up for renewal, and, I'm just guessing here, it is probably true that some of them, as they were renewed, were able to be renewed at lower rates of interest than at which they might have been originally financed, particularly if they were financed in the '70s and the '80s when interest rates were higher.

But it's also true that more capital was required through Loan Act authority to start fixing them up. So you might have saved some on the interest as the property was re-mortgaged, but, at the same time, have an obligation to reinvest in it through additional borrowing.

I think most provinces probably feel that they have quite a burden of responsibility, having taken over many of these housing portfolios as they age and require renewal. So there might have been some short-term gains for some long-term pain.

Mrs. Mitchelson: I think, just one more question on The Loan Act, is the minister satisfied, in the years that he has been the Minister of Finance, that The Loan Act authority was used appropriately for capital construction only in housing? Is he satisfied that the checks and balances were in place and that money wasn't approved through Loan Act authority that didn't go to capital?

Mr. Selinger: Yes, the money is used for maintenance and upgrades on existing buildings, as

well as some new units as we roll out and try to build some additional units.

Am I satisfied? Well, you know, we've had some investigations into this. We definitely think that we want the money to go to its intended purpose. There are financial controls within the department, and there's the Auditor General who can look into any of these matters.

I don't know if the member has a specific concern that she wants me to address.

Let's put it this way, I don't have any hot files sitting underneath my table here that I'm aware of on this matter, but it's a big portfolio and there are lots of issues.

* (16:00)

I have heard, actually, just anecdotally from officials, that they like the consistency of the program we've put in place. There was a time when all of these things were done strictly on cash, that they would run out of money and they'd sort of be in the middle of a renovation project and they would have to stop.

They like the approach we're taking now where's there authority grant for the whole year and they can bring a project to completion. I've had officials tell me that as I've, quite frankly, bumped into them in the community that they feel they can sort of complete their program now and bring projects to completion.

Mrs. Mitchelson: Just one more question then following up on that. Has there been a capital asset policy in place that has been brought to Treasury Board on an annual basis that would have determined how much Loan Act authority would have been required year by year?

Mr. Selinger: They bring forward their needs on an annual basis of what they think they need to do to keep those units on a priority basis, improved and renovated. We consider that and then try to give them an allocation within what we think is reasonable to carry out that program. MHRC has a board of directors, yes, but they're mostly government officials at this stage of the game, senior government officials in the Department of Family Services and Housing, and their job is to sort of manage the corporation in the public interest.

If the member is saying, do they get enough. Is that what you're asking me?

An Honourable Member: No. No I'm just—

Mr. Selinger: Because they always ask for more.

Mrs. Mitchelson: I'm just asking whether there has been consistent criteria upon which Treasury Board has made decisions to flow through Loan Act authority in housing.

Mr. Selinger: Without even looking at my secretary of Treasury Board, I would say it's an evolving story because standards are improving all the time and the information is improving all the time as we go on. I mean, this portfolio was inherited sort of on an as-is basis. Then there had to be a lot of work to go in and understand it, evaluate it and see what the needs are on a sort of current-standards basis at the same time the standards are improving and demands are increasing.

So I don't think it's a static story and more discoveries are made as you investigate these portfolios of issues. You know, I don't even have a concrete example in front of me but it's not hard to imagine that insulation standards are changing, window standards are changing. You know, all of these matters are sort of before us as we try to renovate these units, including energy efficiency standards, et cetera.

So I think every year the strength of their submission improves as people understand further what's required.

Mrs. Mitchelson: Mr. Chair, I'm not sure there was a direct answer to that question in the answer that I was provided, but I'm just going to move on to a couple of other issues right now.

One, I'm just looking at a headline here which the minister may remember. It says: Rotten house sale reviewed. It says that the Minister of Finance was going to review the real estate disclosure laws after a house that was severely damaged through flooding in 1997 was sold unknowingly.

So I just would like to ask the minister for an update whether he's had a chance to review this and—*[interjection]* Oh this is different, I'm sorry, different staff that you need but, anyway, and then I'll probably come back to the other.

Mr. Selinger: The short answer is the member might recall that I engaged an outside lawyer to look into this matter, a Mr. John Neufeld, and he's been diligently working away at it. He is hoping to have his review done sometime this spring, but he doesn't have a hard and fast date because it's new territory

for him looking into all these matters. He's meeting with some of the families impacted, in particular, the one that was in the media, but he's also looking at the whole issue of how these assets were dealt with and whether there are any other exposures there that need to be addressed by government.

So I know it's going forward. He has been in contact with my assistant deputy minister of Consumer and Corporate Affairs, who is sort of the lead person on this because we saw it as a consumer housing issue, but a consumer issue, which is why we took it under our wing. I think, in terms of timing, we wanted him to do a good job, first and foremost, so we didn't try to tie him down to a really hard deadline. Because it's new territory that's being ploughed here, we wanted him to have the latitude he needed to sort of pursue this investigation to a conclusion that he feels comfortable with.

Mrs. Mitchelson: I thank the minister for that update.

We'll go back to housing issues now, and I know the minister's aware of the three people that were suspended without pay while some irregular activity in the Department of Housing was ongoing, and ultimately two of them were fired and one resigned.

At the time, it's my understanding that the Department of Finance was doing a review of these employees, and I wonder if the minister could update me on what the outcome of that review was.

Mr. Selinger: I'm going to ask the member to pursue that with the minister directly responsible for that department. I don't have any details on the personnel issues. I'm aware of them in the same way the member is, but I don't have any specific details on that.

Mrs. Mitchelson: But it was my understanding that the Department of Finance was doing a review and there were—well, the minister stated clearly in his response to answers that the Department of Justice and the Department of Finance were both going to be doing reviews on this situation.

Mr. Selinger: The member's correct that the involvement of the department was through the controller's offices through the internal audit department who—their client was Family Services. They were called in to help Family Services review the processes and the procedures that were in use, and they've given their findings back to the department, which, you know—I'm asking the minister to pursue that with the minister because

that's—our client is the ministry and they're in command of their own—of the findings and the assistance we gave them.

Mr. Kevin Lamoureux (Inkster): Mr. Chair, I wanted to be able just to follow up from question period in regard to the Crown Corporations Council.

Mr. Selinger: With the patience of the Member for Inkster, I just want to say, also, there were labour relations issues and Labour Relations Secretariat also acted in the same way, responding to the client Family Services so the member, if she wants to pursue specific labour relations information, it would be available through that ministry as well, but we did contribute to that investigation as well. All right? And thank you for the Member for Inkster.

Mr. Lamoureux: My question is fairly straightforward. The Crown Council is supposed to provide information to the Minister of Finance, share with the Minister of Finance, in terms of proposals of capital. I would ask the minister if he could indicate to us what exactly has been provided from the Crown Council to the minister with relation to capital expenditures from Manitoba Hydro.

* (16:10)

Mr. Selinger: The Crown Corps Council reviews capital requests from Hydro, Manitoba Liquor Control Commission, Manitoba Lotteries Corporation, Manitoba Public Insurance Corporation, the Centennial Centre, and the Venture organization that controls the golf course at Falcon Lake, which used to have Hecla, but that was sold off, as the member might recall. They take a look at the capital requests and they give an opinion, and they come to Treasury Board as part of the budget process and give their views on the reasonableness of the capital requests. Then Treasury Board takes that information into account in setting Loan Act authority over here on pages B-9 for those various organizations. But those are the ones they make comments on.

Mr. Lamoureux: Were there any comments provided in regards to Manitoba Hydro and their capital plan?

Mr. Selinger: Yes.

Mr. Lamoureux: Would the minister share those with us?

Mr. Selinger: If I understand the member correctly, he was sort of driving at, did they have any comments on east-west transmission lines. No. The

short answer is, no, they didn't comment on those policy choices. They commented on the program that they were asking for within their existing policy parameters. They weren't engaging in a policy debate.

They were just saying this is what they've asked for. Our analysis shows that these amounts that they're asking for seemed reasonable with respect to these various projects. Hydro does a tremendous number of projects every year: Refurbishing of stations, upgrading hydro lines, and they just go over their overall program and give us their views on whether the requests seem reasonable and necessary for the projects that are in front of us. They don't engage with Treasury Board or with us on the policy side of it.

Mr. Chairperson: Just before recognizing the honourable Member for Inkster (Mr. Lamoureux), I'm wondering if he can help us with our documentation and refer us to the resolution in the Finance Estimates that he is basing his questions on.

Mr. Lamoureux: Mr. Chairperson, I'm just basing the fact that I could ask the questions because the Minister of Finance (Mr. Selinger) told me to ask the questions at the Finance Estimates, so that's why I'm asking them now.

Mr. Selinger: Well, I'm certainly prepared to allow the questioning to continue, but it is certainly helpful for the Clerk's Office if they know which part of the Finance Estimates you're referring to. If it falls under Hydro, there are, of course, other mechanisms for questions to be asked and answered.

Mr. Lamoureux: Then I could ask the Minister of Finance to indicate why it is he suggested I ask the questions here.

Mr. Chairperson: It's not the Minister of Finance who's asking you to clarify. It's the Chair. It's different. By about a foot and a half.

Mr. Selinger: I thought it was three inches.

Mr. Chairperson: You have the floor.

Mr. Selinger: Yes. You know what? I'm not sure exactly what was going through my mind at the time I said that. Even if I did remember, I'm not sure I could put it on the record. The member asks me all kinds of questions about all kinds of things at just about every meeting I ever attend with him, and I think he has found in the past I've tried my best to

give him as many answers as I could with the information I had and then done follow-ups after that.

Mr. Lamoureux: I do appreciate that. What I'd like to do is just specifically go where it states in the legislation: The Crown corporation is supposed to review long-term corporate plans and capital expenditures, proposals and corporations. Further down it says: In reference to advising the government or the LG in Council on those plans, proposals and practices or any other matters of policy affecting corporations.

One would think, given the very nature and the size of this, that there should be some role for the Crown Council given its staffing and possible expertise. I don't know who the appointments were from the government. Would it be the government's position that the Crown corporation just doesn't have a role beyond – or as to what I would interpret in the legislation?

Mr. Selinger: No, at the Crown Corps Council level, they don't just ask about Finance. They ask about human resource policies; they ask about their energy efficiency policies; they ask about social responsibility. They cover a wide variety of issues depending on the Crown corporation that they're dealing with. But, when they come on the specific item of the capital budget they don't bring major policy comments with respect to any one item; they don't come and debate whether that's a good or a bad item. They come and comment on the reasonableness of that capital request, specific to what they're asking to have done.

So, yes, they do cover at the Crown Corps Council level—they'll bring a Crown corporation in front of them, and they'll cover a wide range of topics about corporate governance, about how well they govern that organization. They take a look at their annual reports. They take a look at their HR policies. They take a look at what they do in terms of community social responsibility. They take a look at how they manage their finances. I mean, they cover a very wide range of issues with respect to corporate governance. But, when they come to Treasury Board, they're just strictly commenting on the capital request that they've reviewed and whether they think it's sensible or not.

Mr. Lamoureux: I guess, if I was on that particular board and I read the legislation, I would be inclined to think that there is some obligation on me as a board member to do something in regard to what's

happening in terms of Manitoba Hydro, the amount of money that it's spending, capital, get a better understanding of the plan, making sure as much as possible that it's a good decision just given the very nature of the money, just based on the legislation, the way in which I interpret the legislation. But, anyway, I'm going to leave it at that.

When I asked about the advertising campaign, there's one part that I just don't quite understand. Can the minister, and I'll just leave it at this, explain to me what is cost of research? I don't quite understand what cost of research means.

Mr. Selinger: I think the member might understand it as a poll. We do a poll around the budget, and then we release it 90 days after the budget is dropped, I believe. I think it usually comes out late June, early July, sort of thing. No, it's a poll done before the budget, but then it's released within 90 days of, I think, the budget being delivered in the Legislature, roughly. I'd have to check the exact time frame on that, but I know every year I release it close to the summer break. You know, I usually release it. I remember releasing it every late spring, early summer.

Did the member receive all the information I tabled today? Yes, okay. I just wanted to clarify for him the numbers. He wasn't here when I first put this on the record, but I gave him accurate numbers up to '06. In '07 and '08, I gave him the total production and media number, 179 and 176. I neglected to put in the cost of research number which is why I compiled this table to give him the total score there. So I wanted just to make sure that everything was accurate on the record. Okay.

Mrs. Mitchelson: Mr. Chairperson, just one question for clarification on Loan Act. If we go to page B-9, I guess, in the budget document, there's a number of, I think it's 62-plus million. Those are Loan Requirements. Then at the bottom of the page it's Non-Budgetary Capital Programs and it's 98.6. Yes, what's the difference?

Mr. Selinger: The top part is the new authority granted this year. The bottom part rolls up into a previously granted authority to give the total size of their program.

Mrs. Mitchelson: So then, besides the 62.6 that's required this year, they still have in their budget somewhere, under Loan Act authority for previous years a total of the difference between the 62 and the 98. Or is the 98 in addition to?

Mr. Selinger: It's the difference. It's just roughly 98 from 62. There's about 38 that they had previously approved which they planned to apply to programming this year. They carried it forward in assets for timing reasons and approval reasons. The reason it's shown here is to show the whole story.

Mrs. Mitchelson: So that would be the total amount then that has been authorized—oh, that's the total amount that's left, but that doesn't mean—

Mr. Selinger: No, it's the total amount authorized. The total program for '08-09 is \$98 million which encompasses previously approved authority plus a new \$62 million at the top of the page.

* (16:20)

Mr. David Faursehou (Portage la Prairie): I appreciate the opportunity to once again engage the minister. Very shortly, in regard to his Finance responsibilities, legislation was passed providing for First Nations the opportunity to use the tobacco tax, gasoline taxes for improvements, economic development, provided that they are in compliance, forthright accounting and forwarding that information to the Department of Finance.

I would like to ask the minister: How many First Nations are not in compliance, therefore, not able to, in fact, have this opportunity to make use of the PST on those two items?

Mr. Selinger: I'm asking my assistant deputy minister for taxation, Barry Draward, and his official, Kelly Oleson, to come forward. They manage this program. The member asked me, of all the agreements we have to rebate taxes for gasoline and tobacco, how many of them are in compliance?

Sorry, two different ways of coming at this. There are 55 First Nations bands that have tobacco agreements. My officials inform me that they all seem to be in compliance as per the requirements of documentation, et cetera. On the gas agreements, when the retailers in these locations buy the product, the gas, tax-in, they sell it tax-out and then they document who they sold it to tax-out, and they apply for a rebate and the rebate goes to the retailer. It doesn't go to the band.

Mr. Faursehou: I do appreciate the minister's response, but I'd maybe like to be a little more exploring of this. Do actual Finance Department officials attend to First Nations administrative offices and confirm the accounting? I know that the federal government also has a fair number of third-party

administrative situations throughout the province, and this high number, I would suggest that that's significantly higher than the federal government is saying, that the number that are actually keeping up with their financial accountability.

Mr. Selinger: The member, I think, was trying to determine what level of scrutiny we give these agreements. The short answer is that they have to, on a regular basis, provide documentation that justifies the money going back to them, and that's reviewed. There's also a compliance officer and a First Nations co-ordinator that regularly make visits into local band offices and locales, and review their bookkeeping methods and what's going on there. So we do it on both ends. There's the monthly stream of material that comes in that has to withstand scrutiny, and then there are site visits as well.

Mr. Faurshou: By the minister's response, I believe he feels quite confident that there is an accurate accounting and compliance with the legislation as it pertains to First Nations in this regard.

Mr. Selinger: My officials inform me that they only make a payout once all the documentation that's required is in order and they've been verified.

Mr. Faurshou: I know our time is short so I will only pose one question in regard to Consumer and Corporate Affairs portion of the committee of Estimates, and that pertains to the Claimant Advisor's Office Automobile Injury Compensation Appeals. There is substantive increase in budgeted allocation, almost a hundred percent increase. It is noted by a denotation, No. 1. Increase reflects a full year of salary and operating costs.

So, in '07-08, the budgeted amount was \$626,000. This '08-09, \$1,167,000, which is clearly reflecting perhaps an additional half a year. Is my summation correct? Page 107.

Mr. Selinger: I think the member's working off page 107 in the green Estimates books. Essentially, he's right. Annualizations, but there also was an increase in staff to deal with workload, and these staff were hired, four and a half permanent FTEs and three term FTEs, and they were hired in year. This was to cope with very higher workloads than anticipated, so this reflects the annualizations of that.

Oh, yes, and the other point that I'm being asked to convey to you is, as you know, this is recoverable from MPI. This is a service provided to customers of MPI and paid for by MPI.

Mr. Faurshou: I'm very interested in this particular office because in my past stint as Consumer and Corporate Affairs, I advocated very strongly to have a claimant advisor, the office put forward, and I am surprised at the level of activity coming the way of this office.

I think we should be perhaps looking internally and finding what really is the root cause. Obviously, there's a need for the office on occasion, but none of us could have envisioned the number of cases coming forward to the claimant advisor. I think I will leave with the minister because I have to turn this back to my honourable colleague from Brandon West, but I think it's worthy of further investigation.

Mr. Selinger: I'll just quickly say to the member, the member, himself, as a former champion of getting this in place, knew there was a lot of pent-up demand in the community for a form of service that would help them speak to their claims vis-à-vis MPI. And, yes, there are a lot of people out there that feel that they want to have their day, so to speak, to be heard on their concerns.

* (16:30)

As you know, this is an area where citizens can have experienced quite serious trauma and impairment to their lifestyle and their family life, so some of these issues are quite profound. They're not superficial issues, and some of the cases are very complex and go back many years. The files on them and the factums on them are enormously large and complex, more complex, perhaps, than we might have imagined when we set it up. So it is an important service, and it takes quite a while to get it right and to work these things through.

Will the demand go down in the future? It's not entirely clear at this stage what happens once the backlog is all dealt with. I think, even if the volume goes down, I think we're seeing more complexity so each case requires more work and due diligence to bring it to a resolution. So we are looking as well at alternative methods to expedite cases including single panels in less complex cases. We made those changes a few years ago and we're considering other ways that might bring resolution to this, as we go forward.

Mr. Cliff Cullen (Turtle Mountain): Mr. Chairperson, I want to thank my caucus colleagues for allowing me a few minutes to ask the minister some questions.

I have a specific question related to revenue. It's on page 20 of the budget book and specifically related to the line related to Manitoba Hydro.

Mr. Selinger: Of which book? Budget papers?

Mr. Cullen: Budget papers, yes.

Mr. Selinger: Okay, got you.

Mr. Cullen: Turn to page 20 and the revenue in regard to Manitoba Hydro. Again revenue occurring to the Province of Manitoba from the various Crown corporations and just for clarification, the revenue that the province generates from Manitoba Hydro, my understanding is it's primarily related to water-rental rates, if the minister just could confirm that.

Mr. Selinger: Yes, this is what you might call the net revenue that Manitoba Hydro is expecting to generate. This is money that's retained by them, this 309 and the 160, the 111, the forecast going forward. This is net revenue that stays with the corporation. So it's sort of the bottom line, so to speak, on an annual basis of revenues and expenditures.

It is true that they pay us a water power or a rental charge which is covered under their expenses before you get to this bottom-line number here.

Mr. Cullen: So, just to clarify, this is the net revenue that the province received from, in this case, Manitoba Hydro?

Mr. Selinger: Yes. No, I just have to—did the member say that the province receives? No, I think I said that earlier. This is the revenue that they generate, net revenue, but they retain it. The amount that they give us is covered before they get to this number in their expenditures. The amount that they pay for water-power rentals is under all of their expenditures and then, after all their expenditures are done, this 309 for '07-08, for example, is the net revenue after all expenditures but they retain that money, net income retained earnings.

Mr. Cullen: Just so I'm clear here then, what this document is showing is the expected revenue for the various Crown corporations, or net income I guess would be the proper term, for those various incomes for those various Crown corporations.

Maybe your staff would be able to point out to me then where in the document in terms of revenue does the actual water rental rates shown up.

Mr. Selinger: If the member wants to know the cost or the revenues to the province for the Hydro

expenditure of water-power rentals, I would direct him to page 187 in the document Estimates, Expenditure and Revenue. Do you have it?

An Honourable Member: No, I'm sorry I don't.

Mr. Selinger: Okay, we'll get you a copy right now. It shows \$105 million there under Water Stewardship, water-power rentals. See that? And then I'm informed that it also shows up in the original document he was looking at under the schedule 1 Revenue Estimates on page 6, \$105 billion shows up there as well on the original budget papers one that I think he has a copy of. So page 6, \$105, and it's the same as page 187, \$105.

Mr. Cullen: I thank the minister for clarification there. I'm just wondering if there's any significant change in terms of water rental rates that the Province is expecting, to change anything significantly in terms of what Manitoba Hydro is going to be expected to pay.

Mr. Selinger: It's the same. It's really the same forecast as last year.

Mr. Cullen: Just to shift gears a little bit. I'm referring to a Canada-Manitoba news release back March 3 of 2007. The intent of the news release or discussion of the news release is that \$53.8 million was going to be transferred to the Province of Manitoba under the ecoTrust program.

Again, I know we were looking at environmental programs. I'm wondering if that particular fund, if that money is allocated into a specific fund or does it just fall in terms of general revenue. Where can we go to track that \$53.8 million?

Mr. Selinger: If the member will go to B-1 in his budget papers. It shows the Fiscal Stabilization Fund there. You'll see there's a line under general programs, ecoTrust, and it forecasts a draw of \$13 million from the ecoTrust for this year.

Mr. Cullen: So when there's a draw from that ecoTrust account, in this case \$13 million, than that money will just be allocated to various departments as required. Is that how the process works?

Mr. Selinger: The money is allocated towards activities that meet the purposes of the ecoTrust. It shows up on our enabling vote, and then it's allocated out to a variety of programs that have been identified to reduce greenhouse gas emissions and other green activities that we've undertaken to use the money for.

Mr. Cullen: Is this the first withdrawal out of that fund or has there been a withdrawal on the previous year?

Mr. Selinger: If the member would look at, this is back to the other book, Estimates of Expenditure and Revenue. If the member would go to page 159. I'm just going to show him what happened last year. Last year there was a budgeted amount of \$5 million and this year there's a budgeted amount of \$13 million, under the Enabling Vote. It's on the right-hand side there. It's about No. (9), under 1(a)(9): ecoTrust.

Mr. Cullen: I thank the minister for that clarification. Would the minister be able to provide me a list of which departments that particular money was allocated?

Mr. Selinger: The short answer is we'll endeavour to pull that information together for him about where the money was allocated.

Mr. Cullen: I appreciate the minister's undertaking. Just for clarification, if you would, for last year's fiscal year and then of course, for this particular budget year as well. I'd certainly appreciate that. Thank you very much for your time.

Mr. Borotsik: If I can, just to take off on an issue that the Member for Turtle Mountain was talking about. When he talked of retained earnings from Manitoba Hydro, last year 2007-2008 was a record year and the retained earnings are identified at being \$309 million. The budget for this coming year is \$160 million. Is that just simply because of the water levels that they're being anticipated? Because at the following year, 2009-2010 there's another \$40 million reduction to retained earnings of \$111 million—or is that because of additional debt that the corporation is acquiring, and is that debt-servicing? I find it strange they go from \$309 million to \$160 million to \$111 million over those three periods.

* (16:40)

Mr. Selinger: Well, the \$309 million was a very large number based on an extraordinary year where other jurisdictions had a high demand for our product. The other numbers, the \$160 and then the number after that are in the normal range of what Hydro usually forecasts their net revenues at.

Mr. Borotsik: This isn't necessarily just net revenues. This is retained earnings. This is their bottom line. This is after all the expenses. This is after all of the revenues that they generate. Their

bottom line is dropping from 160 to 111 in the other year. Is there any rationale?

Mr. Selinger: Hydro, generally, the further they go out, as you know, it's a forecast and they tend to be quite prudent in their future projections. Market conditions can change.

Mr. Borotsik: I find that interesting, because the market, as I understand it, is substantially strong at the present time.

Mr. Selinger: It depends on water flows, too. There's a substantial degree of uncertainty on what they think they can generate every year. So they tend to be quite prudent in their forecasts.

Mr. Borotsik: One could refer to it as prudent. One could call it small 'c' conservative as well in that particular forecasting.

We only have a couple of minutes to wrap things up here. However, I do still have quite a number of questions left.

Harmonization, I talked about that. Has the minister had any discussions with the federal Minister of Finance with respect to harmonization of GST and PST? If so, what's the minister's personal—well, I suppose personal preferences don't even come into play. What's the minister's opinion with respect to harmonization in the province of Manitoba? Have you done any surveys or studies to this point with respect to harmonization and how it would affect the province?

Mr. Selinger: The short answer is yes. There was a joint sort of analysis done between federal and provincial officials during the last year to take a look at it. The annual losses were considered to be substantial to the revenues of the province of Manitoba, even after reasonable assumptions were made on what economic benefits might come out of it.

Mr. Borotsik: As I understand, the Minister of Finance did have some backstopping of some of those losses with respect to the PST, or the PST input tax credit. Would the minister be able to share what that backstopping would include? Did the Minister of Finance put any numbers on the table?

Mr. Selinger: Well, I'm a little reluctant to put numbers on the table, but I can say to you that what might be called the transition payment did not even come to what the annual losses would be, wouldn't even get close to what the annual losses would be. It

was a one-year payment, whereas the annual losses would go on for several years.

Mr. Borotsik: The Minister of Finance federally is certainly putting a lot of pressure on the Province of Ontario to harmonize theirs. If that should happen, needless to say, their whole manufacturing sector, particularly, is a lot larger than ours. If Ontario did, in fact, enter into some sort of agreement with the federal government, would it change Manitoba's perspective on the harmonization?

Mr. Selinger: If I understand the Ontario government, their position was they would harmonize only if they got a permanent offset. If that precedent was set, we would certainly look at it.

Mr. Borotsik: Thank you for that very candid answer. It's an answer that I would expect from the minister. Basically, now, it's off the table. The Province is not looking at harmonization at all?

Mr. Selinger: Saskatchewan looked at it and said no, based on the offer. Prince Edward Island looked at it, said no. Ontario has made its position extremely clear on what they think is a reasonable offset. So, at the moment, I don't see any activity occurring on it, given the federal offer.

Mr. Borotsik: Thank you.

Very quickly, can we have any idea as to when legislation may come forward with respect to the current balanced budget legislation and the summary budgeting?

Mr. Selinger: I'm just checking to see what the considerations are. There was the idea of looking at it this session. I'm trying to verify if it was put on the Order Paper today.

Mr. Borotsik: Maybe I can ask another question while that answer is forthcoming.

The minister, quite a number of new programs that he's put into place in this particular budget and just, for my own information more than anything else, the minister's responsible for gauging the effectiveness of a lot of those programs. One in particular that, sort of, came to mind, there was a program put into place for 4,000 apprenticeship spots. I did have the opportunity of talking to industry and under the current legislation, apprenticeship spots, there has to be a mentor, a journeyman, in order to mentor an apprentice. There are not that many spots available to take 4,000 apprenticeships in place, so to say in one area that you're going to accommodate 4,000 when, in fact,

the industry itself cannot do it, is there any opportunity to gauge those types of programs and the success of those programs on an annual basis?

Mr. Selinger: Yes.

Mr. Borotsik: Then I'll expand the question a little bit further. There are other programs that the minister has put into place, in fact, his highly touted caregivers program, his highly touted tax forgiveness for graduates from universities.

Is there an ongoing opportunity to look at the uptake in those programs just to see if they are or are not successful, and do you do it on a quarterly basis, a semi-annual basis?

Mr. Selinger: Again, the answer's yes, yes, in both cases. We look at the numbers because, I mean, in some ways they're not too difficult to track because they generate a demand for resources, so you can get an idea of the uptake in that regard. For example, the graduate tuition tax rebate, we budgeted, I believe, about \$11 million for it this year and we'll know by the end of the year whether or not that—I mean, as people file their tax returns, they'll be taking that up.

I've heard anecdotally that lots of them are taking it up and I've heard of some of the items they bought, and I won't go into that. Then on the caregivers tax credit, there's going to be some work to implement that because, you know, the people that it applies to have to be—they come within the home-care program criteria in terms of the level of care they require and—on the apprenticeships—so we'll be able to track some numbers on that through the Minister of Competitiveness, Training and Trade (Mr. Swan).

The member might also know that in the budget there was an incentive put in place to hire journeypersons, up to \$2,500 for each employer that hires a journeyperson. We're trying to ensure that we can retain as many of these people as they work their way through that program in employment after.

Mr. Borotsik: So one year from now I'll be able to sit at this table and we'll be able to get a complete report as to what the success for those programs were. We'll be able to know what the uptake is rather than just simply going through the budget or the financials and seeing what the final number is.

Back to the department, and again, very little time and I know that I said I was going to go line by line through the Estimates. That's not going to happen.

A couple of questions, first of all, and I asked the question again last year and I'd like a response. The contracts that are issued through your department, are there any single-source contracts that are issued? If so, which ones and at what levels?

I know anything over \$25,000 should be tendered. Is there a tender process in place right now in the department that, in fact, does that? I guess my question is, single source, right now, which single-source contracts do you have?

Mr. Selinger: I see my Director of Administration trying to get that information.

The one I'm aware of every year is we tend to single source the work we get done for the budget and the firms that do it—other than the polling one, which I explained to you earlier how that's done. The guy that does all the layout and the printing and everything, he's been sort of doing it since 1981. You know, as the member would understand, it's quite confidential and quite time-compressed, and so I think there has been, well, I don't know, one, two, three governments since '81 that have used this same individual. I do sign for it so, I think, it's not huge but it must be over \$25,000 if I sign off on it.

Mr. Borotsik: Any computerization contracts, single source?

* (16:50)

Mr. Selinger: In terms of other untendered contracts, first of all, all untendered contracts were reported on the LBIS system inside of government. We have one to Citibank for \$37,000 for agent and register freeze. We have one to Bloomberg for their financial software, and the member will know who Bloomberg is. He's the current mayor of New York and a multi-billionaire, \$100,000; The Bone Financial Print [*phonetic*], specialized electronic printing, \$35,000; Receiver General of Canada, supervision of Manitoba companies, \$40,000—that speaks for itself; hard to contract that out. So I can give the member—and then there are four or five others: French language training, \$25,000, St. Boniface College, École de la fonction publique, Federal Government for Language Training; Conference Board of Canada for on-line e-library data services; and we have a chap that is our administrator for the labour-sponsored investments funds. We give him a \$40,000-a-year contract to do that. Then we have audit software that we bought for \$62,000 through a sole source because it was unique

software, so if the member would like me to table that with him I will.

Mr. Borotsik: Yes, thank you, Mr. Minister. I would like to have that tabled if you wouldn't mind and I do appreciate that. Could you just tell me what LBIS is?

Mr. Selinger: Legislative Building Information System, which we apparently all have access to.

Mr. Borotsik: Well, even the minister didn't know what the name was, so I don't feel so badly about that.

An Honourable Member: I think he did, but he wanted to be sure.

Mr. Chairperson: The honourable Member for Brandon West has the floor.

Mr. Borotsik: In your department, Mr. Minister, have there been any positions that have been relocated outside of any rural areas into the city of Winnipeg over the last 12 months?

An Honourable Member: No.

An Honourable Member: Say it again.

Mr. Selinger: No.

Mr. Borotsik: Thank you. Common question: Travel in your budget. I see the minister does not travel an awful lot. Has there been any international travel by the minister recently?

Mr. Selinger: Well, my travel has taken me to Brandon, La Broquerie, Brandon, Nelson House—international? I have been to Minnesota.

Mr. Borotsik: The minister certainly—I won't say is sheltered, but he certainly doesn't travel far afield with respect to his portfolio, so, we'll leave it at that. Did the minister travel with the Premier (Mr. Doer) at all, either internationally or nationally over the last little while?

Mr. Selinger: The Minnesota trip had myself and the Premier (Mr. Doer) on it, and—were there any other ministers on that? Mr. Robinson as well.

Mr. Borotsik: I'm sorry. Mr. Robinson? What was the nature of the trip with the minister?

Mr. Selinger: Hydro.

Mr. Borotsik: That was the negotiations of the potential new deal with Minnesota with Xcel?

Mr. Selinger: No, that was a legislative requirement for information which seemed to be specific only to Hydro. We wanted them to understand that we

thought that was an unfair request for—like Manitoba doesn't have a law requiring Minnesota or any of its agencies to report to us and we thought it was—it had been brought in very late in a legislative session the year before, and they're working on a solution to that now. They understood the specifics of the problem, one jurisdiction passing laws that apply to other jurisdictions. That's sort of ultra vires, in a sense. So we're working that out.

Mr. Borotsik: The last question before we get to the motions, and I know the Clerk is very difficult about that. He's serious about that, I know, and that's on the record. The legislative requirement that Minnesota has is somewhat—is an impact on future Hydro sales to that jurisdiction until they change the legislation. Is that not correct?

Mr. Selinger: Well, we saw no immediate or even mid-term impact on it, but we thought good neighbours should treat each other in a certain fashion, and we went down to clarify our relationship. The people we talked to understood that you don't do these things sort of at the last minute without notice and not a chance to sort it out, and so we're working that out with them. As you know, their decision-making process is way more complex than ours because they have a Senate as well as a House, and there's a complete separation of the Executive from the legislative bodies. So there are lots of complications there.

Mr. Chairperson: One more, last, last question.

Mr. Cullen: Mr. Chairman, the nature of those discussions, are those reports available on-line somewhere? Are those formal discussions you had with legal counsel there or were they kind of off the record? I guess the question is: Are they on the record or off the record discussions?

Mr. Selinger: Minister Robinson and myself spoke at a Senate committee. That would be on the record in their version of *Hansard* and the Premier (Mr. Doer) gave a speech at, I believe, a Minnesota Chamber of Commerce meeting, and then we met with specific legislators, both Senate and House representatives, which, I guess, would be more of an informal conversation.

Mr. Borotsik: No. I'm just suggesting that we shut down this questioning and get on with the motion.

Mr. Chairperson: Seeing no more questions, we'll put the resolutions.

Resolution 7.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,979,900 for Finance, Treasury, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 7.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$6,691,900 for Finance, Comptroller, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 7.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$17,850,700 for Finance, Taxation, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 7.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,228,800 for Finance, Federal-Provincial Relations and Research, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 7.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$451,500 for Finance, Insurance and Risk Management, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 7.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$7,123,400 for Finance, Treasury Board Secretariat, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 7.8: RESOLVED that there be granted to Her Majesty a sum not exceeding \$11,692,600 for Finance, Consumer and Corporate Affairs, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 7.9: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,116,000 for Finance, Cost Related to Capital Assets, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Resolution 7.10: RESOLVED that there be granted to Her Majesty a sum not exceeding

\$45,109,000 for Finance, Net Tax Credit Payments, for the fiscal year ending March 31, 2009.

Resolution agreed to.

Consideration of Minister's Salary. The last item to be considered for the Estimates of this department is item 7.1.(a) the Minister's Salary, contained in Resolution 7.1. At this point, we request that the minister's staff leave the table for consideration of this last item.

The floor is open for questions. Seeing no questions

Resolution 7.1.(a) RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,654,900 for Finance, Administration and Finance, for the fiscal year ending March 31, 2009.

Resolution agreed to.

* * *

Mr. Chairperson: This concludes the proceedings for the Estimates for the Department of Finance.

Is it the will of the committee to see 5 o'clock?
[Agreed]

The hour being 5 o'clock, committee rise.

EXECUTIVE COUNCIL

* (15:00)

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.

Mrs. Bonnie Mitchelson (River East): Madam Chair, I just want to welcome the Premier's staff. It's the first chance I've had the opportunity to do that. I know that staff are invaluable in trying to ensure that the Premier or a minister is briefed and up to speed on all issues. So, therefore, I'd like to just move quickly to a few questions on child care.

I think, as many know, I do represent the Premier in the Legislature in the constituency of River East. I know there are quality schools in the River East Transcona School Division and there have

been quality child-care programs that ran in our River East School Division before it was amalgamated with Transcona. He would be very familiar with some of the programs that have run, the before- and after-school programs, I'm sure, at Maple Leaf School where his children attended, Sun Valley School, Emerson School and John de Graff. They were four programs that had a total of 294 spaces, in-school programming that were licence exempt.

They have run for many, many years. I believe some of them were in place prior to the Filmon administration, so they would have been put in place under an NDP administration, and have worked extremely well for many, many years. There's never been a complaint about the quality of the service or the calibre of the service. Until recently, they ran in a manner that was second to none. I know that there were many people in the catchment area that looked to trying to get their children into the schools that provided that programming because of the excellent quality of the programs.

Well, Madam Chair, those four before- and after-school programs have been forced in the last couple of years to become licensed, forced by the child-care office into a position where they will now have to be licensed. In spite of the school division providing a letter indicating that there were prepared to continue to follow along with a previous letter that had been sent to the child-care office, and provide the space available for those programs, and they would not have liability for the before- and after-school programs. But, as in the past, the child-care programs have liability insurance. So there was really no need to move forward with licensing on their part.

* (15:10)

It just meant, Madam Chair, that these facilities then had to jump through some hoops and duplicate some things that just don't seem to make any sense. For instance, there was a fire inspection done and a certificate on file for schools. They have to have fire inspections and they have to pass certain inspections. The schools have fire safety regulations that were signed off through the inspection process. But, all of a sudden, it's not good enough for the child care that runs in that school, before and after school, to use the certificate that the school has. They have to go out and get another certificate. Now, if fire safety regulations are good enough for 500 students that might attend school during the day, and, all of a sudden, they're not good enough for the before- and

after-school programs, there seems to me to be a problem. Someone's not using common sense.

Another issue that has been costly to these programs and has taken up a lot of time is that they have to get occupancy permits. There are some significant changes to the staff qualifications for these programs now as a result of them becoming licensed. They're being told that they have to have a certain ratio of early childhood educators in the mix to run a before- and after-school program.

Well, early childhood educators are hard to come by. If you get a student that's going to take a two-year program for an early childhood educator, you can be guaranteed that that individual is not going to take a part-time job at a before- and after-school program that, in three of those four facilities, only runs nine months of the year. They're off for Christmas break; they're off for Easter break; and they're off for the summer. So it just seems to me that it doesn't make sense to make those kinds of demands on a strictly before- and after-school program with no preschool component at all to those programs.

So, I've certainly had a lot of discussion with the programs in our community, and they're having great difficulty with trying to understand why government would require them to move in this direction. I know some of the comments that are coming from parents and those that are on the board, are in the system, are saying that it looks like government is trying to find ways to look good rather than to use common sense when it comes to programming for children.

So I'd just like to understand why, or what policy directive was given to make these kinds of changes when we had a program that wasn't broken and didn't need fixing.

Hon. Gary Doer (Premier): Well, my children are out of child care, and after-school care, so I'll take the question as notice. I haven't heard about this, so I'll take the question as notice. I can't answer the question.

Mrs. Mitchelson: I guess I look to some leadership from the Premier, who has to sign off on new policy direction. Maybe I'll just expand a little bit, because if the Premier's taking this question as notice, maybe he could get back to me on a few other things, too.

Those four centres that were licence-exempt in the past had some 294 children in their programs. There were another six centres in the same northeast Winnipeg area, including Transcona, that were told

that they needed to be licensed also. They were unlicensed facilities. I don't know quite as much about them. They may not have been, but some of them may have been in the Premier's own riding. My understanding is that one centre in Transcona closed as a result of being told that they had to be licensed.

So, I guess my question would be, when I hear all the fanfare about the number of newly funded spaces, and we heard another announcement today, and the minister stood up and talked about newly funded spaces over the last eight years—I think it was 7,000 spaces in eight years—are they, maybe, forcing unlicensed spaces to become licensed, and counting them as new spaces? Are the 294 spaces, in the four centres that were unlicensed previously, included in the number count that the government talks about? In fact, are they really not new spaces, but just licensed spaces, and there's a bit of a smoke-and-mirrors game going on here?

Mr. Doer: I'm sure there's no smoke-and-mirror campaign, but on the issue of needs for kids and needs for families, I'll double-check. I'll definitely take that as notice and see if there's a policy that the member—what is the rationale for the change? I can't give her an answer to that, so I'm not going to try to invent one.

Mrs. Mitchelson: Obviously, there's been some legislation that has come to Cabinet and been passed as government directive and government policy because it was in the announcement that was made today on child-care spaces, and it talks about a child-care safety charter, Canada's first legislated, comprehensive code with minimum safety standards, and I guess that's legislation that, obviously, has been improved by government.

I would think that the process would be that the Premier and Cabinet would have discussed this legislation. It is government legislation, and so, can I ask the Premier, maybe, to expand a little bit on the legislation that his government has announced today.

Mr. Doer: The government has announced its intent to bring in that legislation. I don't believe it's been introduced in the House, so I will defer on the specifics dealing with a minimum safety standard on the issue of whether centres are affected by that legislation. I'll take that as notice in terms of the policy.

Mrs. Mitchelson: I understand that about three out of 10 centres in the province today have exemptions on their licences, and, again, forcing centres that

haven't been licensed and have operated in a very prudent fashion over a significant number of years to become licensed, when we already have several exemptions within the system because people can't meet the standards that are in place in the province, and there aren't enough early childhood educators, there aren't enough staff to go around to support our child-care centres that presently exist in our licence system.

I guess I would question, and I know the Premier is taking a lot of questions as notice, and maybe he could—I would have hoped that he would have had some answers when we have a five-year plan being announced today, a 12-point child-care agenda, I would hope that the Premier, although I know he doesn't, and I don't either, have children in the school system at an age where they need child care, today, I would hope that, as the Premier and the leader of his party, he would have some sense of where this vision is taking us, this announcement that was made today, and he would, somehow, today, articulate his vision and his commitment to families in having them have choices around the child care that they may need.

Mr. Doer: As I said before, the specific legislation hasn't, as I recall it, been introduced in the House, and the member opposite will have the privilege and responsibility of commenting on whether she's for or against the legislation when it's introduced and how it applies to the circumstances she's talking about so I don't want to offend the traditions of this House in terms of the details of legislation except the principles, and principles are safety, so I will await the distribution of the legislation and look forward to the member's comments.

*(15:20)

We have, and we will, listen to people and all members on legislation that we're presenting and how it works on the ground floor. You know, we intend on fulfilling our responsibilities on child care, increasing early childhood development across Manitoba, which we've consistently done, increasing standards for staff and pay for staff in the system, utilizing vacant schools, using some common sense when the public has paid for schools. We believe they shouldn't be abandoned willy-nilly. If the community needs more child-care spaces, we think that's—that's something you hear in a coffee shop as well, why are you closing a school down here if you don't have enough child-care spots?

So we're trying to use common sense as well as sufficient standards, but I certainly will look forward

to the member's comments on the legislation when it's introduced in the House.

Mrs. Mitchelson: Madam Chairperson, I wasn't really asking about detail around the legislation. I guess I was asking for what the Premier's (Mr. Doer) vision might be, as the Premier of this province, on child care. I know he just talked about using schools for child care. I will reiterate that we are using schools and have been in River East school division with give and take by the before- and after-school programs and the schools that are involved. It's been a very successful program and many families' needs have been met.

Again, I go back to saying what the parents are saying. Since the Province has forced these programs to become licensed in the last couple of years, we have staff directors of these before- and after-school programs that are having to spend half of their working time filling out forms and jumping through hoops that appear to be extremely unnecessary at the expense of being able to look after the children and continue to develop the programming that needs to be developed for children.

I would just like to ask the Premier whether he feels that's a good use of resources in our child-care system and whether he would agree with me that a common-sense approach needs to be used when it comes to dealing with programs. In my mind, they are programs that could be models for every other school division in the province.

Mr. Doer: I will take the question as notice in terms of the specifics to ensure that. I don't want to second-guess what the reason was or exists for the change designation from exempt to include it. So, I want to know the answer to the question before I deal with that specifically.

Mrs. Mitchelson: Madam Chairperson, would the Premier agree with me that before- and after-school programs that deal only with children that are school age are very different and the needs of those children in that kind of a program would be considerably different from those in infant or preschool programming, especially if that programming is being done in the school where the child attends?

Mr. Doer: Do I think school-aged programs are different than infant programs? Yes, sometimes by two or three, or three and a half years. Again, I'm not going to presume to know the answer to the specific question until I get information about why one

designation changed. I don't have that, so I'm going to take the specifics as notice.

Mrs. Mitchelson: Madam Chairperson, could the Premier indicate under his government why school-age programs are being told that, once they become licensed, there may be a wait of five to six years for funding? We have an announcement that says, 1,500 new child-care spaces will be funded this year and yet some facilities are being told that they will have to wait five or six years before they can receive any funding.

Mr. Doer: The member will know that the funding for spaces has gone up dramatically. The funding for staff salaries has gone up to try to decrease turnover. I think, when the member opposite was minister, it went up a little bit, flatlined and then ordered to be lapsed one year. I have the document in my old opposition file.

The issue of wait lists: We're certainly trying to determine whether there's—different centres have the same families registering for, you know, their children in a quadrant. I know that people will register three or four child care centres in a radius close to home or close to work, and does that increase the numbers of people on the waiting list and can there be a more co-ordinated approach to that, like we did with family docs in Manitoba? So we're looking at some of those measures as well.

So, again, we want to continue to invest in early childhood development. We believe in it for both learning and for learning for the children and resources for families. We know there are different pressures at different ages and in different quadrants of the city, and the province for that matter, because there are issues of child care in northern Manitoba, of course, and in rural Manitoba as well.

So we made an announcement today and, quite again, another ambitious plan. We not only met the last plan we had, but we exceeded it in terms of investment and results and confident we'll make progress again with the plan today.

Mrs. Mitchelson: I won't belabour the issue too much longer.

I just want to go back and reiterate that, you know, programs that are run in school, before- and after-school programs, are part-time programs. They're not full-time programs. They require, I believe, a different mix of staff. I don't believe that we're going to get early childhood educators with two years of training to take part-time jobs for nine

months of the year. So, I would ask the Premier to look at that when he's looking at policy in his government and see whether in fact there needs to be some different rules or regulations around those that are solely in school.

I would ask him also to undertake taking a look at, a serious look, at the programs that have been run in the old River East school division, the now River East Transcona School Division, because I believe that they're a model that could be used throughout the province and no, one size doesn't fit all. I guess that's where I have concern and that's where some of my constituents, both those that work in the system and parents that require before- and after-school programming, as always shaking their heads and saying, you know this wasn't broke. Why are we being forced now to jump through hoops that we shouldn't have to jump through? We're tried and proven. Parents from all over the catchment area are looking to find ways to get their children enrolled in these schools because of the before- and after-school programs.

So I feel very strongly about this, and I know that those that are working in the system that are really committed to children are committed to trying to move on and not be tied down or moved backwards instead of forwards. We all know that over and above the school age programming, there's a real need for early childhood education, early child development, and none of us would disagree. We started along that path, even though we didn't have piles of money in the 1990s.

Then there were cutbacks. I know from the federal government we didn't have the kinds of money pouring in from the federal government that the government has access to today, but we continued and we worked hard to try to put some programs in place and I know, for a fact, like some of the early childhood development—the Baby First and Early Start programs—are continuing and have been enhanced under this government. I commend them for continuing and enhancing those programs as resources became available.

* (15:30)

We all know that there are different kinds of programming that are needed for different communities, but when we do have something that works, and works really well, meets the needs of parents as qualified individuals teaching and working in that system, I would hope the Premier (Mr. Doer) would take a really close look and ensure that we're

not reinventing the wheel, and maybe looking at it as a model for other communities that might be able to benefit and provide more options and more opportunity for families that need supports from our child-care system.

With that, I'll leave it and say thanks, and I do hope that the Premier gets back to me once he has a look at the reasons or the rationale, and we can have a chance to talk about it further.

Mr. Doer: Thank you.

Mr. David Faurichou (Portage la Prairie): Madam Chairperson, I just wanted to ask the Premier, as we approach the third anniversary in which the Assiniboine River Diversion west dike was breached, and, although the necessary repairs have been made, there has not been any substantive work done that addressed the main issues of channel rejuvenation, structural enhancements, especially at the outlet at Lake Manitoba's water's edge.

I wonder, in light of the significant amount of investment capital being placed with the reconstruction of the Red River Floodway, we've got to recognize that we have The Forks in the middle of the city because there are two rivers, and we cannot forget about the other flood control structures that control the second river that enters Winnipeg.

The question is: Has the Premier allocated, or does he anticipate allocating the major capital required to, in fact, rejuvenate the Assiniboine River Diversion?

Mr. Doer: Well, I'm very aware that there are three components of flood protection for Winnipeg, with benefits between Winnipeg and Headingley on the west side with the Assiniboine diversion: the Shellmouth Dam, the Assiniboine diversion and the floodway.

As you know, the biggest weakness in the '97 flood was the communities south and east of Winnipeg. Under the former government, and then continuing with ourselves, there has been a considerable amount of investment made in that floodway and in the flood protection, I think, some \$280 million for Rosenort, Emerson, Ste. Agathe, Morris, areas around Grande Pointe, areas around the Seine River Diversion. There are a couple of other communities I haven't mentioned yet. We put a considerable amount of money in that.

We're building the west dike out to deal with problems of overflow over land from the Morris

River north to the La Salle River, with the west dike. We're making that permanent.

I'll have to take as notice the specifics about the Assiniboine diversion.

I'm concentrating on getting the wellness centre done at Portage la Prairie. We think it's a great project. We're concentrating also on the emergency ward at Portage la Prairie, which we also think is important. Those old promises we made a year ago, they're fresh in our minds, fresh in our hearts, fresh on our agenda, and we'll come back to Portage la Prairie in three years, four years from now with fresh paint on all of those great projects.

Mr. Faurichou: I appreciate the First Minister anticipated my next questions, but I want for him not to forget about the transitional centre as a secondary women's correctional facility that was mentioned in the report, as well as the Aboriginal healing centre, which was also in the report and announced as well. But I appreciate the minister's response.

Mr. Doer: Yes, I refer the member to his colleague, the Member for Morris (Mrs. Taillieu) who asked a lot of questions about the women's jail on Friday morning, I believe.

Mr. Hugh McFadyen (Leader of the Official Opposition): Just some questions on some of the revenue and expenditure projections contained in budget '08. The budget is showing a reduction in expenditure for Justice—the line is called Justice and other Expenditures—over the '07-08 forecast actual of about \$86 million. An \$86-million cut to Justice and the other departments that are part of that.

Can the Premier just indicate what the strategy is in terms of where that expenditure reduction is going to come from?

Mr. Doer: I'll have to check the details of the Justice Department. As I understand it, there's an increase in spending over inflation in Justice. His first part of his question was revenue and the second part was expenditures. I'm trying to parse the words of the question.

Mr. McFadyen: I've got questions on both revenue and expenditure. That was an expenditure question.

I'm just making reference to page 2 of the summary budget where it makes reference to 2008-2009 budgeted number of \$992 million for Justice and other expenditures as compared to an '07-08 forecast of \$1.78 billion. It's showing an \$86-million cut to Justice and other expenditures. I

recognize that that would take in departments other than the Department of Justice within that category.

I'm wondering, given that the documents don't provide much detail on those expenditures, whether he could indicate what's behind that cut in expenditure that will take place in Justice and other departments.

Mr. Doer: My understanding is the Justice Department Estimates are before the Legislature right now. I'm sure that question is being asked on the other side of the table.

I think the expenditures in the Estimates book are higher. I'll have to reconcile—on summary financial budget, it might be some of the fines; it seems to be a bigger gap than I can explain. They might have moved some expenditures to other departments.

Mr. McFadyen: On the revenue side, the summary budget is showing a reduction in income tax revenue this year compared to last year. Last year the forecast—I know the numbers are still being crunched for '07-08—but the forecast is 2649 on income tax revenue and the budget this year is 2611.

Given the economic growth forecast, I wonder if the Premier can explain what the rationale is for that apparent reduction in income tax revenue this year.

Mr. Doer: I'll check, because there are some measures we've implemented in the interim from changes made in federal budgets. There were some changes made in the actual financial statement made by the federal government in the November statement. I'll double-check to see what the issue was.

I think the '07-08 budget had—our own source revenues went up in a number of areas and over projections and over estimate. The income tax number I'll have to double-check it. Again, we haven't reconciled year-end. In terms of '07-08, last year in the fourth quarter, which was released in July, although we had budgeted in the election to take the health care wait list money from the rainy day fund—as we had deposited it there, as required by the federal government—we actually ended up taking, I believe, nothing from the rainy day fund, which also included a prepayment for the museum, a prepayment for agriculture of some \$68 million, and not taking any money out of the wait list, and so, overall, some of the revenues went up, some federal and some own source revenue.

* (15:40)

Normally, what we've found in the past is the fourth quarter, there have been more funds in it than we had budgeted a year ago, and we still, in the '07-08 year, Stats Canada just said in '07 Manitoba's growth rate was higher than what he had budgeted. The overall average of growth rates last year was about 2.9 percent. I think that our '07 or '08 budget was just 2.7 percent on growth from the seven major forecasters. In fact, Stats Canada came in with the preliminary numbers today, indicating, I think, that Newfoundland and Labrador was No. 1 at 9 percent, primarily with the oil energy prices, and even with the oil prices being so high in Saskatchewan and potash being so rich, we were still above Saskatchewan and tied with Alberta and above British Columbia for overall GDP, which usually results in positive performance for revenues.

Mr. McFadyen: We'll look forward to just getting a bit more detail on that apparent decline in income tax revenue that it's showing. There may be some of the rate adjustments that will impact that, but it seems to be out of keeping with what the economic growth projections are.

I want to ask the Premier just again, under the category of other taxes, which are own source in nature, and includes corporation capital tax, tobacco tax and sales tax, it's showing, over the '07-08 forecast, the forecast actual for year end, basically flat revenues, a \$3-million increase on a line that's at about 3.3 billion.

I wonder if the Premier can just indicate what the thinking is around that conclusion that those other taxes are going to be flat this year from last year.

Mr. Doer: Well, again, finances and their estimates right now and governments don't, as you know, develop the forecast. We get preliminary projections of the federal government. We get projections from our own Finance officials. I know there was a decline in tobacco tax based on issues that have been in the media. I know that we also reduced the corporate tax rate last year and this year. We reduced the small-business tax. We reduced the capital tax from 0.5 to 0.4 and then again 0.4 to 0.3 this year. We also are accelerating the complete elimination of the capital tax on manufacturers on July 1, 2008.

They're going through the details in Finance, and I certainly don't want to say anything that even

begins to predict what the officials are giving to Minister Selinger as we speak.

Mr. McFadyen: The budget is also showing a 4.4 percent increase in fees and other revenue, and given the significant increases in revenue coming from the federal level and the rosy economic growth forecast that the Premier's been pointing to, I wonder why he would feel it necessary to increase fees on Manitobans by 4.4 percent, which is significantly greater than the rate of inflation.

Mr. Doer: Well, the overall net benefit of the budget for people is positive. This is the '07-08 year, or is this the '08-09?

An Honourable Member: No, '08-09 projects a 4.4 percent increase in fee revenue from last year to this year's budget.

Mr. Doer: Well, some of the fee increases were agreed to by different constituent groups, including the Anglers Association of Manitoba, which agreed to changes in fees to go to fish stocks. There was a change on fees for parks, all going to be rededicated to parks. There was a change in fines, although I would point out that user fees for the criminal justice system, the last time I looked, is quite a bit less than the whole operation of the justice system. We believe that the fees, particularly in Justice, helped cover the costs. It is a user fee. You speed, you get a ticket. There's a considerable amount of cost running a justice system. The fines don't even get near the whole cost of running the justice system, so it's a little more of user pay system.

The registration fee is an issue the members have already raised and was fully disclosed in the budget. The issue of having the registration was raised, disclosed. The gas tax is the second lowest in Canada. I think 1 cent on gas tax raises close to \$20 million. So you can see that there is a change on registration fees which again have been fully disclosed.

Mr. McFadyen: Thank you. The other significant area is on federal transfers obviously. We are showing an increase this year of federal transfers in the range of \$250 million over the forecast for '07-08 and more than that when you consider the budget, or roughly the same actually from budget to budget. I wonder if the Premier can comment on the fact that on the revenue side certainly the growth in federal transfers is significantly higher than what his budget is showing on own source revenue, and what strategies he has to reduce that reliance so that we

don't find ourselves in the situation of being negatively impacted by adjustments that occur outside our borders.

Mr. Doer: Well, since former Conservative Premier Sterling Lyon proposed that equalization be in the Constitution, it has been the position of former Premier Filmon to include a 10-province average as part of that calculation. I have all the letters from Mr. Manness, Mr. Filmon, Mr. Stefanson. The member would know that that has been a position of Manitoba.

The position is the position I took with the O'Brien report. That's why I supported the budget last year. I was involved in negotiating with other provinces that 10-province average, and obviously it does affect our resource money. Hydro money is subtracted but it does also affect and reflect the increased revenues from oil, from Alberta in particular, because Alberta was outside of the formula.

This agreement was supported by Premier Stelmach last year in last year's budget. I think the people that supported the federal budget last year were Premier Campbell, Premier Stelmach, we supported it, Premier McGuinty supported it because the per capita amount of money actually was raised for health and post-secondary education. I think Premier Charest also supported it. Premier of New Brunswick supported it. Premier of P.E.I., I believe, supported it. Then the Premier of Nova Scotia has supported it since they made an adjustment and the Premier of Newfoundland and Labrador and former premier of Saskatchewan didn't support the federal budget.

* (15:50)

The bottom line is we've been in and around the same amount of money. We've gone down after 9/11 on equalization money. We've been involved in negotiations on either equalization or health and post-secondary education in funding. The position I took is actually the position Manitoba premiers, including Conservative premiers, have taken in the past. Would we like to see our economy grow at such an extent over time with hydro development and oil development, which we've doubled in the southeast quadrant of the province? Yes, but I believe the estimate last year on the three-year rolling average from the new O'Brien agreement was exceeded by \$58 million over what we had received in last year's budget. The number for Health and Post-secondary Education was the same, maybe slightly different.

Of course, those numbers that we received a year ago are pretty clear. The one number that was a federal-provincial program that was way beyond what we budgeted on the expenditure side was Agriculture. We overexpended \$68 million last year, year end March 31 notwithstanding, the issue of better grain and oilseed prices because, like equalization, it's a three-year rolling average with the CAIS program. Really, what we did was prepay out of last year's budget some of the money we're getting in this year's budget that was coming in equalization. It was a comparable number to what we had been given in the mid-term forecast from last year's federal budget released in the House of Commons in February '07 and then reconfirmed in February '08. The federal-provincial program on Agriculture was overexpended by the equal amount of the increased revenue over what we projected by about a comparable amount.

Mr. McFadyen: We're not arguing with the equalization formula. Clearly, the issue here is that the equalization number goes up within our budgets as our relative performance to other provinces goes down. The issue is, really, what are we doing to build up our own source revenues? I didn't hear any kind of a response on that point.

The Premier (Mr. Doer) did make reference to generating more revenue off Hydro and other opportunities such as that we certainly put a lot of stake on here in Manitoba, but his budget is showing a decline in net income from government business enterprises from the '07-08 forecast of \$858 million to \$668 million. When you go line by line, there's a decline in Hydro revenue budgeted for this year. I think this might come as a surprise to many Manitobans who believe that we have a great untapped resource and we should be seeing revenues going up in these areas.

I wonder if the Premier could just outline the reasons for the decline in net income from government business enterprises, from \$858 million forecasted for the end of '07-08 down to \$668 million for '08-09, a \$190-million reduction in net income on that side. What's the reason for that, a 22 percent decline according to his budget?

Mr. Doer: It might surprise the member to know that hydro is somewhat dependent on water levels, primarily dependent on water in terms of revenue. Secondly, the PUB ordered a rebate for MPI. I haven't got the specifics in front of me in terms of summary financial budget. Those numbers are given

to us by the Crowns. We don't ask them for a certain number. The numbers under summary financial budget are included on the basis of what number is provided.

Last year, Hydro provided a number, and it was exceeded by a considerable amount of money because of the high moisture levels in and around May 22 last year, I might add. The member may remember that rainy day and the weekend preceding it. Those projections are based on water flow and PUB decisions. We respect PUB; we haven't interfered with the decisions.

Mr. McFadyen: Just on the expenditure side, there is a slight increase showing on Community Economic and Resource Development. It's an increase of 4.6 percent over the '07-08 forecast.

Can the Premier just indicate what are the elements there that are driving that expenditure increase? Budget, page 2, it says, Community, Economic and Resource Development, '08-09 budget of 1478 and '07-08 forecast of 1413, so we're showing an increase there of 4.6 percent over the '07-08 forecast, which is certainly greater than the rate of projected revenue growth. So I wonder if the Premier can indicate what are the elements there that are driving that increase.

Mr. Doer: Well, again, I think they're going through those numbers in Finance. They're provided to us by the Finance Department and they're numbers that are given to us and some of them fluctuate and some of them end up at year-end being accurate and some of them don't. As I said, the Hydro number will be higher. The profit number will be higher this year than forecast last year and so will MPI, again, with PUB decision is going to be relatively flat in terms of profitability even though they have the lowest rates, but the rebate program costs money. MPI saved some money on the issue of car thefts this year, and it has done well on its market investments. Some of the Crowns rely on investment amounts, have been careful with the stock market in the last quarter of their projections for the next year, have been somewhat dampened by situations in the market. I'll get the specific question on the question the member asked. These numbers are not generated—they're generated by officials, not generated by government, and they're based on what they get from the private and public sector, and the federal government to some degree.

Mr. McFadyen: The other area on the revenue side, gasoline tax was showing \$137 million in revenue

this year. Has there been any adjustment to take into account the fact that the Premier is embarking on a strategy to reduce gasoline consumption in the province which will have a direct impact on gasoline revenue as part of the GHG reduction strategy, bearing in mind that the revenue doesn't go up with price since it's an excise tax. It will actually decline if the absolute number of litres consumed declines. Is there an adjustment taking that into account?

Mr. Doer: Yes, I believe the gas revenue is down \$10 million from last year. There's a projection in the budget if the member opposite wants to double-check that, so gasoline and smoking have gone down. I don't whether liquor has, I don't think so. But, so, keep buying those good bottles of wine there. But the miles driven is down, or car efficiency's up, and there's also the fact of—just in biofuels, with the announcement of Mohawk last week. All three factors contributed to—I think the number's down—I'm just going by memory, but I think the number is down from last year.

Hon. Jon Gerrard (River Heights): I've got a series of questions to the Premier. Let me start with a question on the hog industry. There is some concern with the number of bankruptcies which are occurring that there may be a bit of a domino effect to suppliers, to truckers, to various other firms which have been providing services as those in the hog industry are not able to meet their payments, and so on.

I'm just wondering whether the Premier has any specific comments on his government's approach in terms of dealing with the situation.

* (16:00)

Mr. Doer: Well, the legislation is before the House. The member opposite can deal with the issue of the lift of two thirds of the area for moratorium purposes. The issue of prices is somewhat—the prices were higher in May last year than they are today. The weanling issue creates all kinds of uncertainty that we're trying to deal with. The prices went up slightly last week, which is a good thing. We also have some movement from some of the private companies last week on the issue of hogs, and taking some of the weanlings that were processed and finished in the United States. We also have a federal program with the sow-reduction program.

So we believe it's a good package. In terms of what we've done is increased funding under

CAIS—\$68 million last year primarily to livestock producers. But there's no substitute for the market.

Mr. Gerrard: One of the concerns that I'm hearing from producers relates to the fact that with the sow-reduction program, that a farmer who has decided to get out of business because he's facing bankruptcy, and so on, is faced with a situation where even when he's joined the program that there may be a three- to four- week wait before the sows can be disposed of. In that three to four weeks, there is a cost of \$1 a day to feed an individual sow, so that a sow herd of 1,200 is 1,200 a day, of 3,000 is 3,000 a day, and over 30 days, that could add up, with the 3,000-sow herd, to \$90,000 waiting until the sows can be disposed of. For somebody who's already facing bankruptcy and can't meet costs, that's a lot of extra expense just to wait because of the way the program is working.

I wonder if the Premier would comment.

Mr. Doer: Well, the member probably asked this question last week to the Minister of Agriculture (Ms. Wowchuk). I'm assuming he did.

The sow program is a federal-provincial program. I'll have to take his notice of specifics of this question, and how it works with Manitoba. It is money that was in the federal budget of \$50 million, and I'm not sure what the criteria is for the application of that money here in Manitoba.

Mr. Gerrard: I asked the general one, but not as specific as this because this has come forward since then. But, if the Premier will have a look at that, I thank the Premier.

I want to move to the climate change program that the Premier has put in place. I note that, in the plan for reducing greenhouse gases, that there is a plan, let's start with the large emitters of reducing emissions by 650,000 tonnes. That program, which is part of the government's plan, that's a reasonable amount, but what's the total that's emitted by the large emitters, what percentage reduction are you expecting from the large emitters?

Mr. Doer: Well, part of the large emitters is in the public sector, part of the large emitters is in the federal sector, including the copper smelter in Flin Flon affected by Mr. Baird's report, and part of it is in the complete private sector affected by the carbon tax on coal. So there are different elements of the large emitters. We think we can achieve a fair amount there with large emitters, but there are people working in those places. So we wanted to set a target

for those companies. We did produce a carbon tax for coal, coming in 2011, to be coinciding with the Kyoto commitment of 2012. I think, not only are we the only jurisdiction, so far, in North America to legislate Kyoto targets and commitments, and large emitters will have to be part of that. Some of it is a work in progress because there are people working at these places, and the interplay of the carbon tax on coal and the conversion to another source of energy will have to be considered. The interplay between the federal regulations, i.e., in Flin Flon and the copper smelter, also has to be considered, because there are stronger regulations now proposed by Minister Baird in Ottawa than there were before.

Mr. Gerrard: On page 41 of the *Beyond Kyoto* document, the comment is made that in Manitoba industrial and commercial activities account for only 2 percent of the total emissions. Would the total emissions—20.3 megatonnes, 2 percent is approximately 400,000 tonnes, so I'm trying to match up—if industrial and commercial activities only produce 400,000 tonnes, how do you get a 650,000-tonne reduction from large emitters?

Mr. Doer: Well, generally speaking, 35 percent is agriculture, 35 percent is transportation. There are a number of other factors beyond that. Manitoba's large emitters are a fraction of the rest of the country, but are still a way to achieve our Kyoto targets.

The other issue is that we are going to be carbon neutral in our decade in all of Manitoba. We're going to be below, in 2010, where we started in 2000. I talked about this with the Leader of the Opposition (Mr. McFadyen). It's kind of an accumulation of decisions you make that have a benefit. It's not something you can do in proportion each year, because each decision has a cascading, positive impact of reducing impacts over time.

Mr. Gerrard: The Premier might look at this. It may be that there are some large emitters who are not under industrial or commercial activities. It may be that there's an error on one place or another in the document, but, as I've said, if industrial or commercial activities are 2 percent of the total emissions, that that only adds up to about 400,000 tonnes.

In the area of agriculture, forestry and community programs, the proposed reduction is some 680,000 tonnes. Can the Premier give any breakdown in terms of how that will be achieved? The main agricultural greenhouse gases are methane and nitrous oxide. I presume, in community

programs, we're talking about some carbon dioxide reduction as well.

Mr. Doer: Well, there are a number of different actions that we've already taken on some of the water-quality protection methods. There's also the ability to have woodlot enhancement programs on farms to get credits. It's actually been already crediting in the Chicago Climate Exchange area for purposes of benefits.

A number of measures that are in the agricultural sector, probably, of the industry that's 35 percent of our emissions, certainly represents less than 35 percent of our target. It's going to be more difficult to achieve over the five years. Some will happen, we think, with the water protection policy. Some will happen with the acceleration of woodlot measures that we're going to announce shortly, and some are going to happen just naturally because of the desire of producers to reduce their fossil-fuel costs because of the high, high prices going on in the market.

* (16:10)

Mr. Gerrard: Just to clarify, when the Premier is talking reductions of greenhouse gases, he is referring to absolute reductions, not to trading carbon offsets and counting those as reductions. Is that accurate?

Mr. Doer: Our objective is to reduce the overall emissions. If you do plant wood areas in agriculture, you do two things. You do have the ability for farmers to sell that and some of them are already selling that as a credit. You also reduce land that would emit either directly through chemicals or livestock. So you have a net reduction if you have more wood. So there are two advantages for the farmer, but our goal is to reduce emissions and we're absolutely going to do it on the 2010 over 2000. We're going to be below where we were when we came into office. We think the first step is to show the public we can flatten it out and reduce it because there are a lot of people going out promising something in 2020, 2050. Some of us won't be here in the Legislature or on the planet on those dates.

Mr. Gerrard: Yes, one of the highlights that's noted under agriculture, forestry, and community programs is the planting of five million trees. My understanding is that there are a fair number of trees being planted now as well as a fair number of trees being cut down or burned down. What's the approach

here? Is this a gross number, a net number, or this is over the five years, I take it, so it's a million a year?

Mr. Doer: Yes.

Mr. Gerrard: So this is a number over five years, but does it take into account the fact that some trees are being planted now? There are trees being planted for replacement of, you know, where we've got forestry cuts.

Mr. Doer: It's over and above the two to one ratio that's required in licensing of forests. I think it's two to one or maybe more than that. It also, you know, includes the relocation of trees from the floodway enhancement, some of it to the Duff Roblin parkway and some of it to the International Peace Garden at the border. So, yes, it's over and above. It's over and above the reforestation numbers. We're not going to double-count trees. I think I shall never see a poem as lovely as a tree.

Mr. Gerrard: Is the Premier's intent that most of this activity will be south of the boreal forest where there is—Is that how the Premier's going to avoid double-counting trees or what's the approach here?

Mr. Doer: We're going to plant them where you can't find them and make sure you go out there and count every single one of them so you can raise it in question period. We'll have to—I mean there are lots of people in the community who are really ahead of the government on this regard. One tree per person in Manitoba, I think, can be achieved if we're fairly aggressive in doing it, but we're not going to hide where the trees are. We'll have to explain where they are. This'll be a pleasant problem. This will be easier to achieve than some other targets we have, but we have to be ambitious.

Mr. Gerrard: It was important to get some level of clarification because although this was highlighted as one of the highlights under agriculture, forestry, and community programs, there were no details given later on. My understanding is that there may be today, you know, 10 to 15 million trees being planted in Manitoba every year as part of the reforestation program. So if that's accurate—I haven't double- and triple-checked it—but you know, this is a contribution, but its magnitude is not as great as the number suggests.

Let me move on to another area. *[interjection]*

Does the Premier want to comment?

Mr. Doer: Yeah. It's two for one on reforestation, and sometimes it's larger than that, and that's a requirement.

We're also funding more money to save the elms and we also want to save what we have in terms of the canopy in Manitoba and the—yes, it's over and above, a million trees over and above what we're doing already. So it's not a requirement for a forestry company, it's an obligation we're putting on ourselves. I think River Heights is eligible for tree planting, but I know there's these beautiful elms in River Heights and we're also trying to do everything we can to protect those elms from that nasty Dutch elm disease.

Mr. Gerrard: Thank you.

Let me move on to another area, and that is health care. Health-care expenditures make, I think it's about 43 percent of the provincial expenditures.

Last year, during Estimates, I asked the Premier what his position was on a bill that we have brought in which would provide for a principle of accountability in the delivery of health-care services in Manitoba. This of course, refers to accountability, both in terms of financial accountability and quality accountability. The Premier's response last time in Estimates was that he was doing some due diligence on this before deciding whether he would support the principle of accountability in health care.

So I would ask now, you know, quite a number of months later, whether the Premier has done his due diligence and whether he's ready to support accountability in health care.

Mr. Doer: Yes. We are accountable every day in health care, in the House, in annual reports. Just a report issued last week on the wait-list results. A couple A's, a couple B's and one D, which we believe we're rectifying.

We believe that there are a number of other independent verifiers on health care, the professional organizations, some of whom lobby for more money for their own profession, but they provide various numbers. For example, on Pharmacare effectiveness there are numbers. There's the CIHI report. There's the Fraser Institute, which has a different slant on health care than perhaps somebody who believes in non-profit health care. There's the Stats Canada numbers. There's organizations that come out with different numbers, and we believe everything is now on the Web site. You can FIPPA stuff in health care

that was never—never saw the light of day in the past under Freedom of Information.

We did introduce The Apology Act. We've supported The Apology Act as part of that and we—we do want to spend more money on nurses, technicians and doctors than we want on statisticians, you know. We do, especially when other people are collecting stats. So I know sometimes we get asked questions about climate change, and do you want to have a quarterly report on climate change? Well, if you're going to get a public report paid for by somebody else within a reasonable period of time, do you want to have legions of people going out and measuring every smokestack in Manitoba to see the quarterly reduction?

So, sometimes, what you can afford is different than what—you know, we're not Alberta. We can't go out and have more civil servants per capita than almost any other province. We have to be really careful with money.

We are accountable to you every day in the House, and we're accountable to different reports.

* (16:20)

My preference is to spend money on direct patient care and let a lot of our other organizations—we have the policy review group of Narley and Bruce [*phonetic*] at the University of Manitoba. We have regional reports from the health authorities that are available. We have the CIHI, the Stats Canada, a lot of others, plus the Canadian Medical Association has reports, the Canadian nurses, the radiologists, the seniors group on Pharmacare. I think almost every second day we have another report coming out on health care, which is good for accountability. So we are accountable. We are the world in terms of accountability. We believe in accountability.

We've added the apologies section.

An Honourable Member: You should use it now.

Mr. Doer: I am sorry for all sins I have made that you don't know about. Yes. Bless me father for I have sinned. Don't forget I was brought up a Catholic.

So, yes, we are accountable. Nobody could hold me more accountable than you could with question period every day.

Mr. Gerrard: Well, I certainly do my best in terms of holding you accountable in question period. It wouldn't hurt to have a few more questions, but I

take it from the Premier's answer that he wouldn't have a particular problem in supporting having a legal principle of accountability in the delivery of health-care services. Certainly, he has given a strong statement in terms of wanting to be accountable. So I hope that, at some point, the Premier decides to move forward on actually including a principle of accountability as one of the principles on which we can move forward in health care.

Let me move on to another area. That deals with funding for transit. I know the Premier is proud of the fact that he has got 50 percent of the funding for transit. This is 50 percent, I think the reference is primarily to the City of Winnipeg, that the Province is funding 50 percent of transit. Is that operating or capital or both?

Mr. Doer: Well, it's the year-end cost of running transit which includes capital, and sometimes we make direct capital grants, and operating. It is for four transit authorities in Manitoba: Winnipeg, Brandon, Flin Flon, and Thompson. There is a fifth category examining transit and that's in Selkirk.

We have not only announced the policy reversal a year ago when transit—the 50-50 funding to transit was changed by former Minister Ernst in the early '90s. It was one of the issues that the present mayor raised with me. He said it was one of the topics of the big city mayors when they had a meeting about 18 months ago, close to two years now, to get provinces to start moving on the 50-50 transit funding. We not only agreed to do it in policy, we put it in the budget, and we're, thirdly, now putting it as a principle of the climate change proposal. So it has gone from a reversal of policy to budget, to policy declaration in the Speech from the Throne, now to legislation which overrides, you know, is a superior authority for the commitment to this principle.

Mr. Gerrard: Just to understand, if, during the year, the City of Winnipeg decided to invest additional resources into transit, or the City of Thompson decided to do that, does that mean that the Province would match those above and beyond what has been actually budgeted in the budget?

Mr. Doer: Well, the 50-50 deals with the losses, which is, in essence, a subsidy for transit riders in Manitoba. Transit is subsidized all across the country, and it is subsidized here in Manitoba. The formula for the subsidy is 50-50 funding of the losses between the fare and the cost of running transit. That's the formula that is used. It's determined—it's

budgeted early in the year based on ridership and projections we get from the City of Winnipeg or Brandon—so there's an incentive for both levels of government not to run, you know, kind of a bus every five minutes from Oxford and Kingsway to the Legislative Buildings if it's not profitable, if everybody's driving their Volvos to work. There is a certain incentive to that.

Mr. Gerrard: Let me just continue in this vein. If the City of Winnipeg decided that it was going to put additional capital expenditures, for example, into rapid transit, would the Province be prepared to match that on a 50-50 basis?

Mr. Doer: The original proposal for rapid transit was for the capital cost, which was negotiated between Mr. Rock—who I think you supported at one point, I'm not—I'm just trying to remember who you—I know you supported Mr. Martin first—

An Honourable Member: He didn't last very long in the leadership race.

Mr. Doer: Yes, well, there was Mr. Rock—you peaked too early in endorsement, though, you should be careful not to endorse early.

Mr. Rock and Mr. Murray and—Minister Rock, Mayor Murray and I met to deal with the floodway expansion. Mayor Murray, at that point, wanted money to a rapid transit system and we agreed to one-third funding for the new capital cost, but under this law, if we had one-third—in terms of the operation of that rapid transit, it would be covered by 50-50 funding. If rapid transit proceeds in Winnipeg or Brandon or—it's really rapid in Flin Flon—if it proceeds in these cities, then it is covered by us automatically. If there's a new capital cost for dedicated lanes, it has been—the precedent was established before—one-third funding between the federal, provincial and city government. The federal government has put money into transit and bike paths in the last budget, so there is a capital amount there.

I don't want to speak for the mayor. This mayor, when he ran for election I believe in 2004—or is it 2004-2005? 2004, I believe—determined that he was going to campaign on an alternative promise to put more money into community recreation and less money into rapid transit. He did that. You know, he campaigned on it, and I think the day he got elected, he announced it and I talked to him on the phone that night.

Young chap named Mr. McFadyen handed him the phone and I talked to him that night—when I was in the, I think I was in the Minto office that evening, if I'm not mistaken, at a by-election, with his former schoolmate and Mr. Swan, and we were celebrating his victory, and Mr. McFadyen was celebrating the victory of the mayor and we talked about his promise and I said we would—we believe the new mayor is entitled to implement the platform he had.

That's telling tales out of school, but that's exactly how that evening went, as I recall it. Full disclosure.

Mr. Gerrard: I wanted to get that straight. In the federal leadership, well, in the last leadership, I had supported Gerard Kennedy just to—and, of course, Allan Rock was not running in that one—and he wasn't very long in the previous one, so that—

An Honourable Member: Well, you know how to pick 'em.

Mr. Gerrard: And he didn't stay in long enough for me to support him one way or another.

An Honourable Member: He's young. That's what it is.

Mr. Gerrard: The transit funding, I believe, in this budget, there is an allocation of, I think it's about \$3.8 million in terms of capital, provincially.

Are there any restrictions on how those capital expenditures are used, whether they're for rapid transit or for other areas of transit?

* (16:30)

Mr. Doer: Well, we do believe that the Legislature should not impose rapid transit on a community and a mayor and a council if they don't want it. I know that's an old-fashioned idea but we actually believe that there has to be an agreement between the mayor and council and the provincial Legislature and, of course, the federal money which is enabled by the federal budget.

So what are we doing or, as they say with the Boy Scouts or Girl Guides, *Semper Paratus*, always prepared. Boy Scouts, Girl Guides, *Semper Paratus*; that's all I'm going to say. I'm going to say it in Latin so it doesn't start any false stories in the media.

Mr. Gerrard: Let me move on to another area. I think the Premier (Mr. Doer) knows that I believe quite strongly that we should be moving forward on rapid transit in Winnipeg, but it's disappointing that

the Premier is not going to have some leadership in this area.

However, let me talk about another area. Just some months ago, quite some months ago, we brought in a bill which would have banned plastic bags. It wasn't supported last fall. We brought this bill back again this year. It's Bill 200.

The Premier had indicated he had some concern about whether it might include garbage bags. I can reassure the Premier that it very specifically says plastic checkout bags that are provided by retailers at the point of sale. It doesn't refer to garbage bags so that Premier doesn't have to worry too much about catching garbage bags accidentally. I just thought I would ask the Premier whether he would be prepared to support improvements to the environment and getting rid of all the ugly plastic bags that are all over the countryside.

Mr. Doer: Actually, I was in my own liquor store this weekend, and I noted that, from a year ago, they had changed the recycled bag from one that had just a kind of a generic bottom to one that could include six bottles of wine or another medicinal product that would be good for your heart in moderate amounts as long as you don't drive. So we're trying to lead by example first with our own Liquor Commission.

We'll be the first provincial Liquor Commission to be not using bags. I was told by people working on the front lines that the kind of rapidity of when those plastic bags are going to be used up has actually slowed down because more people are buying the non-plastic bags. I think that's good. So we're leading by example in terms of that area.

We are working with all the stakeholders on a much-broader policy on plastic. If you go to Mountain Equipment Co-op, how long does a biodegradable bag, corn-based bag, take to disintegrate in the landfill? Does it need light? If it's buried, will it disintegrate as fast as what people allege? We're doing a lot of due diligence on plastic.

Back to the issue of rapid transit, we're not going to put on a transit hat and jump on a bus, kind of have a photo op to say we're leading. We've supported rapid transit before. The City of Winnipeg—and Brandon and Thompson and Flin Flon—actually operate the transit. It reports to city council, so the word "lead"—we've supported rapid transit in the past, and that's clearly on the record, but the transit is operated by a civic authority.

I'm not running for mayor. In terms of leadership, we have a mayor, and we work with him or her at the time. On plastics, there's lots of work we're doing, including with stakeholders. If you go in my own small hybrid vehicle, you will see a supermarket bag and a liquor bag in my car, full disclosure. A lot more people are reusing their bags now, and it's great. Yes, we're working with the stakeholders, and we're working on the 2-cent deposit. We're working with all kinds of other issues as well. All of us want to reduce the use of plastics in our society. We're starting with our own entity. We're going to be the first liquor commission, NDP, Liberal or Tory, to get rid of plastic bags at the liquor store in a provincial group. I guess that's intervention; I guess that's meddling today. So that's the answer to "lead" question as opposed to "don't meddle" question.

Mr. Gerrard: I was out at the Living Prairie Museum on Sunday, yesterday, and they have a string of 1,040 plastic bags all tied together going way out into the grassland there. It's about the number of plastic bags used by an average family of four during a year. There are more than 100 million plastic bags that end up in the Brady Landfill site every year. We, clearly, have a fair way to go in terms of getting rid of, replacing them, using cloth bags and other bags to improve the landscape and the problems that are associated with plastic bags.

Anyhow, let me move on to another subject. We've talked quite a bit about the payroll tax over the years. One of the interesting aspects of the payroll tax is that universities and health institutions, hospitals pay payroll tax. They're largely government funded, so that is, sort of, like a tax which is being paid by the institution, and then the government provides money to pay the tax.

Have you considered ending the application of the payroll tax on universities, post-secondary education institutions and hospitals?

Mr. Doer: We have refunded, as the member said, the tax to the institutions. I'm not sure what that would mean in terms of precedence for other entities affected by the tax.

For universities, one thing I'm happy we achieved last year, we did reduce the education tax on universities, the property tax, to make it comparable to other universities in western Canada. It doesn't always get noted by the universities when they're talking about funding, but \$19 million for the

University of Manitoba, a considerable amount of money for the University of Winnipeg and Brandon. We think that's been a major reduction in taxes for them. It's now utilized for student support at the universities in the operating budget.

Mr. Gerrard: In the budget, what's reported under the payroll tax is the total amount of tax paid. It's not a refund provided to institutions. It's not provided in the budget. One would have thought, maybe, that one should provide a net, which would be a more accurate way of tracking the actual revenue coming into the government. Have you considered that?

Mr. Doer: The only thing I've done with the payroll tax is: be honest with the people, not to promise something I can't deliver; and, No. 2, a modest reduction with the threshold being increased. Other than that, I don't believe there's been any other change. I hear people promising to get rid of it. I don't see anybody telling me how they're going to get the \$325 million.

* (16:40)

Mr. Gerrard: Well, I was asking whether the Premier might be a little bit more honest with the actual money that's coming in by subtracting the refunds and providing a net instead of just a gross figure for the payroll tax.

Mr. Doer: I'll take that question as notice and get it from the Department of Finance.

Mr. Gerrard: Okay. I'm going to pass to my colleague, the MLA for Inkster, for a few minutes.

Mr. Kevin Lamoureux (Inkster): Madam Chair, one of the interesting issues that has come up, over the last little while for me, has been second-hand smoke in vehicles. I do believe the Premier is somewhat sympathetic towards it. The response that I've had has been overwhelming in terms of people wanting to see this, and it seems to me that when we had The Non-Smoker's Health Protection Act brought in, the Premier played a very important role, as did the Member for Carman (Mr. Pedersen) and other members of the Legislature, when we had the task force. We were able to go a long way in terms of educating and bringing in a very progressive piece of legislation. We have the opportunity to reflect on it today, and we see it as a very strong, positive thing.

When I had heard about banning it, second-hand smoke in vehicles with children in them, I thought it was a good idea. I believe it was Nova Scotia; other

provinces are now looking at it. There has been polling done here from MANTRA showing very strong public support for the idea. I've talked to young and old alike. I've heard from professional health-care providers. I've heard even from other colleagues inside the Chamber as to the benefits of us adopting the legislation or bringing in legislation that would, in effect, ban people from smoking in vehicles when there is a minor in the vehicle.

I do believe that there is wide support for the ban and would ask the Premier, in a very apolitical fashion, if he would be prepared to look at how we might be able to pass—whether it's this bill or another bill—this session so that we can do what I believe is the right thing and get the ban put in place.

Mr. Doer: Yes, are we looking at it? Yes. Beyond that, I don't want to make any comments. I appreciate the member's comments about it. Are we in favour of people not smoking with children in the car? Yes. The ban is the next step. It requires enforcement and requires education, other measures.

We probably have had, up until now, one of the most restrictive environments, partly through a private member's bill, and I brought a private member's bill in to ban smoking in child-care centres. Of course, we had the all-party task force, and I do want to thank the Member for Carman and others on that. We've had court decisions dealing with the authority of smoking bans and health by-laws in First Nations communities which are actually quite consistent with what we've said before.

But are we studying any of these proposals? Yes. I appreciate the member's comments about not smoking in a car with children. Of course, some people say we should actually ban smoking in houses with kids, and then, of course, why don't you ban smoking altogether in society? So these are legitimate questions in terms of we all know the detriment of second-hand smoke. So, yes, we are taking very seriously the evidence and science out of this, but I can't make any commitment beyond that right now except to say we're looking at everything the member has raised and other people have raised.

Mr. Lamoureux: Madam Chair, I'm going to somewhat leave it with just that in this follow-up question because I don't necessarily want to make it a political issue. Suffice it to say that I think the Manitoba Legislature has a history of recognizing where we can work together, whether it's the Cancer Foundation, the many non-profit groups that are out

there, and do the right thing. The House issue for me isn't really an issue. A confined vehicle is an issue, and I believe the Premier also believes that to be the case, too. I'm just going to leave it by saying that I would hope that as a Legislature, we would do the right thing when we are provided the opportunity to take action, and I will leave it at that.

Thank you, Madam Chair.

Mr. Doer: Thank you. I appreciate his comment.

Mr. Gerrard: I want to go back to the climate change beyond Kyoto document just to get a little bit of clarification. Listed here in terms of producing greenhouse gas is expanding clean energy. Now, we have, of course, a large proportion of the energy in Manitoba is hydro-electric power. I am presuming that addressing Manitoba's large emitters deals with the majority of the coal-burning large emitters and that is a separate item, that 650,000 tonnes reduction. So this 670,000-tonne reduction for expanding clean energy, I mean, yes, we're producing more hydro power and more wind power but those are largely for export. They're not replacing natural gas, or are they? Is that what the Premier's plan is, to replace most of the natural gas that's used in Manitoba with hydro?

Mr. Doer: Well, the consumers will make a lot of those decisions, and I noted that the PUB last week made the point that hydro is cheaper than natural gas. Now I have a hydro furnace. I'm sure the member opposite would have a hydro furnace and not a natural gas furnace and I know he wouldn't have coal.

Mr. Gerrard: Just in terms of expanding clean energy, clearly this means replacing existing sources of energy with clean energy and so it's expanding areas of hydro-electric power where other sources of power are being used. That's quite a considerable amount that's down there, 670,000 tonnes. Is the Premier going to be putting forward specific programs to encourage people to switch?

Mr. Doer: Part of that is energy efficiency, and energy efficiency, if you have improved energy efficiency through audits in your home, windows, doors, less heat being used in the winter plus air conditioning in the summer. If you are using a natural gas furnace or air conditioning system like the member opposite is, you will save some fossil fuels. If you're using an electric furnace like I have, you won't save anything more because it doesn't have the GHGs, but people like yourself will save. I'm assuming because you didn't answer about electric

versus natural gas, you have natural gas, and you will contribute by turning down your heat and air conditioner this summer to reduce the GHGs in Canada and Manitoba.

* (16:50)

Mr. Gerrard: Expanding clean energy, then, really is slightly mislabelled, because what you're talking about is reducing greenhouse gas forms of production of energy, as much as expanding the use of hydro power and wind power. The comment about air conditioners may apply to others, but we use natural air conditioning.

Anyway, the transportation reduction of one megatonne is probably going to occur to the extent that it does largely because of a significant increase in the price of fuel and change to more energy-consuming vehicles. Has the Premier actually done some numbers which would suggest that one megatonne is a feasible reduction?

Mr. Doer: Yes. The people who put this together have this.

Mr. Gerrard: I think that some of the concern would be, with the increasing population, that we need to have an even larger reduction than just a per capita reduction. Clearly, that's something which is part of the plan and needs to be considered.

I'm going to leave it at this point so that we can move on to do the line by line. Thank you.

Madam Chairperson: Any questions? No.

Resolution 2.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$14,600 for Executive Council, Costs Related to Capital Assets, for the fiscal year ending March 31, 2009.

Resolution agreed to.

The last item to be considered for the Estimates of the department is item 1.(a) Minister's Salary, contained in Resolution 2.1.

At this point, we request that the minister's staff leave the Chamber for the consideration of this last item.

The floor is open for questions.

An Honourable Member: No questions.

Madam Chairperson: No questions.

An Honourable Member: I covered my questions earlier.

Madam Chairperson: Resolution 2.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,833,500, for Executive Council, General Administration, for the fiscal year ending March 31, 2009.

Resolution agreed to.

This concludes the Estimates for this department.

The next set of Estimates that will be considered by this section of the committee are the Estimates of Education, Citizenship and Youth.

Shall we recess briefly to allow the minister and critic the opportunity to prepare for the commencement of the next set of Estimates, or would you rather start them tomorrow?

An Honourable Member: Let's call it 5 o'clock.

Madam Chairperson: This section shall recess until 5 o'clock.

The committee recessed at 4:54 p.m.

The committee resumed at 5 p.m.

Madam Chairperson: The hour being 5 o'clock, committee rise. Bring in the Speaker.

IN SESSION

Mr. Speaker: The hour being 5 p.m., this House is adjourned and stands adjourned until 10 a.m. tomorrow (Tuesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 28, 2008

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