

Third Session - Thirty-Ninth Legislature
of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS
Official Report
(Hansard)

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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	Thompson	N.D.P.
BJORNSON, Peter, Hon.	Gimli	N.D.P.
BLADY, Sharon	Kirkfield Park	N.D.P.
BLAIKIE, Bill, Hon.	Elmwood	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.
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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.
JENNISSSEN, Gerard	Flin Flon	N.D.P.
JHA, Bidhu	Radisson	N.D.P.
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LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
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MITCHELSON, Bonnie	River East	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
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SELBY, Erin	Southdale	N.D.P.
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STRUTHERS, Stan, Hon.	Dauphin-Roblin	N.D.P.
SWAN, Andrew	Minto	N.D.P.
TAILLIEU, Mavis	Morris	P.C.
WHITEHEAD, Frank	The Pas	N.D.P.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, September 17, 2009

The House met at 1:30 p.m.

Mr. Speaker: Please be seated.

ROUTINE PROCEEDINGS

PETITIONS

Ophthalmology Services—Swan River

Mrs. Myrna Driedger (Charleswood): I wish to present the following petition to the Legislative Assembly.

These are the reasons for this petition:

The Swan Valley region has a high population of seniors and a very high incidence of diabetes. Every year, hundreds of patients from the Swan Valley region must travel to distant communities for cataract surgery and additional pre-operative and post-operative appointments.

These patients, many of whom are sent as far away as Saskatchewan, need to travel with an escort who must take time off work to drive the patient to his or her appointments without any compensation. Patients who cannot endure this expense and hardship are unable to have the necessary treatment

The community has located an ophthalmologist who would like to practise in Swan River. The local Lions Club has provided funds for the necessary equipment, and the Swan River Valley hospital has space to accommodate this service.

The Minister of Health (Ms. Oswald) has told the town of Swan River that it has insufficient infrastructure and patient volumes to support a cataract surgery program; however, residents of the region strongly disagree.

We petition the Legislative Assembly of Manitoba as follows:

To urge the Minister of Health (Ms. Oswald) to consider rethinking her refusal to allow an ophthalmologist to practise in Swan River and to consider working with the community to provide this service without further delay.

This is signed by Tammy Genaway, Leo Vinet, Marilyn Vinet and many, many others.

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

**Parkland Regional Health Authority—
Ambulance Station**

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:

The communities of Eddystone, Bacon Ridge and Ebb and Flow First Nation rely on emergency medical services personnel based in Ste. Rose, which is about 45 minutes away.

These communities represent about 2,500 people. Other communities of a similar size within the region are equipped with at least one ambulance, but this area is not. As a result, residents must be transported in private vehicles to the nearest hospital if they cannot wait for emergency personnel to arrive.

There are qualified first responders living in these communities who want to serve the region but need an ambulance to do so.

A centrally located ambulance and ambulance station in this area would be able to provide better and more responsive emergency services to these communities.

We petition the Legislative Assembly of Manitoba as follows:

To urge the Minister of Health (Ms. Oswald) to consider working with the Parkland Regional Health Authority to provide a centrally located ambulance and station in the area of Eddystone, Bacon Ridge and Ebb and Flow First Nation.

This petition is signed by Ruby Spence, Kimberly Houle, Julie Flett and many, many other fine Manitobans.

PTH 15

Mr. Ron Schuler (Springfield): Mr. Speaker, I wish to present the following petition to the Legislative Assembly:

These are the reasons for this petition.

In 2004, the Province of Manitoba made a public commitment to the people of Springfield to twin PTH 15 and the floodway bridge on PTH 15, but then in 2006, the twinning was cancelled.

Injuries resulting from the collisions on PTH 15 continue to rise and have doubled from 2007 to 2008.

In August 2008, the Minister of Transportation (Mr. Lemieux) stated that preliminary analysis of the current and future traffic demands indicate that local twinning will be required.

The current plan to replace the floodway bridge on PTH 15 does not include twinning and, therefore, does not fulfil the current nor future traffic demands cited by the Minister of Transportation.

We petition the Legislative Assembly of Manitoba as follows:

To request that the Minister of Transportation consider the immediate twinning of the PTH 15 floodway bridge for the safety of the citizens of Manitoba.

Signed by Nancy Rybak, Albert Vanhinge, Shirley Marshall, and many, many other fine Manitobans.

Crocus Investment Fund—Public Inquiry

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

The background to the petition is as follows:

The 2007 provincial election did not clear the NDP government of any negligence with regards to the Crocus Fund fiasco.

The government needs to uncover the whole truth as to what ultimately led to over 33,000 Crocus shareholders to lose tens of millions of dollars.

The Provincial Auditor's report, the Manitoba Securities Commission's investigation, The RCMP investigation and the involvement of Revenue Canada and our courts collectively, will not answer the questions that must be answered in regards to the Crocus Fund fiasco.

We petition the Legislative Assembly of Manitoba as follows:

To urge the Premier and his NDP government to co-operate in uncovering the truth in why the government did not act on what it knew and to

consider calling a public inquiry on the Crocus Fund fiasco.

Mr. Speaker this is signed by L. Goulet, G. Newbury and R. Roskosz and many, many other fine Manitobans. Thank you Mr. Speaker.

Long-Term Care Facilities—Lac du Bonnet

Mr. Gerald Hawranik (Lac du Bonnet): Mr. Speaker, I wish to present the following petition to the Legislative Assembly.

These are the reasons for the petition:

Many seniors from Lac du Bonnet area are currently patients in the Pinawa Hospital while they wait for placement in the Lac du Bonnet personal care home. There are presently few or no beds available for these seniors in the Lac du Bonnet personal care home.

These seniors have lived, worked and raised their families in the Lac du Bonnet area for most of their lives. They receive care and support from their family and friends who live in the community, and they will lose this support if they are forced to move to distant communities to access personal care home beds.

These seniors and their families should not be required to bear the consequences of the provincial government's failure to ensure that there are adequate personal care home beds in the region.

We petition the Legislative Assembly of Manitoba as follows:

To urge the Minister of Health to ensure that patients who are awaiting placement in a personal care home are not moved to distant communities.

To urge the Minister of Health to continue working with the RHA and the community to speed up the construction and expansion of long-term care facilities in Lac du Bonnet.

Signed by Debbie Lougheed, Dave Meyers, Kim Ogren and many others.

TABLING OF REPORTS

Mr. Speaker: Order.

Hon. Dave Chomiak (Minister of Justice and Attorney General): Yes, Mr. Speaker, I'd like to table the report of the Manitoba Law Reform Commission, the 38th Annual Report.

And further, I'd like to table the Civil Legal Services 2008-2009 Annual Report.

I hear a faint cry from across the way. Steinbach bound.

Hon. Eric Robinson (Acting Minister charged with the administration of The Communities Economic Development Fund Act): Yes, I'd like to table the First Quarterly Financial Statement for the Communities Economic Development Fund.

ORAL QUESTIONS

Livestock Industry Government Strategy

Mr. Hugh McFadyen (Leader of the Official Opposition): Mr. Speaker, yesterday we addressed the issue of the 12,000 jobs lost in the manufacturing sector in Manitoba over the past 18 months and our concerns about the impact on the broader economy.

Mr. Speaker, we also know that there is another crucial sector in Manitoba that is suffering greatly presently, and that's the livestock sector. It's a sector that employs hundreds of Manitobans both in rural Manitoba and here in the city of Winnipeg. It's a sector that's hurting for a variety of reasons, including the NDP government's Bill 17.

I want to ask the Deputy Premier (Ms. Wowchuk): Why is it that her government has sat aside while other governments to the west of us in Saskatchewan and Alberta, and the federal government, have taken steps? Why has this NDP government turned its back on rural Manitoba?

Hon. Gary Doer (Premier): Mr. Speaker, I would note that in terms of the progress on value-added agriculture, whether it's in the case of the potato processing plant, the additional plant now that is in Portage la Prairie, the Simplot plant, the largest in the world, we did compete with the other two provinces and did—were successful in that expanded and new operation in Portage la Prairie under this Minister of Agriculture (Ms. Wowchuk).

I would note, Mr. Speaker, that we also now have the Mitchell plant unfortunately closing in Saskatoon, and a merger of processing to the second shift that we have supported along with the federal government in Brandon. We have an additional expansion of the plant and a takeover of the plant in Neepawa for the processing of hogs.

Mr. Speaker, we have reduced—

An Honourable Member: Hog industry loves you.

Mr. Doer: Well, Mr. Speaker, the member opposite, when he was working as executive assistant under

the Tories, had a 100 percent education tax on farmland. We have removed 75 percent of that.

Mr. McFadyen: Mr. Speaker, at a time when we've got protectionist measures south of the border coming in in the United States to country-of-origin labelling, when we've got depressed commodity prices and a variety of other challenges facing the sector, all that this government did was introduce Bill 17 to try to put the nail in the coffin of livestock in Manitoba. That's their record, and they owe it to rural Manitoba to make up for that action, not based on science, but based on partisan-wedge politics.

They owe it to rural Manitoba to make up for their actions and to come and support the livestock producers who support thousands of families in Manitoba who contribute to communities around the province in a variety of ways, who support hundreds of people who make a livelihood in Winnipeg based on industries connected to livestock.

Why won't this government stand up for Manitoba's producers, a critical component of Manitoba's economic fabric?

Mr. Doer: Mr. Speaker, I would point out that Manitoba's decline in terms of manufacturing with this economy was the least in all of Canada in the year, and that was reported in the Royal Bank and reconfirmed by the numbers.

I'd also point out, while he was the negative voice, we had Standard Aero announced a second expansion in 12 months in the aerospace industry in Manitoba, and they are now doing the maintenance of the WestJet–Boeing engines here in Manitoba. We had that expansion, a second one within 12 months, announced today in Manitoba.

Thirdly, the member opposite, he'll have his Water Stewardship critic stand up on the issue of materials that go into Lake Winnipeg, but not look at the fact that some of those materials come in the Red River Valley and come from the southeastern portion of the province.

So what we try to do in agriculture to limiting expansion—*[interjection]* Well, they may want to laugh, but some people can actually connect the dots between waste from expansion and water degradation in Lake Winnipeg. We get that, Mr. Speaker.

Mr. McFadyen: Well, Mr. Speaker, they—I don't think Manitobans are going to take the word of the

member for foggy bottom when it comes to these issues—

Mr. Speaker: Order. Order.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. Order. Order. When addressing members in the House, it's by constituency or ministers by their portfolios. So I ask the honourable member to withdraw that last comment.

Mr. McFadyen: Thank you, Mr. Speaker. I withdraw the—I withdraw the reference to the Leader of the NDP who claims to be the scientific expert on Lake Winnipeg. When the scientists lined up at committee, scientists like Don Flaten from the University of Manitoba—an internationally recognized expert—said that there was absolutely no connection between what the government was doing with Bill 17 and the protection of Lake Winnipeg, that this was about politics; it wasn't about science. And the message that it sent to producers is that we're working against you. We're not in your corner when you're going through difficult times.

I ask the Minister of Agriculture (Ms. Wowchuk) if she will stand up today and commit her government to supporting those producers who support the livelihoods, who put bread on the table for thousands of Manitoba families.

Mr. Doer: Mr. Speaker, the Minister of Agriculture has been standing up for producers every year, every crop, every livestock situation. I would point out that the Ag budget when we came into office was \$113 million. It's now doubled to \$226 million under this Minister of Agriculture.

I can tell you it never doubled under the Tory years in agriculture. They always would talk a good game in the coffee shops, but, you know, Mr. Speaker, I know that they never removed a nickel off the education tax on farmland. This Minister of Education (Mr. Bjornson), every year 75 percent of the education and farm tax is off of farmers. These people talk a lot; this minister does it.

Livestock Industry Government Strategy

Mr. Ralph Eichler (Lakeside): Mr. Speaker, Manitoba's livestock producers have been on a roller coaster ride over the past few years. Factors such as flooding, drought, Bill 17, country-of-origin labelling, BSE, the high U.S. dollar and H1N1 are taking their toll. Cattle producers have lost their

negative margins, thereby impeding their ability to access business risk management payments under the current programs. Farmers need a strong bankable farm program to rely on when facing conditions beyond their control.

Mr. Speaker, can the Minister of Agriculture please tell this House what steps are being taken to correct the serious problems? Many producers are barely hanging on and need answers today.

Hon. Rosann Wowchuk (Minister of Agriculture, Food and Rural Initiatives): Mr. Speaker, I want to acknowledge that it is very challenging times in the livestock industry, particularly in the cattle industry.

Mr. Speaker, I'm very hopeful now that—it was a great concern that we wouldn't be able—farmers would not be able to put up enough hay. The weather that we're having right now will help with hay supplies, and I am encouraging producers to talk to staff in the GO offices across the province to talk about rations, about what they can use for livestock feed in order to maintain those herds. But the member opposite should look back when he says that we haven't stood with the producers. We have stood with them and we've put significant amount of dollars to be available, whether it be AgriStability or AgriRecovery or—

Mr. Speaker: Order.

Mr. Eichler: Mr. Speaker, our livestock producers are facing serious economic challenges. Hog operations are being shut as producers are unable to meet the necessary financial commitments to stay in business. This has a ripple effect. The Agriculture Minister has repeatedly said she is working with it and yet to see any results from more—than other producers leaving this industry.

Will the minister come clean, Mr. Speaker, and just tell this House if her government is planning on to abandon our agriculture sector? A simple yes or no will work. Producers deserve answers from this government, a commitment to farm families. We stand with our families. Does this minister?

Ms. Wowchuk: Yes, absolutely, Mr. Speaker, I stand with farm families in this province and I always will, and one of the clear signals of that is if you look at the budget. Over 10 years, the Agriculture budget has doubled, if you look at the programs that we have put into place for the hog industry.

But I want to say to the member opposite that in the—talking to the federal minister, given the challenges that we are facing with country-of-origin labelling, loss of markets, we have to, and the industry has to look at how it can adjust to meet those new market conditions, whether it's the higher dollar or country-of-origin labelling. But what we have done in this province in investing in hog facilities, in processing plants, is one of the solutions. And the members opposite not once ever voted to support those kinds of investments into processing plants, and they spoke against—

Mr. Speaker: Order.

* (13:50)

Mr. Eichler: Mr. Speaker, livestock producers are struggling due to drought and flooding, adverse market conditions and low prices. They want to know and deserve to know if this government is going to put in place an ag recovery program as well as freight assistance program. We are listening to farm families; they are asking for a helping hand. Many do not know if they are going to have feedstock for the winter, and grain producers are unsure if they will be able to get the little crop off that was able to be seeded or they have to plant one for next year.

Mr. Speaker, we discussed this matter under a matter of urgent public importance yesterday, and today we hear the government is listening. Madam Minister, what is the government's plan of action? Are you going to help these farmers with ag recovery program and a feedstock program? Yes or no, Madam Minister?

Ms. Wowchuk: Mr. Speaker, the greatest help that farmers can get right now is the kind of weather that we are having right now. This kind of weather allows for crops to come off. This kind of weather allows for some hay to be put up. It allows for straw to be baled. We know that there's a feed supply out there in supply of grain.

The members opposite should be, rather than ranting and raving that we should be putting AgriRecovery in or freight assistance, they should be talking to the farmers about working with our staff to get the proper rations in place so that those herds can be maintained. And, Mr. Speaker, we've worked with the federal government, and we will continue to work with the federal government and the producer.

Mr. Speaker: Order.

Westlake and Interlake Flooding Agriculture Disaster Compensation

Mr. Stuart Briese (Ste. Rose): Mr. Speaker, last week producers in the Cayer, Rechovic, Eddystone, Crane River, Meadow Portage and other areas of Westlake and the Interlake received rainfall amounts as high as 250 to 275 millilitres. Producers in these areas have already been fighting wet conditions for more than a year.

When is the minister going to acknowledge this disaster and take meaningful action to address the emergency situation?

Hon. Rosann Wowchuk (Minister of Agriculture, Food and Rural Initiatives): Mr. Speaker, there's no doubt that the rain that hit the Interlake the other day was a very heavy rainfall and one that the producers really didn't deserve. They are just recovering from other rains and had just started to roll up their hay. Right now those producers would like to continue to get their crop in, continue to harvest their hay, and they will make—producers will make some decisions.

The member opposite is pushing for a program right now. Producers are pushing for—hoping for good weather so that they can address the challenges they face with their livestock, and we will continue. But we work with producers in other areas, and I want the member opposite to remember what we did with education tax on farmland and what we did with hydro rates, Mr. Speaker.

Mr. Briese: Mr. Speaker, the minister continues to always refer to these issues as the Interlake. I'm speaking of the Westlake area where the heavier rains were. The minister repeatedly sings the praises of various programs, such as ag stability and ag recovery. The problem is the first doesn't work with falling margins and the minister is often reluctant to use the second. The disaster, the crisis is now.

Will the minister commit today to take actions to assist the producers affected by torrential rainfalls in large regions of this province?

Ms. Wowchuk: Mr. Speaker, I did mean to say the Westlake part of the province because I know that's where the heavy rain was, that I had the opportunity to travel through that area and see how much water there was. It was an unprecedented amount of moisture that came to that area. But, with the weather we've got, we're hoping, and farmers are hoping, that pastures will stay green longer, that cattle will be able to stay out on those pastures for a longer period

of time, as much hay will not have to be put up. But I know that farmers are resourceful, and I know that farmers are looking at every feed supply that they can get, and we will continue to work and we will continue to assess the situation.

Maybe we're going to be blessed. I hope we're going to be blessed with another month of nice weather, and hopefully we won't have frost for a few weeks, and that will make a difference.

Mr. Speaker: Order.

Mr. Briese: Mr. Speaker, it's pretty hard for cattle to graze in standing water. The other day in this House we were reminded by the members for Lakeside (Mr. Eichler) and River Heights (Mr. Gerrard) that the minister, and indeed all NDP MLAs, were surprisingly missing from a pork producers meeting in Morris. I would remind this House that a similar meeting of 400 cattle producers was held last fall in Eddystone and no NDP MLAs attended it either, and that is a sad reflection on a government that is out of touch with the people of Manitoba.

Will the minister commit today to addressing falling margins of cattle producers and implementing AgriRecovery programs in the affected areas?

Ms. Wowchuk: Mr. Speaker, I want the member opposite to recognize that I have worked, and my staff have worked, very closely with cattle producers and with pork producers. I've raised their issues with the federal minister and we continue to work on these issues.

I'm very surprised that the members opposite are so critical of the safety net programs that are in place, Mr. Speaker, because the safety net programs that were put in place have been developed by the governments together with the producers. But I can tell the member opposite that, as minister, I have asked for a review of these programs and that review is going to come out in January, and at that time we will make a decision with other provinces as to whether the programs should be changed or whether we should continue with the same programs.

Cattle Industry Feed Supply Shortfalls

Mrs. Leanne Rowat (Minnedosa): The minister doesn't have to wait till January for a review. A municipal reeve that lives just in her backyard, has indicated that this minister has single-handedly brought down agriculture in this province of Manitoba.

Mr. Speaker, many cattle producers are struggling to stay in the industry. Excess moisture in some parts of Manitoba and severe droughts in others have led to a shortage of hay, feed prices have skyrocketed, and cattle prices are down.

Grant Jardine, who is a Brookdale-area farmer, is concerned that his hay yield is only 50 percent of his normal due to the poor weather. He has said that he can't afford to feed a cow that isn't worth anything. Instead of buying feed, he's selling cattle.

Mr. Speaker, will the Minister of Agriculture tell this House if the department has determined the shortfall in feed supplies producers are facing?

Hon. Rosann Wowchuk (Minister of Agriculture, Food and Rural Initiatives): Mr. Speaker, I want the member opposite to also recognize that there are programs in place. There are programs in place, insurance programs, that help producers take insurance on their hay, take insurance on their crops, so that if they have loss of yields, they can collect insurance. And those are decisions that producers have to make on an individual basis.

With regard to the specific questions about yields, of course my staff is assessing the yields. They are looking at the amount of hay and supply that's out there, Mr. Speaker, but we also have to look at the weather conditions right now, and I am told that producers are having better conditions on their pastures and they are hopeful that they will be able to graze those cattle for a longer period of time.

But the member opposite knows full well that government cannot control the price of hay and government does not control the price of cattle, and producers have to work in the markets that they're in.

Mr. Speaker: Order.

Mrs. Rowat: Well, the producers that I talked to need more than hope. They need an Agriculture Minister that will show some leadership and introduce programs that work.

Mr. Speaker, it's time for this government to acknowledge the very serious situation our cattle producers are facing. Winter is fast approaching and they are concerned about how they're going to feed their cattle. Some fear that they may end up competing with producers from drought-hit regions of Alberta and Saskatchewan for limited feed supplies, and that will definitely drive up costs.

Mr. Speaker, can the Minister of Agriculture indicate to this House what plans does your

government have to help livestock producers to address the current feed shortage?

Ms. Wowchuk: Mr. Speaker, and the member opposite is indeed right, there are drought conditions. In fact, much more serious drought conditions in places like Alberta than they are here in Manitoba. That's why we are working with our producers and working with them on how we might address rations, how they might be able to feed those animals through the winter months. One of our advantages is that we are not as dry and there are pastures that are improving.

* (14:00)

Mr. Speaker, there is a lot of crop that has been harvested. There's a hay—a straw supply. There's a large grain supply in this province, and producers are going to have to make a decision if they want to buy grain or whether they want to reduce their herds, and if they reduce their herds, then there is—we want to ensure that they can have—be able to defer their taxes on those cattle that are sale.

Mrs. Rowat: Mr. Speaker, when producers cannot even sell their animals for as much as they have paid to feed them, there is a serious crisis in the industry.

Mr. Speaker, can Manitoba cattle producers expect a plan from this government to deal with the feed shortage or will Manitobans, like Mr. Jardine, be left to struggle without supports? Does she want more producers to liquidate their herds, as she has been indicating? They're going to sell their herds.

Ms. Wowchuk: Mr. Speaker, the member opposite knows full well that every year producers make a decision. They make a decision on which cattle they will keep. They make a decision on how many they will winter depending on their hay supply and sometimes they sell some of those cattle and then they buy 'em in the spring when they can put 'em on the pasture.

Those are management decisions that producers make in their business, Mr. Speaker, and they have been making those decisions for years. And I talked to the Manitoba cattle producers. Manitoba cattle producers don't want government to tell them how to run their business. They want us to work with them and that's why we're working with them on how they would do their rations. That's why we're encouraging more people to bale straw and that's why we're encouraging people to look at how they can use the feed supplies that are out there right now to maintain their herds.

Gang Violence High-Risk Offender Monitoring

Mrs. Heather Stefanson (Tuxedo): Mr. Speaker, over the last few days in the Manitoba Legislature the Minister of Justice has stated that he's far too busy dealing with his one piece of legislation that he has before him. He's far too busy dealing with his House leadership duties, that he doesn't have the time to deal with very serious issues of crime that are facing Manitobans.

In the meantime, Mr. Speaker, gangs are running rampant in the streets of Winnipeg. Justice officials in the province are involved in non-stop endless games of catch and release. Recently two young offenders racked up a lengthy list of crime, including 28 breaches of court orders, and are now facing second-degree murder charges in the death of an innocent bystander.

Mr. Speaker, when will this Minister of Justice commit to ensuring that court orders are enforced through strict monitoring of high-risk gang members?

Hon. Dave Chomiak (Minister of Justice and Attorney General): Mr. Speaker, two things I should indicate. Perhaps the member should talk to her leader to the right, who joined us and all political parties when we went to Ottawa and made a presentation to toughen up the Young Offenders Act, and we did that unanimously and we're still waiting. We had some of those changes and we're still waiting for the rest of those changes.

Secondly, the member should perhaps do some research and find out that COHROU, the high risk offender program, is in place, as well as the WATSS program that monitors in place. The member will also know that I cannot, I cannot by law talk about specific cases.

Mrs. Stefanson: Mr. Speaker, the minister cannot pass the buck to the federal government when it comes to this issue.

Mr. Speaker, this past summer even the Premier (Mr. Doer) got it. He admitted on talk radio that the province needs to do a better job in ensuring court orders are enforced in this province. The case of these two young offenders, that include 28 breaches of court orders, should be a wake-up call to this Minister of Justice that a real gang strategy is long overdue in this province.

Will he tell Manitobans today what the strategy is to enforce court orders and commit to publicly reporting breaches of court orders in this province, Mr. Speaker?

Mr. Chomiak: I'm sorry that the member is criticizing the police for their follow-up in breach of court orders. You know, they come in here and the police are doing the best they can, and they're very appreciative of the additional 200-person police power to do that, Mr. Speaker.

Also the delusion the member has about gangs—we are not a government that pretended there was no gangs, as did the previous government. We had a policy that we announced in 2003. We have an inter-gang unit, Mr. Speaker. We have put ankle bracelets on members. We have convicted 900 gang members. We are putting the information out to the public. We have a special task force on that, and we're gonna augment that with additional measures in the future and that's completely 100 percent more than was done during the 11 lean years when you ignored those issues.

Mr. Speaker: Order.

Mrs. Stefanson: Mr. Speaker, the Minister of Justice has to stop blaming the police in our province and if he's looking for blame, he need only look in the mirror. He is the one that is responsible for issues of crime in this province. The buck stops with him.

Mr. Speaker, this deadly game of catch and release has gone on far too long in this province. We've had several incidents where innocent bystanders have been killed by indiscriminate and random acts of violence committed by known gang members in our province. The system of justice in Manitoba is a joke and gang members know it. Yet the NDP continues to hide the number of breaches in this justice system.

I ask the Justice Minister, Mr. Speaker: Will he send a signal to gangs and, indeed, to all Manitobans that crime is being taken seriously in our province by ensuring that breaches of court orders are enforced, and disclosing to the public the number of breaches of orders in our province?

Mr. Chomiak: Mr. Speaker, I think it's important that the breaches of court orders are enforced and that's one of the reasons why, and I'm sorry the members voted against additional police in Winnipeg and around the province. I—there's a lot of members opposite that drive and the member from Steinbach often talks about. They talk, but, you know, just let

me quote something here from—that was on radio today, and it's the federal Justice Minister talking about actions, talking about the two-for-one remand policy that is now in place.

Have members picked up the phone? Have they written a letter? Have they taken a stand? Rob Nicholson said, this government, this minister, I've got to tell you, Dave Chomiak, he's NDP, he's written to Senate on the bill talking about it today, he's encouraging everyone to talk about it. You talk and talk and talk. The member's on the horn all the time—

Mr. Speaker: Order. Order. Order. When members are referencing even themselves in the House, it's supposed to be members by their constituency or—Order. Order. Order. Order. Order. Order. Or ministers by their portfolios, and I've already cautioned one member today about addressing other members by their constituency or by their portfolio, and the honourable minister, when addressing another member in the House, please use the constituency or the title of a member. Order. Order.

Mr. Chomiak: Yes, when I was referring to, I was referring to the member for Steinbach (Mr. Goertzen) and I was reading the quote that the minister, the federal Minister of Justice, Rob Nicholson, said, I mean, I get support. I've already got to tell you that the member for Kildonan, the NDP, I mean, he's already written to the Senate on the bill and I'm talking about it today and I'm telling you we have—we've got to get—I've got to make the pitch to them. I mean, I'm talking about double time for credit served. This is what—

Mr. Speaker: Order.

Assiniboine River Diversion Upgrades

Mr. David Faurichou (Portage la Prairie): Mr. Speaker, the Assiniboine River Diversion located in my constituency sustained significant structural damage earlier this year when the west side dike was breached. Although limestone rock plugged the breach at the time, no permanent repairs have been made. Without permanent repairs and significant re-investment in this vital flood control structure, all communities downstream will sustain damage from flooding in not only in the community of Portage la Prairie, but the city of Winnipeg as well.

What is the government's plan for the Assiniboine River Diversion channel, and when will this government take action?

Hon. Christine Melnick (Minister of Water Stewardship): Mr. Speaker, it was a very wet spring that we all experienced here in Manitoba, and we were very pleased to use the floodway and the other safety features that we have to prevent flooding not only in the city of Winnipeg but throughout southern and some parts of northern Manitoba.

The fail-safe on the Portage Diversion was used very heavily this spring. There has been repair already on the fail-safe. There is more planned within the next month. The east outside drain is an area of focus right now. Over half of it has been reconstructed this year. The balance, which is roughly 4.5 miles, is planned for next year. We're taking very seriously the safety of all Manitobans. We're taking very seriously the flow of water throughout the province of Manitoba, and we are working on all the structures not only for this fall but what may happen next spring.

* (14:10)

Mr. Faurchou: But I don't believe that answered the question because there is no work taking place on the west-side dike as we speak, and, believe it or not, winter is coming and the ground will freeze. So you don't need an engineering degree to know that freshly constructed dike is very highly susceptible to erosion.

Why has this minister not taken this issue seriously, and why has she waited so long to start these very necessary vital repairs to infrastructure here in the province of Manitoba?

Ms. Melnick: Mr. Speaker, I'm glad of the supplementary question. It allows me to put on record more of the work that is being done specifically around the Portage Diversion. The diversion and the river structures are experiencing safety-related work. There is work being done on fencing, ladders, hand rails. This is planned for later in this fiscal year.

The diversion channel itself, which has experienced significant vegetation cutting and removal, will also be done at the north end which will allow the water to flow more freely out of the Portage Diversion. That will be occurring—that is occurring now and will continue over the next few weeks. There is also debris clean-up happening, and we have also worked on the dredging around the

areas planned for where the water is—where the water is released from the Portage Diversion. Some 40,000 cubic metres were dredged last year, Mr. Speaker, so work has begun—

Mr. Faurchou: Mr. Speaker, I don't know if the minister's checked the calendar or not, but I do believe winter is coming, and all these planned works, I don't know how you're going to accomplish them in the next month.

Mr. Speaker, the government has spent more than two-thirds of a billion dollars on Red River flood control infrastructure and precious nothing on the Assiniboine-Red River's control infrastructure. Farmland is being destroyed by flooding and seepage. Property owners all along southern shores of Lake Manitoba are enduring knee-deep sludge and debris, and the western portion—the western portion of our World Heritage Delta Marsh is dying because of debris and siltation. All because of this government's inaction.

When will this NDP government take action on the necessary repairs, clean up the silt, sludge and debris and compensate all those affected?

Ms. Melnick: Well, this is very different than the discussion I had quietly with the minister yesterday, Mr. Speaker—with the member yesterday. *[interjection]* Come on over.

Again, I'll repeat. The fail-safe was repaired this spring. Dredging did occur last winter. The six miles of the east outside drain was repaired this summer; the diversion and river structures are currently undergoing safety-related work. Significant vegetation has been removed from the north end, Mr. Speaker. The work began after the flood this spring; it continued through the summer, it will continue through the fall.

I don't know what—I don't know why the member doesn't understand. We're proactive on this. We look at the entire water system within Manitoba, and we are looking to protect all Manitobans this fall, next spring, as we did last spring, Mr. Speaker.

Whiteshell Provincial Park Lagoon Seepage

Hon. Jon Gerrard (River Heights): Mr. Speaker, to the Minister of Conservation. The minister is responsible for the park system, including the Whiteshell Provincial Park, one of the jewels in our park system, and yet the minister has been so, you know, appallingly negligent in his duties recently

that sewage has been spilling directly from a sewage lagoon into the pristine lakes of the Whiteshell Provincial Park.

Manitobans have been horrified by the minister's lack of attention to his duties. Instead of making sure that our lakes stay crystal clear, the minister's been out campaigning in efforts to support his chosen leadership candidate.

Now, I'm not going to ask the minister how many NDP members he's brought in, but I'm going to ask him: Why has the minister been so derelict in his duties?

Hon. Stan Struthers (Minister of Conservation): Mr. Speaker, first of all, we were very quick to move when we, through a regular routine inspection, found that there was some seepage from that lagoon. We moved quickly to make sure that we stopped that and that we diverted trucks and showers and other things from contributing to the problem. So we moved quickly when we found it was there.

The other part of this, Mr. Speaker, is that we have, over the last three years, put \$11.2 million into building capacity throughout Manitoba, 5.6 million of that dedicated to the Whiteshell to make sure that we build our capacity so that we can continue to provide the kind of benefits in our parks that members opposite—

Mr. Speaker: Order. Order. Order.

Mr. Gerrard: Mr. Speaker, the minister says quickly, but, you know, four years ago, when the minister promised cottagers and residents around Dorothy Lake that there would be ample follow-up after someone opened the valves of the sewage lagoon and allowed pure untreated human waste to flow directly into a lake where children and families were swimming, and members of several families got very sick.

I ask the minister: Was there the follow-up? Were there any convictions, fines, jail sentences, even court orders following these egregious actions or, you know, is the perpetrator still on the lam?

Mr. Struthers: To try to contain this to the facts, Mr. Speaker, the day that this was reported, that we saw this through our routine inspection, we took action and stopped the seepage that was taking place. The member for River Heights should understand that and be honest enough to admit that. So that happened very quickly.

Mr. Speaker, we continue to make sure that the amount of capacity that we build is continued to be built, as we've been doing in the Whiteshell.

Also, we continue to make sure that we don't add to the problem by not considering these capacity problems when we say yes to development or no to development. And, yes, we have said no to development in the Whiteshell and otherwise when we can't provide the capacity to deal with septage, Mr. Speaker. It makes sense and what we're doing will—

Mr. Speaker: Order.

Mr. Gerrard: Mr. Speaker, you know that some members of this Cabinet faced with this situation would be standing up on their soapbox. They would be issuing press releases. They would be ranting about how severe the fines and the sentence is and the jail terms would be the next time, you know. Other members might be using some of the money flowing—the river of money flowing for infrastructure to actually solve the problem.

Now, the minister got some money, but he wasn't able to solve the problem. Too bad. That's typical NDP incompetence.

I ask the Minister of Conservation: When is he going to stand up, you know, and instead of just waffling about what's happening, when is he really going to do something? When is he going to make sure that there's fines, jail sentences, even if he can't fix the problem?

Mr. Struthers: When we deal with an issue like this and a mistake has been made, our approach is to make sure that we move proactively to solve the problem. Some members opposite might not see it that that being useful.

But, you know what, Mr. Speaker, we've solved many of these problems. We're solving this problem. We're putting money into building capacity in the Whiteshell and throughout our great parks system. We're saying no to development that we can't handle in terms of sewage so we don't make the problem worse.

Mr. Speaker, when we make mistakes, we follow them up with proactive action to correct those—\$11.2 million across this province, \$5.6 million in the Whiteshell alone and we're continuing to do that. You should get onside and

support some of our budgets that put that money in place.

Greyhound Canada Service Continuance

Mr. Gerard Jennissen (Flin Flon): Mr. Speaker, all members of this House share a common concern about Greyhound's announcement of September the 3rd regarding the cessation of passenger operations in Manitoba, northern Ontario and potentially other provinces as well.

* (14:20)

I know that the Minister of Infrastructure and Transportation has worked very hard on this file and has been actively involved with Greyhound and other affected parties to seek a resolution to this untenable situation.

Could the minister update—could the minister update this House and Manitobans on what actions he has taken to ensure a continued bus passenger service for all parts of Manitoba?

Hon. Ron Lemieux (Minister of Infrastructure and Transportation): Well, thank you very much to the MLA for Flin Flon for the question. I know he's been very, very active in working on behalf of his constituents, as well as the MLA for The Pas (Mr. Whitehead), ensuring that Greyhound wouldn't discontinue their routes.

I want to say that after yesterday's meeting we had a very positive and productive meeting with a frank exchange of ideas and solutions and moving forward with regard to ensuring that travel would not, and bus travel would not, be suspended in the province of Manitoba.

Mr. Speaker, we're pleased that Greyhound put the brakes on any kind of layoffs for the workers that are so important to this province, and also the discontinuance of any kind of route selection or travel throughout this province. And again, I just want to say thank you to the MLA for Flin Flon, MLA for The Pas and others, who worked very, very hard on behalf of their constituents in Manitoba to ensure Greyhound travel will continue.

I just want to conclude by saying, members opposite can work with Minister Baird and others in the federal level, Mr. Speaker, because this is a national issue. This is not just a Manitoba issue. This

is a Canadian issue with regard to bus travel in this country, and we want to ensure that happens.

Mr. Speaker: Time for oral questions has expired.

House Business

Hon. Dave Chomiak (Government House Leader): Yes, Mr. Speaker—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order, order.

Mr. Chomiak: Mr. Speaker, I seek leave of the House to revert back to committee reports.

Mr. Speaker: Is it the will of the House to revert to committee reports? [*Agreed*]

I will now call committee—committee reports.

COMMITTEE REPORTS

Standing Committee on Social and Economic Development Third Report

Mr. Daryl Reid (Chairperson): Thank you, Mr. Speaker, and thank the House for the leave.

I wish to present the Third Report of the Standing Committee on Social and Economic Development.

Madam Clerk (Patricia Chaychuk): Your Standing Committee on Social and Economic Development—

Some Honourable Members: Dispense.

Mr. Speaker: Dispense? Dispense.

Your Standing Committee on SOCIAL AND ECONOMIC DEVELOPMENT presents the following as its Third Report.

Meetings

Your Committee met on Wednesday, September 16, 2009 at 6:00 p.m. in Room 255 of the Legislative Building.

Matter under Consideration

- **Bill (No. 217) – The Hunting, Fishing and Trapping Heritage Act/Loi sur la chasse, la pêche sportive et le piégeage patrimoniaux**
- **Bill (No. 226) – The Pregnancy and Infant Loss Awareness Day Act/Loi sur la Journée de sensibilisation au deuil périnatal**

- **Bill (No. 238)** – *The Service Animals Protection Act/Loi sur la protection des animaux d'assistance*

Committee Membership

- Ms. BLADY
- Mr. BRIESE
- Mr. DEWAR
- Mr. EICHLER
- Mr. GRAYDON
- Mr. JENNISSEN
- Ms. KORZENIOWSKI
- Mr. NEVAKSHONOFF
- Mr. REID
- Mrs. ROWAT
- Hon. Mr. STRUTHERS

Your Committee elected Mr. REID as the Chairperson.

Your Committee elected Ms. KORZENIOWSKI as the Vice-Chairperson.

Public Presentations

Your Committee heard the following presentation on **Bill (No. 217)** – *The Hunting, Fishing and Trapping Heritage Act/Loi sur la chasse, la pêche sportive et le piégeage patrimoniaux*:

Rick Wishart, Ducks Unlimited Canada

Your Committee heard the following two presentations on **Bill (No. 226)** – *The Pregnancy and Infant Loss Awareness Day Act/Loi sur la Journée de sensibilisation au deuil périnatal*:

Brenda Brand, Compassionate Friends of Portage Plains

Colleen Johnson, Private Citizen

Your Committee heard the following two presentations on **Bill (No. 238)** – *The Service Animals Protection Act/Loi sur la protection des animaux d'assistance*:

Yvonne Peters, Manitoba Human Rights Commission
Doug Parisian (by leave), Private Citizen

Written Submissions

Your Committee received the following written submission on **Bill (No. 238)** – *The Service Animals Protection Act/Loi sur la protection des animaux d'assistance*:

Doug Parisian, Private Citizen

Bills Considered and Reported

- **Bill (No. 217)** – *The Hunting, Fishing and Trapping Heritage Act/Loi sur la chasse, la pêche sportive et le piégeage patrimoniaux*

Your Committee agreed to report this Bill, with the following amendment:

THAT Clause 2 of the Bill be replaced with the following:

Aboriginal rights protected

2 This Act is not to be interpreted so as to abrogate or derogate from the aboriginal and treaty rights of the aboriginal peoples of Canada that are recognized and affirmed by section 35 of the Constitution Act, 1982.

- **Bill (No. 226)** – *The Pregnancy and Infant Loss Awareness Day Act/Loi sur la Journée de sensibilisation au deuil périnatal*

Your Committee agreed to report this Bill without amendment.

- **Bill (No. 238)** – *The Service Animals Protection Act/Loi sur la protection des animaux d'assistance*

Your Committee agreed to report this Bill, with the following amendment:

THAT the following be added after Clause 3 of the Bill:

Animal obedience training

3.1 If a justice finds a person guilty of an offence under subsection 2(2), the justice may, in a probation order and in addition to any other penalty, prescribe that the person attend animal obedience training with the animal that touched, impeded or interfered with the service animal.

Mr. Reid: I move, seconded by the honourable member for Flin Flon (Mr. Jennissen), that the report of the committee be received.

Motion agreed to.

MEMBERS' STATEMENTS

Mr. Speaker: Now we will move on to members' statements.

Warrior Boyz Film Screening

Mr. Mohinder Saran (The Maples): Mr. Speaker, as our society continues to grow and bring in people from across the world, we learn about different cultures, people and backgrounds. We learn about

the differences in ourselves, but more importantly, we begin to share our humanity. It is with this spirit of hope and a new life that people come to Canada and Manitoba. They are hoping to have a better life for themselves and their families.

However, the transition from one world, country or culture to another is not easy, and it cannot be done in one night. In fact, today, and not just new Canadians, but many first-generation Canadians, are having trouble adjusting to the country in which they were born.

Different cultural values, ambitions and societal pressures make it difficult for children to relate with their parents. Although most families find a happy medium and begin to balance their old lives with their new ones, for some this transition is not easy.

Film maker Baljit Sangra set out to document the lives of young disenfranchised Indo-Canadian youth who are lured into gangs that offer an easy life with money and drugs. The film is called *Warrior Boyz* and was produced by the National Film Board of Canada.

Ms. Sangra will be in Winnipeg on October 6th at the Maples Collegiate where I have invited students and families to join me and Ms. Sangra for a free screening of the film followed by a discussion about gang life and the dangers of the thrill.

With this screening, my hope is to reach out to families and young boys and girls and raise awareness of the struggles as well as the hope out there in our community. I am excited to have Baljit Sangra here to be a part of the process.

I invite all members of the House to inform their constituents about the movie and encourage them to watch it. It is a powerful depiction of a certain lifestyle that we too easily forget about. Thank you, Mr. Speaker.

Killarney Lake

Mr. Cliff Cullen (Turtle Mountain): I rise in the House today to speak about Killarney Lake.

Killarney Lake is located in the municipality of Killarney-Turtle Mountain. It's a beautiful spot both summer and winter. In addition to agriculture, tourism also plays a role in the economy in that area.

Killarney Lake makes up a big part of Killarney's tourism and economic spinoff. Killarney has been voted the best retirement town in Canada by

Canadian Living and the town works hard to maintain this reputation in the business community.

This summer the condition of Killarney Lake has deteriorated. Algae growth made the lake unusable. There was significant fish kill on the lake and the closure of the beaches for swimming. As a result, tourism activity is down and the citizens are very concerned about the future.

In addition, Killarney receives their drinking water from Killarney Lake. The council of the Killarney-Turtle Mountain municipality has held a series of meetings and made many strong recommendations and brought forward resolutions on the issue, including the ban of phosphates in terms of household products and residential fertilizers. It also looked at the addition of an aeration equipment into the lake and also investigating an alum application for the lake. And they're also going to support strongly the work of Mr. Korman and the students at Killarney School financial in terms of harvesting algae and weed-reed harvesting in the lake.

Mr. Speaker, they're also looking at resurrecting the Killarney Lake water quality committee as well. For the House today I'd like to table a petition which has been signed by almost 1,500 residents of southwestern Manitoba and I'd like to read this petition to the, to the Chamber: The condition of Killarney Lake has continued to deteriorate without treatment and/or intervention from local, provincial, or federal governments. The result is a lake that is quickly becoming unusable. The lake is the very life of Killarney. Without it, fish and wildlife will die. Tourism will die. Investment in our community will die. The health of our children will be jeopardized. The social network of our community will forever be altered. Lakefront property will not be attractive. The Killarney—the town of Killarney will die.

Mr. Speaker, I challenge the government of Manitoba to move forward on this very important issue. Thank you.

Winakwa Community Centre

Mr. Bidhu Jha (Radisson): I'm pleased to share with the House today the news regarding the Winakwa Community Centre. The past June, together with the member from Southdale, Member of Parliament for St. Boniface, and Mayor Sam Katz announced funding for an expansion of the centre. The expansion includes the construction of a full-sized gymnasium with a new front entrance,

change rooms, washrooms, a mechanical and circulation area as well as renovations to the existing space.

The total cost of this project is over \$2.5 million and is being funded by all three levels of government. The federal government is contributing \$800,000. We are matching this with \$800,000 plus an additional \$320,000 under the Recreation and Leisure Infrastructure Program. The City of Winnipeg is contributing \$480,000 and the balance, \$233,950, would be provided by the centre itself.

The funding continues the important steps the Province is taking to foster economic growth. This year we are investing \$1.6 billion into infrastructure to stimulate the economy, create jobs and renew the province's roads, schools, health facilities and water treatment facilities.

I would like to recognize the members of the expansion committee: Ben Lee, Robert Gobeil, Pat Krueger, Brian Keane, Jeff Bowen and Dan Gilkes and many, many others. Thank you to Gord Kovnats, Chris Berthon and the Alumni Soccer Club for their generous donation of this project.

As well I'd like to recognize recent volunteer appreciation recipients: Volunteer of the Year, Yolande Hofsis, a long-term volunteer; Steve Strong, Coach of the Year, has been coaching for 15 years at Winakwa; Pat Krueger, who received a special recognition for over her 25 years of service to the centre. Winakwa wouldn't be a strong and vibrant community centre without the volunteers' efforts which I have mentioned.

Thank you, Mr. Speaker. There are many other issues that are being addressed by the volunteers and I'm proud to be part of this government that invests in the community. The Winakwa Community Centre expansion will allow the facility to better serve the needs of surrounding neighbourhood. Building recreation opportunity is important to our government. I'm pleased—

Mr. Speaker: Order.

* (14:30)

Mr. Jha: Can I have a leave just at—

Mr. Speaker: Does the honourable member have leave?

Some Honourable Members: Leave.

Mr. Speaker: Leave has been granted.

Mr. Jha: I am pleased to support the community in this project and I commend the centre for their—all of their hard work. Thank you very much, Mr. Speaker.

Ralph Jacob Clint Whetter

Mr. Larry Maguire (Arthur-Virden): Mr. Speaker, this year the Manitoba Agriculture Hall of Fame inducted nine prominent agriculturalists at their ceremony in Portage la Prairie on July the 16th. The Manitoba Agriculture Hall of Fame recognizes individuals who have made significant lifelong contributions to agriculture in Manitoba.

Mr. Ralph Jacob Clint Whetter, now living with his wife Dorothy in Boissevain, was one of these deserving recipients. Mr. Clint Whetter was raised and educated in Dand, Manitoba. After completing high school, he was able to further his education in 1938 by enrolling in the agriculture degree program at the University of Manitoba. Following his graduation, Mr. Whetter enlisted in the Royal Canadian Air Force and went overseas in 1942. On his return home in 1945, Clint began work on the farm where he grew crops and raised purebred Hereford cattle.

Conservation has always been Mr. Whetter's priority. He led by example and dedicated a large part of his life towards pursuing farm-related conservation projects. Mr. Whetter began strip farming and planting shelter belts as part of his commitment to the soil protection. Also, he introduced conservation projects to many local 4-H clubs, an organization that he has supported for many years. Many generations of youth have experienced his decades of 4-H leadership through the Dand beef club and many—and more lately, the Dand Belles and Beaux. For his dedication, he was honoured by leading the 4-H rally in Boissevain this past year in their parade in June along with Manitoba's Minister of Agriculture (Ms. Wowchuk).

Clint's concern for conservation issues has led him to serve on the board of the Turtle Mountain Conservation District, where he took on the role of chairman for 10 years. He has also made history in 1992 by becoming the first Manitoban to be inducted into the Canadian Conservation Hall of Fame in Ottawa.

Some of Clint Whetter's other involvements include: serving in the Deloraine Fair Board and Agricultural Society for 20 years; he served on the local Manitoba Pool Elevators Committee and the

Manitoba Pool Elevator Advisory Committee; and the Hartney Credit Union Board.

Mr. Speaker, as a member of the Legislative Assembly representing Arthur-Virden, I would like to congratulate Mr. Ralph Jacob Clint Whetter on his 2009 induction into the Manitoba Agriculture Hall of Fame. His work to improve agriculture in Manitoba through commitment to conservation and working with rural youth is inspirational to all Manitobans. Thank you.

Children's Allergy and Asthma Centre

Ms. Flor Marcelino (Wellington): Mr. Speaker, I rise to recognize the opening of the new Children's Allergy and Asthma Clinic at 865 William Avenue in the Wellington constituency, which I had the privilege to attend yesterday. This new 4,300 square foot facility named the Thompson Children's Allergy and Asthma Centre will provide a number of services merging education, clinical and administrative functions under one roof. The new building will feature the Children's Asthma Education Centre, which is an educational facility for individuals and small groups or families to attend classes on asthma management.

Also part of the new facility are patient testing and treatment rooms, as well as work space for allergists, asthma educators, clinical nurses, social workers and support staff. The consolidation of all of these resources in one space will effectively reduce wait times for specialists and enhance the hospital's ability to work with in-patients and their families. It provides setting for staff to work with high-risk patients who have complex asthma and allergies, and is an effective base to better co-ordinate with health-care professionals.

Life would have been much easier for me and my two asthmatic boys 20 years ago had such a facility been available then. Had the educational support plus state-of-the-art allergy testing, high-tech training tools now at the centre were available then, I'm sure the boys nightly asthma attacks, which deprived me of precious sleeping hours, would have been less frequent. For a full-time mother with a full-time day job, that could have been a very big relief and help. Truly, the benefits of the Thompson Children's Allergy Asthma Centre to the children and their families in our province are enormous.

I would like to commend the leadership of Dr. Cheryl Greenberg and Dr. Allan Becker and his team for providing an indispensable resource to

children and their families in their efforts to proactively manage their allergies and asthma. This centre is made possible by funds from the Children's Hospital Foundation of Manitoba and the generous gifts of the Thompson family through Mr. Jeff Thompson. Other contributions came from Re/Max, Manitoba Lotteries Employees Care by Helping Others program, as well as other donors. Moreover, funding contributions from Manitoba Health and Healthy Living and the WRHA made it all possible for this centre's creation, thus expanding the reputation of Health Sciences Centre as a centre of medical excellence in the province. Thank you, Mr. Speaker.

MATTER OF URGENT PUBLIC IMPORTANCE

Mr. Gerald Hawranik (Lac du Bonnet): Mr. Speaker, I rise on a matter of urgent public importance.

Mr. Speaker, in accordance with rule 36(1) I move, seconded by the member from Lakeside, that the regularly scheduled business of the House be set aside to discuss a matter of urgent public importance, namely the lockout of workers at Tembec.

Mr. Speaker: Before recognizing the honourable member for Lac du Bonnet, I believe I should remind all members that under rule 36(2) the mover of a motion on a matter of urgent public importance and one member from the other parties in the House is allowed not more than 10 minutes to explain the urgency of debating the matter immediately.

As stated in *Beauchesne's* citation 3-390, urgency in this context means the urgency of immediate debate, not of the subject matter of the motion. In their remarks members should focus exclusively on whether or not there is urgency of debate and whether or not the ordinary opportunities for debate will enable the House to consider the matter early enough to ensure that the public interest will not suffer.

Mr. Hawranik: Mr. Speaker, I am pleased to rise today on this matter of urgent public importance. It's a matter that's obviously very, very important for my constituency, the constituency of Lac du Bonnet, the town of Powerview-Pine Falls and, of course, all of northeastern Manitoba which has many industries and many businesses within it that depend on the forest industry of this province.

And, Mr. Speaker, I relate, I can relate to this particular MUPI, because of fact, because of the fact, of course, that my constituency is profoundly affected by the lockout that has taken place at the Tembec paper mill in Powerview-Pine Falls.

It's a terrible time for the forest industry, Mr. Speaker. It's—the forest industry is a sector of our industry in this country that has built this country more than any other industry in this province or in this country. Of the more than 300 forest-dependent communities in Canada, 15 of those communities are within Manitoba, and over the past five years it's estimated that Manitoba lost 20 percent of its forest-sector jobs.

Across western Canada we've seen in the last five years 83 mills that have closed and over 13,000 jobs lost in the last five years, an extremely grim statistic, one which we have to take notice of in this province and, of course, in this Legislature, and that only adds to the urgency of this debate taking place here today, Mr. Speaker.

We've seen in the last eight months between January and August—during that eight-month period, Tembec laid off all of its nearly 300 employees for a three-month period, a total of 12 weeks. So already the employees at Tembec have been suffering greatly, 12 weeks without any pay during a layoff in the past eight months, three months out of the last eight months not being able to work and earn a paycheque.

On September 1st we heard that Tembec locked out almost 300 employees with really no end in sight. The lockout means, Mr. Speaker, that the employees can't even claim employment insurance. According to the regulations in employment insurance, they weren't eligible for benefits in spite of the fact that many of these employees, long-term employees—many up to 30 years experience and more—who have paid into employment insurance, never drawn unemployment insurance, but still have no means of support other than, of course, while they're picketing, strike pay, which is minimal at best.

*(14:40)

The employees were willing to go back to work and bargain. They were faced with a 35 percent cut in wages and benefits. That was the offer made to them, a very difficult thing to swallow when after 35 years or 30, 35 years in employment with that employer, and having to go back to their families and

indicate that we would, that we would have, you know, in order to end this lockout, we were faced with a 35 percent cut, a very, very difficult pill to swallow, and one which I can tell you, Mr. Speaker, when I spoke to many of the employees who were picketing there a couple of weeks ago, just after the lockout was announced, they were willing to compromise. They were willing to get back to the table, talk to Tembec. They know the forest industry is on the ropes. They know the forest industry was having difficulty. They were willing to come to the table and say, we will compromise. But problem was, is that we had a company that was not willing to get back to the table.

Forest industry in eastern Manitoba in particular is very important. It's an important employer in the region and has many spinoff industries. We have almost 300 employees of Tembec that are on strike as a result of the lockout and probably another 500 employees and in, within the northeastern Manitoba region that also supply pulp for the mill and other spinoff industries with forest products.

We've had a—they've had a difficult time including within the last year when this government banned logging in provincial parks, and that certainly had a negative impact on the industry. There is a provincial responsibility here, Mr. Speaker, and that provincial responsibility is to ensure that Tembec and the employees return to the bargaining table.

I asked a question in question period on Monday. I didn't get a really great response from the minister with regard to my questioning. I asked that a mediator be appointed, that perhaps, and, in fact, even there's a case to be made, I think, for making assistance available to Tembec to ensure that we have a long-term mill that's going to operate within this province. It's the only paper mill within the province. Others are being shut down across this country. We need to ensure that our paper mill is here for the long term and is sustainable and there are ways of doing that, Mr. Speaker, whether it's through tax reductions or other assistance, there are ways of doing it.

I know the United States has looked at its paper industry and forest products industry and they've had a tremendous response in terms of providing assistance to ensure the long-term sustainability of their forest industries.

We've seen, of course, the minister here, the Minister of Transportation (Mr. Lemieux) getting involved with Greyhound over the past week and

that has worked. And all I was asking, Mr. Speaker, is that the same kind of response come from this government to ensure that our paper mill is here for the long term and employees are back on the job, and that's all I was asking for. I was—I was pleased, though, to see that obviously MUIs work, matters of urgent public importance coming toward this Legislature, debated here in this Chamber. It's important that we use those kinds of methods in order to ensure that ministers do their jobs, that they actually go out there and talk to employers if necessary to get them back to the table, talk to the employees to make sure they're at the bargaining table to negotiate a fair and equitable collective agreement.

And I noticed just less than an hour ago a news release came across, Mr. Speaker, indicating that the—that the minister finally got the message and appointed a mediator and we support that. We hope that it works. I notice that according to the news release, that the mediator's supposed to report back to the government on this matter as to the progress of negotiations and so on by October, somewhere around the middle of October.

I would suggest, Mr. Speaker, that that is too long a time period to wait. I think that the urgency of the matter, the fact that the forest industry across North America is suffering, that this mill has a, there is a possibility of a closure of this mill. We need to have that mill open for tomorrow if necessary and for the long term in particular for the residents of our constituency and the residents of the town of Powerview-Pine Falls.

I'm encouraged by the fact that the—there was a mediator appointed, Mr. Speaker, and I'm hopeful that we're going to have results that are going to be positive for Lac du Bonnet constituency, and, of course, the town of Powerview-Pine Falls. Thank you.

Hon. Dave Chomiak (Government House Leader): Mr. Speaker, obviously all members of the House are quite, quite concerned with this issue. I think if we were to look back in legislative history this—I think this is the first time I've ever been in a session where there's been an ask for a fourth matter of urgent public importance in a row.

Obviously, we have a good deal of respect for the rules, and if I were to—I have a good deal of respect for the rules and have a great deal of respect for both House leaders, and I think that that will enable us to suggest, well, not to suggest, to indicate

that, while we think this is not a MUI on the face of it—in fact, I think as the member went through his statement he made it less and less a MUI, but having said that, he makes a strong argument as to the significance of it. I don't think it's a MUI, but I think we're prepared to agree—I think there's agreement in the House to have a member of each party—to waive the rules and have a member of each party, that is the government, the official opposition and the third party, speak for five minutes each. So that would be three speakers at five minutes each on this issue at which point we could revert to orders of the day and I'm suggesting that by agreement at this time.

Mr. Speaker: Order. The Government House Leader has indicated that some form of agreement—but I can't deal with that until I make a ruling.

The honourable member for Inkster, if you're getting up speak to the MUI you would need leave to speak to it.

Mr. Kevin Lamoureux (Inkster): If I could have leave just to quickly address it.

Mr. Speaker: Okay. Is there leave? [*Agreed*]

Leave has been granted.

Mr. Lamoureux: Mr. Speaker, we just want to emphasize our support in terms of seeing this issue debated as a MUI and agree to the fact that I believe there will be one speaker from the government side, the opposition side and I know the Leader of the Liberal Party would also like to speak. That's my understanding and I'm quite in agreement with that. Thank you.

Mr. Speaker: Okay. I thank the honourable members for their advice to the Chair whether the motion proposed by the honourable Official Opposition House Leader should be debated today. The notice required by rule 36(1) was provided under our rules and practices: the subject matter requiring urgent consideration must be so pressing that the public interest will suffer if the matter is not given immediate attention. There must also be no other reasonable opportunities to raise the matter.

I have listened very carefully to the arguments put forward, however I was not persuaded that the ordinary business of the House should be set aside to deal with this issue today. Although this is an issue that some members may have a concern about, I do not believe that the public interest will be harmed if

the business of the House is not set aside to debate the motion today.

Additionally, I would like to note that other avenues exist for members to raise this issue, including question period, members' statements and grievances. Therefore, with the greatest of respect, I must rule that this matter does not meet the criteria set by rules and precedents and I rule the motion out of order as a matter of urgent public importance. However, despite the procedural shortcomings, there does appear to be willingness to debate the issue.

I shall then put the question to the House. Shall the debate proceed? *[Agreed]*

And also is there agreement for one member from the government side, one member from the official opposition, and, by leave, is there one member—one independent member? *[interjection]* Don't need leave for that? It's already been granted? Okay, okay, one independent member to speak for five minutes. Is there agreement on that? *[Agreed]*

Okay, there's agreement. So can we now proceed with the debate?

* (14:50)

Hon. Nancy Allan (Minister of Labour and Immigration): I would like to take this opportunity to thank the MLA for Lac du Bonnet in bringing forward the opportunity for us to have a debate this afternoon on the very important labour dispute that is happening in his community. I fully understand how difficult it must be for him to have this kind of a dispute happening, and I just wanted to clarify with him some of the measures that have been taken by my department in trying to assist the parties in resolving this very important dispute.

First of all, I'd just like to make a few comments about the forest industry across North America and the difficult time that they are having. They are facing a complex set of challenges. The reduced housing starts in the United States, obviously the fluctuating dollar, the softwood lumber deal and declining demand in energy and transportation costs have put huge pressures on our forestry industry.

Mr. Daryl Reid, Acting Speaker, in the Chair

And our province has been vocal in urging the federal government to provide assistance to Canada's forestry sector in light of the softwood lumber dispute and the other subsidies that have been offered to the U.S. industry.

We are committed, as a government, to working closely with the forestry companies to improve the long-term competitiveness of the companies that are involved in the forestry sector. We have made some tax changes to help the industry. We've reduced the general corporate income tax rate, and we phased out the general corporation capital tax, and we've—also have the second-lowest gas tax in Canada. And our most recent budget expanded the fuel tax exemption for forestry companies, effective May 1st, to include fuel used for forest renewal.

We've also made some changes to help workers who've been affected by these difficult market conditions, putting in a Forestry and Mining Training and Workforce Retention Initiative and investing a million dollars to help retain existing work force through upscaling and rescaling opportunities and, beginning April 1st this year, the four-year, \$4.5-million Northern Essential Skills Training Initiative will assist unemployed and underemployed people to upgrade the skills they need to enter the apprenticeship training.

When the parties, just recently, had a—had the lockout which occurred on the 31st of August, what happened was they—the parties had been working with a conciliator in my department, and it was an experienced conciliator who was appointed by my department on the 14th of July, and that was at the request of the employer. And it was in advance of the expiry of their collective agreement, and there was several conciliation meetings at which time, unfortunately, there was an impasse that was reached. The employer then locked out the employees and the conciliation officer, though, did remain in touch and in contact with the parties and was available to them at any time.

When I was asked in the House the other day by the MLA for Lac du Bonnet (Mr. Hawranik) what was happening with the situation, I had not been requested by either party to appoint a mediator, and I do not have the legislative authority to appoint a mediator unless one is requested by me. So, when I received the request two days ago to appoint a mediator, we moved quickly, and I'm pleased to say that we have appointed Michael Werier to be involved as the mediator and to assist the parties in settling this dispute. And he will be providing me with a report of the mediation with recommendations for the settlement of the dispute as soon as possible, but no later than October 16, 2009.

We are hopeful the parties, with the help of the mediator, will be able to resolve this dispute in a very timely manner because we understand, Mr. Speaker, that having these kinds of labour disputes are very, very difficult for communities, very, very difficult for the workers and the employers. And we have worked very, very hard in this province to have harmonious labour relations, and we certainly, you know, don't want this to go on for long.

We do have another mechanism in place that is unique in Manitoba, and that's the expedited settlement provisions if they are on strike or lockout for 60 days. We are hoping, obviously, that that is something that we won't have to resort to. We're hoping that this will be a labour dispute that will be resolved very, very shortly, but the mechanism is there. Thank you.

The Acting Speaker (Mr. Reid): Order, please. The honourable member's time has expired.

Mr. Hugh McFadyen (Leader of the Official Opposition): I want to thank the Minister of Labour (Ms. Allan) for the comments, and also thank the member for Lac du Bonnet (Mr. Hawranik) for the commitment that he has shown in bringing forward concerns about the situation in Powerview-Pine Falls with the locked out Tembec workers.

And I want to just express my sympathy and the sympathy of members of the opposition for those individuals who have now been locked out for a considerable period of time and who are experiencing all of the stress that one would expect in this—in this very difficult situation.

The circumstances leading up to the decision by Tembec are well documented in terms of the economic situation facing the industry generally, and the company in particular. There's reference by president and CEO to the strengthening Canadian dollar, deterioration of newsprint markets and relatively weak pulp and paper lumber markets, and this, combined with a variety of other negative measures, some of which are market related and some of which are government imposed—the company is obviously in difficult circumstances. We are very sympathetic to the workers and their families who are—as the member for Lac du Bonnet said—getting by without benefit of EI support. And I agree that it's an important issue for us to address in the House today as a way of certainly keeping all members of the Legislature and the government

focussed on the severity of the—of the issues facing those workers and their families, and also the communities that they live in who rely extensively on these individuals as contributors to the local economy. It's volunteers, coaches, municipal leaders and community members who do a great deal to contribute to Powerview-Pine Falls and surrounding communities.

Mr. Speaker in the Chair

And so I want to just indicate our support for the decision to have a mediator put in place to try to bring the parties closer together. We express our hope that a resolution can be found in short order to get people back to work on reasonable terms, and our hope that measures can be taken to return that employer to sustainability to ensure the—to ensure the livelihoods of those individuals who have relied on that company under various owners over many years as an employer who provided stability and opportunities for employment in that area.

And so thanks again to the Government House Leader (Mr. Chomiak) and the House leaders for agreeing that this matter ought to be addressed today. I, again, congratulate and thank the member for Pine—for Lac du Bonnet for being so energetic in bringing forward the issues of the workers and their families. I will have an opportunity to meet with them, along with the member for Lac du Bonnet, on Monday and we look forward to continuing to work across party lines to bring a resolution to the lockout and, hopefully, secure employment for members of that community. Thank you.

Hon. Jon Gerrard (River Heights): Mr. Speaker, I rise to speak to the urgent situation in Pine Falls where more than 200 workers are locked out at the Tembec mill. I was there quite recently talking with many of the workers and assured them that this was an issue that I wanted to make sure we were debating in the Legislature. And I support the member for Lac du Bonnet in this effort because, you know, this is urgent, and even though I'm pleased that the minister has appointed a mediator, I'm concerned that the mediator won't report until mid-October. You know, it sort of looks like this may be put off until there's a new premier in place, but instead of trying to get off and, you know, solve the problem expeditiously, we'll hope that this can move forward faster, but we will wait and keep a very watchful eye on the situation.

* (15:00)

Certainly, the conditions in the market for pulp at the moment are difficult with the higher Canadian dollar, with the oversupply in the market, and I know that there has been discussion that there may have to be some additional mills closed in Canada. But I think that a fair analysis of the Tembec mill suggests that is one of the more profitable in Canada and shouldn't be one that is closed, and so that we want to make sure that this mill stays open in operation and that there's a resolution to this labour dispute. I mean, part of the problem here is that valuable workers who've been at the Tembec plant who are now laid off, some of them, from the discussion I had, are, you know, now looking at other options and, you know, when Tembec wants to hire people back, some of the skilled workers may have gone to other employment, so it's not as if, you know, this is a standstill situation. It's a changing situation and it's important for people in Manitoba and particularly in Tembec and Lac du Bonnet that this be brought forward, that it be discussed, that it be addressed in an urgent fashion.

I notice that there have been some of the NDP leadership candidates out there, but I'm glad that what's happened now as a result of this being brought forward and a mediator appointed means that we're going to have something happening even if it is a little slower than we would have liked.

I think it's also important to note that there's some federal potential interests here, interest definitely, and that I would hope that the provincial representatives are talking to the federal government on this. I would guess that, you know, the question is, has the Premier (Mr. Doer) been very vigorously, when he was down in Ottawa meeting with Prime Minister Harper, did he very vigorously push for a solution to this? We don't even know that he raised this. He was quite busy, we understand, talking about what he's going to do in Washington, but there are some vital matters, interests for Manitoban which need to be raised, and we should have been informed as to whether or not this had been raised, and I'm disappointed that there wasn't more information forthcoming.

In any event, I'm very pleased that the member for Lac du Bonnet (Mr. Hawranik) has brought this forward. Interestingly, if he had not brought it forward, we were going to bring a very similar forward MUPI today but I'm glad that the member for Lac du Bonnet moved quickly and has his on the agenda today so, it is important. It is vital. Let's make sure there's an answer quickly.

Mr. Speaker: As previously agreed to, that concludes the MUPI. We will now move on to grievances.

Seeing none, we will now move to orders of the day.

ORDERS OF THE DAY

(Continued)

GOVERNMENT BUSINESS

Hon. Dave Chomiak (Government House Leader): Mr. Speaker, I wonder if you might call Bill No. 37 for second reading and, following that, debate on second reading of Bill No. 4.

Mr. Speaker: Okay, the order of business today will be we'll deal with Bill No. 37 and Bill No. 4.

SECOND READINGS

Bill 37—The Public Schools Amendment Act (Limited At Large Elections of Trustees)

Mr. Speaker: So I will resume debate on second reading on Bill No. 37, The Public Schools Amendment Act (Limited At Large Elections of Trustees)

Hon. Peter Bjornson (Minister of Education, Citizenship and Youth): I move, seconded by the Minister of Labour and Immigration (Ms. Allan), that Bill No. 37, The Public Schools Amendment Act (Limited At Large Elections of Trustees); Loi modifiant la Loi sur les écoles publiques (modalités d'élection des commissaires dans des circonstances limitées), now be read a second time and be referred to a committee of the House.

Mr. Speaker: It has been moved by the honourable Minister of Education, seconded by the honourable Minister of Labour and Immigration, that Bill No. 37, The Public Schools Amendment Act (Limited At Large Elections of Trustees), be now read a second time and be referred to a committee of this House.

Mr. Bjornson: I'm pleased to rise today to speak to Bill 37. It's an amendment to The Public Schools Act which enables a group of Manitoba school divisions to hold at-large elections when electing board members. Although this amendment affects a very small number of Manitoba school divisions, it is a significant step towards simplifying the electoral system in those divisions with compact geographic boundaries.

The Manitoba School Board Association, as well as some school divisions, approached government with their concerns about the suitability of the ward system in a small geographic area. The concern is that mandatory ward system creates some confusion in some communities where municipal councillors are elected at large, while school trustees are elected in wards. Some residents were understandably perplexed with an electoral system that allowed them to elect their councillors at large while requiring them to elect their school trustees by ward. In addition, a ward structure in these communities creates an increased probability for school trustees to be elected through acclimation as a result of some new wards having an insufficient number of candidates for a contested election. This development essentially denies some electors the opportunity to vote for a school trustee.

This amendment proposes to correct these issues and simplify the electoral system for voters where the at-large system does not make sense in entities with small geographic size. Though the amendment will allow for the election of school trustees at large, it does so in a very limited way and only in communities where an at-large system makes sense and has historical roots.

The amendment will create a new provision allowing for the election of school board trustees within an at-large electoral system in a division or district where (a) the school division or district had an at-large electoral system in 1998, the last general school board election prior to the 2002 amendments to The Public Schools Act and (b) the local municipal electoral system is also conducted on the basis of at-large elections.

With the next round of school board elections quickly approaching, this amendment will allow communities that qualify to use an at-large electoral system in time for the 2010 municipal and trustee elections.

Because this amendment is time sensitive, it is my hope that all members will support this bill in order to simplify the electoral process for a handful of small communities in Manitoba who have requested this change. Thank you very much, Mr. Speaker.

Mr. Kevin Lamoureux (Inkster): I, too, before the bill is adjourned, would like to put forward a few thoughts on regards to Bill 37.

Mr. Speaker, we know it's somewhat of a surprise. I'm not too sure in terms of when the Minister of Education (Mr. Bjornson) was actually informed of the idea in terms of the need to make the change. And, I guess I kind of raise it as a cautionary thing in the sense that it would have been nice to have had the legislation prior to the summer break. This way it affords members the opportunity to be able to do some consultation in particular because of the requirements that this is really talking about rural communities.

I, for one, have always had an interest in electoral reform or ways in which, whether it's a school trustee, a municipal reeve, or a city councillor, MLA, MPs, the way in which individuals get elected because there is so much on that very topic.

I've had opportunity to tour the province, our province, and have discussions about democracy in different types of reform. I know that in some cases, a ward system from within a school division is, in fact, an appropriate way at getting school trustees elected. A best example of that is probably Winnipeg School Division No. 1. Winnipeg School Division No. 1 has one constituency, has somewhere in the neighbourhood, I believe it's over 30,000 students that go to Winnipeg one schools. It's a huge geographical area in terms of an urban density-type city. So it covers a lot of homes and to have one constituency in which you're electing nine school trustees would be fairly difficult if it's done at large. I suspect it would be a very lengthy ballot as even today, when we have three separate wards within that school division, we find that the ballots, at times, can be lengthy and that's a good thing. Ultimately, it shows that there's a great deal of interest, and the more interest there is, I think, the healthier it is in terms of our system.

* (15:10)

Equally, and I can appreciate that in some areas of the province that it might not be appropriate in order to have a number of wards within one school division. And for that reason, the principle of the bill is something in which we would support in terms of its passage to committee. But, you know, at some point, it would be nice to have more of a—of a discussion, and I don't know to what degree the Minister of Education has had that discussion in terms of with the school divisions and where those boundary lines are, of the divisions, not necessarily the wards, because there's always the issue in terms

of crossover, municipalities, different municipalities and so forth.

So with those few words, we're prepared, ultimately, to see the bill go to committee, but I do want to at least, you know, let the Minister of Education know that we were somewhat concerned when we had seen him stand up to give first reading, and then hope to, ultimately, see the bill pass in such a short time frame. And because I don't think that's healthy for the system, that you, ultimately, should be providing ample time for passage of legislation. Thank you, Mr. Speaker.

Mr. Gerald Hawranik (Lac du Bonnet): Mr. Speaker, I move, seconded by the member from Springfield, that debate on Bill 37 be adjourned.

Motion agreed to.

DEBATE ON SECOND READINGS

Bill 4—The Community Revitalization Tax Increment Financing Act

Mr. Speaker: I will now call—now call, resume debate on second reading of Bill No. 4, The Community Revitalization Tax Increment Financing Act, standing in the name of the honourable member for Pembina (Mr. Dyck).

What is the will of the House? Is it the will of the House for the bill to remain standing in the name of the honourable member for Pembina?

An Honourable Member: No.

Mr. Speaker: No, it's been denied. Okay.

Mrs. Heather Stefanson (Tuxedo): And I'm pleased to stand before us today and put a few words on the record with respect to Bill 4, The Community Revitalization Tax Increment Financing Act.

And I think it's appropriate, Mr. Speaker, to start off with a few comments on this bill with respect to tax increment financing itself, some general comments. Certainly, I, for one, am very in favour of tax increment financing. It is primarily put in place to help blighted communities, and I think if we can help those communities prosper, and if we can do it by ways of helping them with a hand up this way, I think it's a wonderful way of doing it.

Unfortunately, Mr. Speaker, and I know that members opposite introduced a bill previous to this one in the last session, Bill 46, which initially, of course, we spoke about Bill 46 and the concerns that many of us, in this Chamber, on our side of the

House, had problems with it. And we spoke about those problems because, really, what the true nature of tax increment financing is and what it's meant to do, the bill actually didn't actually do that. And so that's where we had a serious problem with Bill 46.

And we called on, and I recall putting a few words on the record at that time with respect to Bill 46. I called on the government to pull the bill in favour of bringing a bill forward that was true tax increment financing. And so I was very pleased when members opposite listened to myself and members on this side of the House, and they, in fact, pulled that bill from the Order Paper, and made sure that it did not, in fact, become law. And so we were very pleased when they took the initiative to listen to us and to do that, Mr. Speaker.

And then when they introduced Bill 4, Mr. Speaker, we thought, now we have an opportunity to support a piece of legislation that is coming forward in this House that is truly tax increment financing, and I look—and I read through the bill and, unfortunately, once again, I am—I have serious concerns with respect to this bill, that it doesn't, in fact—it isn't really true tax increment financing that could work, that has worked in our communities across Canada, the United States.

And it's unfortunate, because I think that the government had a great opportunity here to do a great thing for blighted communities in Manitoba, and give them the hand up that they need in those communities to ensure that there's economic opportunity and communities can become vibrant and prosper in Manitoba. And, unfortunately, Mr. Speaker, once again, they haven't got it right.

And so I would, once again, ask them to go back to their drawing board and to look at other areas of the country and the United States where they have implemented tax increment financing and how it has worked in those communities because I think what they will find is that they don't really need to reinvent the wheel. They don't need to look at, you know, education dollars to fund these types of initiatives, and they can come from the communities. And I think what's unfortunate here is that they have permanently tied education taxes to property in this legislation and they're taking education taxes—or education dollars away from educating kids towards these initiatives, and we have a serious problem with that, Mr. Speaker. And so, once again, I would ask that the government listen to the concerns that we have with respect to this bill, perhaps go back to the

drawing board and look at other jurisdictions and come up with something that is truly tax increment financing, which should be able to work as it has in other communities.

Mr. Speaker, this bill was first introduced on June 12th of 2008, as I mentioned, as Bill 46, by the former Intergovernmental Affairs Minister and member for Thompson (Mr. Ashton), and again, this updated bill now has come forward. We were happy that they pulled that Bill 46. This new Bill 4 has come forward and was introduced by—again, by the former Minister of Intergovernmental Affairs, the minister for Thompson, who, just to digress for a moment here, is currently running for the leadership of the—of the NDP party, and certainly we wish him well in his endeavours doing that. But, with respect to Bill 4, we have some serious concerns, and I think it's of note as well and talking about the former Minister of Intergovernmental Affairs who is working for—who is running for his—the leadership of his party, I think it's important to note that his chairperson of his campaign, one Councillor Russ Wyatt, made some comments on the record to the, to the media with respect to this legislation as well. And he said that the plan only works when it applies to severely blighted areas where the assessed value of any given property sits far below the potential market value, and he had concerns that, of course, this legislation does not necessarily do that.

And so I think—I hope, you know, the former Minister of Intergovernmental Affairs listens to his campaign chair this time, Mr. Speaker, when it comes to this legislation, and when he finishes his campaign out there running for the leadership of the party and he comes back into the Manitoba Legislature, I hope that he will do the right thing and, again, go back to the drawing board and try and get it right next time. But this bill—this does not—this—unfortunately, this Bill 4 does not do what tax increment financing should do and it just leaves it open for the government to use education dollars to set up a slush fund for themselves for their—for their own projects, and I think it's very unfortunate.

You know, the Minister of Education (Mr. Bjornson) is making comments from his seat and I would say that I hope that he will stand before this House and put his cautionary notes on the—on the record with respect to this bill, and I hope that he will stand for students in the classrooms and education dollars that should be spent on students in the classroom and not going towards NDP slush funds. And so, you know, I hope the minister will,

again, stand and debate this bill and stand up for students in Manitoba rather than NDP slush funds. But again, you know, the minister will probably refuse to put those comments on the record, because he's more concerned about building up government slush funds than he is about education dollars for our kids in this province, which is extremely unfortunate, Mr. Speaker, but it—that's what it is nonetheless.

* (15:20)

Mr. Speaker, Bill 4 gives the Cabinet, the NDP Cabinet, the authority to make grants from the community revitalization fund to the person in whose name a community revitalization property is assessed, an occupier of a community revitalization property, the municipality in which a community revitalization property is situated or a person or organization carrying on activities or projects that are consistent with the purposes of the fund and that are in the same community or neighbourhood as a community revitalization property; for example, a private sector developer.

The property in question may be designated as a TIF zone for a maximum of 25 years. Of course, the way this is set up, why would anyone do anything and not take the maximum, which is another issue in and of itself, Mr. Speaker. Governments or developers could borrow against future revenue, that would be generated through tax increment financing to invest in revitalization projects within the designated zone. Again, those zones are not defined in the legislation. They are left up to Cabinet to define those zones, which again, we do have a problem with. I mean if there are zones that are being defined, why not put it in the legislation? You know, again, which is why we believe they need to go back to the drawing board, define what these zones are so that we know what we're talking about and what the plan is for various projects in those blighted communities.

Once the zone is redeveloped and the TIF zone is lifted, the expanded tax base returns to, I gather, the school division, under this legislation. And at the end of the TIF development period, the designated area should theoretically be revitalized, and have an expanded tax base from which the municipality involved will benefit.

The former Minister of Intergovernmental Affairs again, the member for Thompson (Mr. Ashton), stated on several occasions that this bill will not have a negative impact on affected school divisions. He has also stated that school

divisions should benefit in the longer term from the creation of stronger, more stable neighbourhoods and from an expanded tax base that generates revenue for education.

The problem is that he doesn't say how this will actually come about. And what has been shown and proven in other communities across Canada and in the United States, is that, at times, there are—these projects fail, and if, you know, these projects fail or if one of them fails, that has a seriously negative impact on the education of children within that TIF zone. And so we have a serious problem on how this will actually affect children in the classrooms, Mr. Speaker. And again, the minister doesn't sort of explain as to how this would work.

What tax increment financing is supposed to do is to take the increased property values and the taxes that flow from it and reinvest these funds in areas that are underdeveloped. For example, TIF has been used in some communities as a downtown revitalization tool. The concern we have with this bill is that it's going to take new money that should be going into schools, students and teachers, and it diverts it into a portable fund that can be used for any number of projects that are decided by Cabinet, Mr. Speaker. And we strongly believe that we should put schools first over any kind of a slush fund for the NDP to decide what pet projects that they want to support in the province of Manitoba. We should not take money away from schools and put that money into NDP slush funds.

The way the bill was first drafted as Bill 42, or 46, it took money out of the school system and put it into a fund controlled by the Minister of Finance with absolutely, sort of no rules around it, and no guidelines in terms of how the money would be used. The words "creative financing" were used, in fact, by the former Minister of Intergovernmental Affairs himself to describe this bill, and I was quite shocked. I do recall being in this House when the, when the former Minister of Intergovernmental Affairs used those words, and I just thought, wow, that's incredible. I can't believe they would describe and actually be that up front with the fact that they are using creative finance techniques to support their NDP projects, Mr. Speaker.

The public and stakeholders, like municipalities and school divisions, certainly deserve much more transparency than that. And, as I mentioned, after heavy criticism from members on our side of the House, the government caved on this issue and they

cancelled Bill 46, which, again, we were pleased that they did. And, unfortunately, when they came back and we had high hopes for this NDP government to actually come forward with a piece of legislation that would help blighted communities, but, unfortunately, in Bill 4 we don't see that, and we see much of the same mistakes that were made, with a few minor changes, that I will get into from Bill 46.

We were pleased to see that when the TIF legislation was reintroduced as Bill 4 that there were some provisions included regarding accountability and transparency which we fought for very, very hard where the—you know, in our comments on Bill 46, and again we were happy to see that the NDP listened to us and incorporated some of these things into the legislation in this bill.

For example, in section 4(3) it states that the minister must consult with the council of a municipality and the school board of the school division in which the property is located before recommending that the Lieutenant-Governor-in-Council designate a property as a community revitalization property. And, of course, that is something that we were looking for before and we advised them on, and so we were happy that they listened to us.

The new section 15(7) states that the minister may requisition a grant from the community revitalization fund only if it is to be used for a purpose agreed to by the municipality in which the community revitalization property is situated.

A new section 15(8) states the accounts and transactions of the community revitalization fund must be audited annually by an auditor who may be the Auditor General. Further, the cost of the audit is an administrative expense of the operation of the fund, and certainly, Mr. Speaker, that was something that we fought for very hard under Bill 46 and we were pleased to see that that became a part of Bill 4.

And finally the new section 15(9) states that the minister must include in each annual report of the minister's department a financial statement of the community revitalization fund and report on the use of grants made from the fund in the year and what those grants achieved. This fiscal transparency, we believe, is extremely important and taxpayers are entitled to know how much money is accumulating in the fund and how these funds are being used. Otherwise, of course, Mr. Speaker, the public is going to be concerned that the government is simply setting up a slush fund that takes money from

schools and could potentially put it into projects where the private sector really should be the key figure in raising the needed financing.

But make no mistakes, Mr. Speaker, we support projects like stadiums, but they've got to be led by the private sector and not financed at the expense of our schools. We are concerned that this bill is extremely wide open and that the funds could be used in any number of ways. We, of course, have seen examples of creative fiscal management in the past from this NDP government and the results haven't always been good.

I think Crocus is a classic example of that. Certainly, in that end, we saw the demise of Crocus, and it had a very negative impact on Manitoba families, and it sent a chill through the investment community that benefited absolutely no one and hurt many individuals financially, and it's unfortunate, Mr. Speaker.

Bill 38, The Balanced Budget, Fiscal Management and Taxpayer Accountability Act was in fact another example of creative financing from the NDP government. Repealing balanced budget legislation in a time of great economic uncertainty, that's the kind of fiscal mismanagement we've come to expect from this government and, Mr. Speaker, it is extremely unfortunate.

In the case of tax increment financing we're looking at education dollars that would be diverted to invest in certain projects that Manitobans may believe should be supported by the private sector instead. The other thing about Bill 4 is that it does what the U.S. financial crisis is a product of. It bets on future increases in property values in order to allow for debt to be incurred presently.

*(15:30)

Given what we're seeing unfolding in the U.S., that that certainty does not—that certainly does give one pause, and, you know, remember former Intergovernmental Affairs Minister called the TIF legislation creative financing, and I think, you know, we'd—that was a bit of a red flag when he mentioned that, Mr. Speaker. And we say this is not the time for risky, creative financing projects in Manitoba when people are concerned about their jobs and their families, the incomes with their families. This is not a time to be playing with education dollars for our children in the way of NDP slush funds.

So, to reiterate, we believe that particularly troubling parts of Bill 4 are as follows: certainly, it is

built on the assumption that school taxes will remain on Manitoba's property bills and will divert some of these tax revenues away from schools to spend on government grants to developers; secondly, it does not continue to use—it does not confine the use of TIF to areas such as the downtown, where market failure renders development uneconomical without taxpayer-supported financing. Indiscriminate use of these education funds could put taxpayer dollars at risk and dilute the impact of the TIF financing.

Thirdly, Bill 4 does not require that the diverted education funding is spent within the areas being redeveloped. This creates the prospect, Mr. Speaker, that the financing supported by redevelopment in one area will be spent somewhere else at the discretion of this NDP government.

Fourthly, Mr. Speaker, Bill 4 encourages this NDP government to build out—up debt today on the gamble that education taxes will rise in the future. And you just look at the U.S. financial crisis for an example of how this kind of gambling can go very wrong.

Manitobans are entitled to transparency and accountability when it comes to TIF. Stakeholders, like school divisions and municipalities, who could potentially be affected by this legislation need to be consulted on a proposed TIF properties and projects, and they are entitled to be made aware of the proposed development and the potential risks and benefits involved.

There should also be an onus on the NDP government to show that redevelopment would not proceed significantly if TIF was not used. This but-for principle is consistent with the way TIF is used in other jurisdictions across Canada and the United States; that is, there is a requirement to show that a project would not proceed but for the TIF element, and tax increment financing, when used properly, can help governments revitalize blighted or otherwise challenged areas in need of taxpayer-funded investments to help spur development.

We've been looking at the TIF experience in other jurisdictions, as I mentioned earlier, reviewing a number of studies and reports related to it, and these documents examine some of the public policy implications around tax increment financing and when and how it should be used. And, Mr. Speaker, I think it's useful to put some of these public policy perspectives on the record as we think about how TIF could be used locally.

A couple of themes come up over and over again in these studies of TIF. One is the importance of ensuring that there is full stakeholder participation in the TIF process. Another is that there should be fully—there should be full financial transparency for taxpayers when TIF projects are involved. For example, Mr. Speaker, in 2007, the Council of Development Finance Agencies, CDFA, and the International Council of Shopping Centers, ICSC, released a tax increment financing best practices reference guide. This group has reviewed the use of tax increment financing in the United States where the projects are as varied as the states and communities in which they are used. For example, TIF has been used for projects such as retail development, mixed-use development, housing projects, transportation and transit-oriented development, brownfields clean-up and development, schools, recreation, sports complexes and other community amenities and economic development projects.

The authors of the TIF best practices reference guide looked at the principles and philosophy governing the use of TIF for certain projects. They stated, and I quote: "TIF should be used to promote public policy goals and should spur development where it otherwise may not occur . . . Successful communities use TIF as a public policy tool rather than a financing source . . . the use of TIF should be considered a public policy and planning tool that helps direct a community's vision and mission. Adherence to this model can ensure a greater rate of success and less community concern over improper use or abuse." End quote

These same authors also suggested a number of factors should be considered when deciding whether or not to use tax increment financing for a project, and these included: No. 1, does the use of TIF encourage the community's goals and objectives for development; No. 2, will this project, if funded by TIF, result in net positive economic gain for the community and the marketplace? Is there the use of—is the use of TIF funds in the best interests of the community? Will the benefit to the local government be sufficient to pay incremental costs the local government may incur as a result of the project?

The authors reference the but-for principle with respect to TIF assistance. In other words, Mr. Speaker, would the area not be privately developed, or developed to the same level but for the use of tax increment financing? Will TIF-funded developments help improve the area in ways

consistent with the vision for the area? Will the redevelopment or new development endure?

These are certainly valid points to consider as we debate the implementation of Bill 4 and future TIF funding for projects, and I think it's important to look at these best practices guides and look at other jurisdictions for what has worked in other jurisdictions and what perhaps hasn't worked.

And I think, unfortunately, under this bill, what has happened is that the NDP has tried to come up with a quick-fix approach and throw something together on the back of a paper napkin, bring it forward. They didn't get it right the first time. They now have brought it forward again. Unfortunately, they have not gotten it right again.

So, Mr. Speaker, there're many reasons why we on this side of the House have serious and grave concerns with respect to Bill 4, which this government calls tax increment financing, but it's in fact not. And I think, in a nutshell, we on this side of the House are in favour of education dollars for kids, not for NDP slush funds, and for this reason and for many other reasons that I mentioned earlier, I will have grave difficulty supporting this bill. Thank you very much.

Mr. Blaine Pedersen (Carman): Mr. Speaker, on Bill 4, the Community Revitalization Tax, commonly known as TIF, and to think through this bill anything other than a, an NDP slush fund or a way to—as the former Minister of Intergovernmental Affairs, because they're like musical chairs over these days—they called it creative financing, and that's exactly what it is. It's all about creative financing, and they're using—they're trying to use—they're trying to use—they're trying to use the idea of CentrePort as a reason to pass this bill, and rapid transit and some other investments that—be the purpose for this bill, and that is just totally false. It's providing false information on—to use those as a reason to do—to pass this bill.

Mr. Doug Martindale, Acting Speaker, in the Chair

And I know this morning in the—in a debate on resolution, the Minister of Education (Mr. Bjornson) was nodding his approval to using TIF for financing. So the question becomes—and it's unfortunate, because he won't stand up and he won't tell us how he comes to this logic. But, as an example, if you use TIF financing to build an apartment block, you're using the education portion, the rise in the education portion of the—of the tax to pay for this building.

Now, if you're using a TIF to build an apartment block and, for argument's sake—it's kind of a one-way argument these days because we don't hear anything from the government side—but, in my argument, I'll say in this apartment block we're going to have 200 more children attending school in that neighbourhood. The question becomes, who pays for the school improvements, the school capital improvements, the operating costs of that school? Sure, your capital costs will do it. Right. How about the operating? Who's going to pay the operating? I can tell you who is going to pay the operating. It's not going to be coming out of that apartment block. The increased value of assessment is going to come out of that area within that TIFs or within that municipality, within that area. How is that school—I know what's going to happen then. If you're a property owner, your school taxes are going to go up in order to pay for those extra children attending that school because of this apartment block. So now you have locked in the surrounding property owners to rising taxes, to rising education taxes, because of TIF legislation.

*(15:40)

The municipalities in this province, both the City of Winnipeg and the rural municipalities, already have the authority to do a municipal TIF. It's been rarely used outside of Winnipeg, and I'm not—has it been used in Winnipeg?

An Honourable Member: Yes.

Mr. Pedersen: It has been used in Winnipeg. We already have that mechanism, but now what you're doing with this legislation with Bill 4 is you're enshrining education taxes on property in perpetuity in Manitoba. And you can talk all about—all you want about having the taxes—education taxes go down. They're not going to because of TIF legislation.

This government is going to use this as a way to have a—to create more debt within this province. They're not going to use it in the true term of economic development. To say that you're going to use it for CentrePort, if CentrePort really does become reality and it creates more manufacturing jobs and more jobs within CentrePort and you're going to use a TIF on CentrePort to finance portions of that, there's going to be more people working in that area, more people living in that area. There's going to be more schools for those people that have families that have moved in there, but you're not able to take advantage of the higher assessment on that building.

So, again, it's going to be the surrounding areas that are going to pick up the education portion of that tax, and the Minister of Education (Mr. Bjornson) can tell us—should stand up and tell us otherwise. Tell me I'm wrong then. He just sits there with his head down and won't—and won't acknowledge that my argument at least has some credibility, some merit. Stand up and tell me I'm wrong. But, no, all they're interested in is taxing Manitobans for more money. That's their sole purpose out of this. It's going to be at the discretion of the Finance Minister. It's going to create a slush fund for the Finance Minister.

We're not going to have any control over where this money is used. There will be no accountability of how it's going to be used. We've suggested having—using a but-for principle in this. There must be a but for component to TIF, and there must be some test that says particularly if it would not have the development but for tax incremental financing being in place. That is absolutely essential in this, because right now the way this legislation is written, it is solely up to the Cabinet, up to the Finance Minister to put a TIF in place with no consultation back with the local municipal government, and certainly no compensation for added growth in that area. How are the schools going to pay their operating costs?

This legislation is, again, poorly thought out. It's a grandiose scheme that comes out with the idea of—and they've tucked it on the coattails of things like CentrePort and rapid transit, but it really has nothing to do with those projects. It's all about creating more money within the Finance Department to use on their pet projects. When there is no municipal consultation of where a TIF is put, what guarantee do we have that it won't be used for pet projects of the Finance Department or of the current government? When you don't consult with municipalities, when you don't do any consultation with them, they have zero input into this.

There is no guarantee under this legislation that you create a TIF zone in one area, taking that additional tax revenue and spending it in another area—there is no guarantee in this legislation that will not happen. And when there is no guarantee, then our suspicion is that it will be used that way.

Because if you want to make good legislation, and again, this bill is just a repeat of all the bills that are coming through here. They're poorly thought out, there's no consultation back with the stakeholders

and the affected stakeholders and this government is ramming through their own agenda and it becomes even more obvious as we see their tax revenues falling. They're desperately looking for more areas in which to raise money and to use on their own pet projects.

This bill has a lot of serious problems. The way this bill is drafted it could apply to the entire province of Manitoba. The messages that the government is sending is that the entire province of Manitoba is a place where nobody wants to invest unless there is tax increment financing. That's the way that they've approached CentrePort. They're saying we can do CentrePort only if we get TIF financing.

That is a terrible attitude to take out to the business community that unless there's public support on a TIF financing—there are public support on many projects but to put in place a 25-year public input into this, is a poor way of doing business and a poor argument to invest in this province.

There have been examples in the U.S., we know, where TIF has failed because of expected property—expected increases in property values and property taxes didn't materialize, leading the governments to have to bail out some of these projects.

The thought that the government is going to set up a TIF and run these is certainly of a concern because we know what government's record is on running businesses. We only have to look at how they've managed to run health care and a huge increase in spending and we're worse off for the money they've spent in there.

This is just creating a new weapon for this government for financial mismanagement because it's going to allow them to raise more funds. We know how they did it with Crocus and there's other investments that they've done. And there is a place for government to support business to get them started, but only to bring them in and to get them started, not on a long-term basis where it's going to be to the detriment of the community around this TIF zone.

This bill—we would like to see this bill, like so many other bills that have been in here, take it off the order paper, take it back, do some consultation with municipalities, address the issue of education taxes, enshrining education taxes by this type of TIF.

* (15:50)

As I said, we already have TIF—the municipalities already have the ability to use TIF, so why not work with the municipalities in enhancing that program to make it, if it's not working, go back and find out why it's not working and make it better? But leave the education portion out of this whole process because we know it should be a goal, at least it should be a goal of every government, is to take education taxes off property and fund them out of general revenue. I realize that it's very difficult and it will take time to do that, but at least then it would show that you have a plan in the long term to take education tax off property.

This bill is the exact opposite. It's enshrining it. It is wrong, and it's, again, the short-sightedness of this government that they're only looking at short-term budget requirements and not looking at long term, long-term tax advantages that would make Manitoba the place to invest, both here in Canada and across the world, where we could attract businesses from around the world, particularly to come to places like—to ventures like CentrePort because that's—CentrePort will only work unless we attract investment from around the world. It's on a huge scale and to say that TIF is required to have CentrePort is a huge misservice to Manitoba.

So, Mr. Deputy Speaker, I will conclude with that just saying that TIF is wrong. TIF is an attack on the education system in Manitoba. It's going to take—you're going to take—you're going to take money from schools, from schoolchildren to build buildings, and I challenge the Education Minister to stand up and tell me how I'm wrong. Thank you.

Hon. Jon Gerrard (River Heights): Mr. Speaker, I rise to talk about The Community Revitalization Tax Increment Financing Act, Bill 4, and just to make a number of points.

On our—from our perspective, we looked at tax increment financing, how it's been used elsewhere. There are certainly some positive stories as well as some negative stories, but the—I think done well; it could be a helpful tool here. But I do have some concerns about the legislation and I would list a number of them.

One is the incremental or the preset designation assessed value and that this value will be assessed or changed in some proportion as the assessment of other properties in the same class or classes in the same municipality as a community revitalization property, and for the city of Winnipeg, as we know, there are quite varied increments in the assessed

value depending on the region that you're in, depending on not just a class or classes, and so I think this is something that will need to be watched carefully to see if this is, you know, for the city the size of Winnipeg whether this is a reasonable approach.

I, too, have concern about the school taxes in this, that if there is apartment buildings or buildings put in the area which have schoolchildren, that in some fashion—that in section 10, for example, the incremental assessed value of a community revitalization property is exempt from taxation for school purposes—I think there should be an exception where there are apartment buildings which are expected to have schoolchildren and that otherwise you're going to put in jeopardy the situation of the local school board.

Now, we don't have the same problem where it's a commercial building that's going up, where there's not going to be schoolchildren living, but, certainly, when we're talking about apartment buildings where there's going to be schoolchildren, then it's gonna be pretty important that the school board has some incremental financing to be able to support the operating costs of the school.

I think that there's room for input in the allocation of expenditures under the fund, input from the municipalities, and that it would've been smart to make that a little bit clearer in terms of making decisions on this, and, you know, clearly, the Province should be working closely with municipalities to make sure that if there are, to the extent that there are funds available, that they should be spent appropriately and in consultation with municipalities.

Lastly, I think that, you know, we need a clear reporting mechanism and although there is some, you know, the annual report of the minister's department, that the—we're not given enough detail to be assured that this is going to give us the expenditure on each separate grant and the reason for each separate grant made under the fund in the year.

And this reporting that's provided for under 15(9) is, in my view, somewhat too vague to be as useful as it might be and if we're not careful, then I would think that we may be having situations where we don't have adequate reporting to be able to assess the value of investments made and what's the result and whether, in fact, this has been achieving the objectives that it should be achieving.

So I look forward, and we look forward on our side, to comments and discussions at committee stage and input on this matter because clearly it's an important matter that needs very careful consideration.

The Acting Speaker (Mr. Martindale): The honourable member for Ste. Rose, no sorry, Emerson, Emerson.

Mr. Cliff Graydon (Emerson): Mr. Speaker, it gives me a—thanks for the opportunity to put a few words on the record in regards to this bill, this Bill No. 4.

Mr. Deputy Speaker, this bill leads, it leads us to believe that the government across the House is out of money. It leads us to believe that they're looking to build a huge slush fund and they want to build that at the expense of our school children. They want to build that at the expense of our new schools throughout our province, we have throughout the crescent that runs south of Winnipeg and around to the east side of Winnipeg and as well as in Winnipeg.

We see the need for a number of new schools and what we have from the minister is a scaled down version. We have second-class facilities for, and try to deliver a first-class school system for an education system today in rural Manitoba is very difficult.

In my riding in particular, Mr. Deputy Speaker, we have the need for a middle school and a senior school and there is no question the minister has been out there. He has seen—he has seen the situation and I give him credit for addressing part of the situation. We'll now have more than one bathroom for four huts and the children won't have to go from outside through all kinds of weather to the inside to use this one bathroom for some 50 students. But he's just doing half of the job out there. He's not doing a full job, and when I look at the—my colleague in the riding next to me, in Steinbach, has a requirement for a large, couple of large school projects. He's been blessed with part of one but not with both of them. And when we take a look at—well, unless there's a new announcement but I understand that there's only one project going there.

* (16:00)

I also understand that in the Pembina riding that there's, and I know that there is a terrible, terrible demand for school space there and that's not happening either. What this bill is going to do is to take away the educational funding in certain areas

and put it into projects. And these projects, I'm not exactly sure what they will generate in tax, but they will have a tax-free, school-tax-free situation for up to 25 years, Mr. Deputy Speaker, and I believe from the examples that we've heard today, that the surrounding area around the TIF's development area, that area will be the benefactors of a much higher rate of taxation in order to facilitate or to pay for what is necessary that has been generated. If there's an apartment block built, as was pointed out by my colleague from Carman, that about 250-unit apartment block was built that I'm sure that they're not all going to be 55-plus apartment blocks, and that there certainly could be a number of children come from these apartments. So it would require a lot of operating costs and those operating costs have to be borne by some place.

I ask the minister today if he would like to stand in his spot and tell us where those operating costs would come from if in fact they're around this TIF area, and he has used that money for development but not for the development of schools or for the infrastructure, the capital infrastructure or the operating infrastructure.

And so, Mr. Deputy Speaker, we have a huge concern about that, and, of course, we have a concern for the taxpayers of this province to have a clear understanding, a clear understanding of the fiscal transparency of this slush fund that we are building, and it's really that's what it is. It is a slush fund. We're accumulating a lot of money that'll be directed at the whim of the Minister of Finance.

We need to have a clear transparency of how that is being done, how much is there, what it's being used for and where it's going. We also would suggest to this government that they make provisions to have further consultation on this bill rather than trying to push it through the House in its state today, that they have further consultations with the municipalities and the affected individuals to have a better understanding of what their concerns are with this bill. I don't believe that that process has been done properly, and I'm sure by the responses that we're seeing from the member opposite, the Minister for Education, that I don't think he quite understands it fully either, and it could become an embarrassment for him. We've probably, well, more than probably, we really want to help him out in this situation, and so we're looking after his interests as well.

We've seen these examples of creative fiscal management in the past from this government, and

the results haven't always been good. We can, we can refer to the Crocus Fund, which I'm sure at some point in time in the future, and perhaps in the very near future, that we'll be able to get to the bottom of that Crocus Fund, but I would say that there is a number of people in the province of Manitoba, a number of families, and they weren't all families that were in a position to lose a lot of money, but there were a number of families that lost a lot of money in this province in the Crocus Fund by the mismanagement of this particular government that we're talking about today that wants to introduce a piece of legislation to create another fund that only they would manage and without any accountability at this point.

So we're looking at this tax increment financing. We're looking at that as education dollars that would be diverted to invest in certain projects that Manitobans may believe should be supported by the private sector, and I'm sure that, Mr. Deputy Speaker, that you understand that the private sector is generally in a better situation and a better position to determine the financial advisability of any of the projects that are going forward. A lot of times we see the government step in where they shouldn't be really. They should leave it up to the private enterprises, and if they can't make a living at it or can't make a profit at it and can't make a profit for the shareholders in their company, then they will move on to a business that they can.

Where I would suggest that the government needs to be is in essential services. One of those happens to be in the schools. I think you should be financing the schools. You should be financing that education, but you shouldn't be competing in the private sector for building apartment blocks. That isn't what you should be doing. I think that there are—the private enterprise should be able to pick that up, and I'm sure that they will, given an opportunity. I don't think that you need to—I don't think that you have to take this carrot approach or give them an incentive to do that.

The other thing that Bill 4 does, and it does this, and we've heard it often from across the way that, oh, on this side of the House, we're the American-style government, blah, blah, blah. This is exactly what they're doing. They're doing exactly what the Americans did. They want to put money into something with no accountability. They want to bet on the future going up. They want to bet that all of this property is going to generate so much taxes that this is the cup runneth over.

Well, it didn't happen in the United States, it was one of the biggest issues that brought down the economy, the American economy and dragged the Canadian economy down with it. It is because of—it is because of the industriousness of the private enterprise in Canada, and in Manitoba, without the meddling of the NDP government in our business that Manitoba has done so well. And that many other parts of Canada has done so well, but in the States they were betting on the future. They were betting that everything was going to keep going up, keep going up, keep going up, and the only thing that goes up is the hot air from the NDP party. I have to say—I have to say and that even will come down, probably sooner than they want, but it will come back down.

So, to reiterate, we believe that in particularly troubling parts of the Bill 4 are as follows. It is built on the assumption that school taxes will perpetually remain in Manitoba and property bills—Manitoba's property bills—and will divert some of those taxes away from schools to spend on government grants to developers. Those developers, those particular developers will probably, and could possibly be strong supporters of whichever government happens to be in power at the time and strong financial contributors to that party. So there is room, there is room in this bill right now, and concern, and it's concern from the ratepayers and the taxpayers of this province that that could become a reality.

Secondly, it does not confine its use of the TIF areas, such as the downtown, where the market failure renders development uneconomical without the taxpayers supporting the financing. I'm suggesting that there is an opportunity that if—if we leave private enterprise alone, it will go in and it will do what's necessary in those areas. Indiscriminate use of this education fund could put taxpayers dollars at risk and dilute the impact of the TIF financing. And I think I've explained that before, Mr. Deputy Speaker, but if you want further definition, you can certainly ask me to do that, and I will.

Thirdly, Bill 4 does not require that the diverted education funding is spent within the areas that are being developed, and that is also a concern, and that's why we really would appreciate, not only appreciate, but that we are actually demanding transparency and that the taxpayers of this province are demanding tax transparency in this issue.

Fourthly, the Bill 4 encourages its NDP government to build up a debt today on a gamble that

the education taxes will rise in the future, and I've expanded on that a little bit, but it is exactly like what caused the U.S. financial crisis, for example, and this kind of gambling is not something that the taxpayers in Manitoba need or want. And I'm sure that they will punish whoever puts this bill in place.

Manitobans are entitled to transparency and accountability. There's no question that's what they want, that's what they have said to us. We've had many, many, many calls that they want transparency in all of government's affairs, this one in particular; stakeholders, like school divisions and municipalities, who could potentially be affected by this legislation. I think this government needs to go back to them, and say to them, tell us what concerns you really have. We had an idea, if we're wrong, we'll change it. That's what this government has to do. It has to take this bill back to these people and get their input into it, not just be pushing it down someone's throat. They're entitled to be made aware of the proposed development and the potential risks and the benefits involved.

We haven't had—we have no example of what the proposed developments are. We certainly know what the potential risks are, and we're not exactly sure what the benefits accrued will be from this. What we see is that you're betting on a star. You're betting on a star that you're not sure that it's going to happen. You're betting on the future.

*(16:10)

And the pointing of the finger, Mr. Deputy Speaker, was for a purpose? I see. Thank you very much.

We've been—we've been looking at the TIF experience in other jurisdictions and reviewing a number of studies and reports related to it. There's nothing in any of these other jurisdictions that makes us want to carry on with this without further discussion with the main players, and the main players, I'll go back to reiterate, are the school divisions, of course, and the municipalities that could be potentially affected. The documents examine some of the policy—public policy implications around TIF financing and when and how it should be used.

I think—I think it's useful to put some of these public policy perspectives on the record as we think about how TIF could be used locally, and a couple of themes come up over and over again. One of them is the importance of ensuring that there's a full stakeholder participation in the TIF process and, at

this point, there's not that. We don't see that in this particular bill, and so if that can be pointed out by the Minister of Education (Mr. Bjornson), for example, who sits with his head down instead of standing on his feet to speak against this, if he was, in fact, representing the portfolio that he is supposed to be representing. Another is that there should be a full financial transparency for the taxpayers when the TIF projects are involved. That, too, is not in here and I will reiterate that it is something that should be in here.

TIF has been used for projects such as a retail development. Now, Mr. Deputy Speaker, mixed-use development and housing projects, transportation and transit-orientated development, brownfields clean-up, development schools—oh, but now we have some development in schools, but not very much—recreation, sports complexes and other community amenities and economic development project. We could be using this TIF to develop IKEA, which would have a big impact in a—in a municipality for the size of the—of the property that is being taken out of—out of the tax system, but at the same time it is the schools and the community that builds around it is going to have to—that money has to come from some place.

And so, Mr. Deputy Speaker, we—what are we doing here now?

We—we're—actually need to know, or would like to know, where this money would come from. Now, the way it would seem and appear at this point is that the NDP government is betting on a 6/49. That's what they're betting on. They're betting on the future, that everything is going to continue to go up and we actually have a different point of view, that reality does kick in and at some times things do level off and there is a—there has to be an accountability in that you can't borrow your way out of debt, and that's pretty obvious in the last 10 years that this NDP government has tried to do. They've spent everything that they could possibly get their hands on to, and more. They've taken it out of Crown corporations. They've done whatever is possible. They rely on 40 percent of their budget to come from the federal government. We have the highest debt in western Canada, Mr. Deputy Speaker, and here what they want people to do is invest in a what? Invest in a vacuum. Just put the money in there and we'll look after it for you.

Well, they've done a poor job. They've done a poor job of looking after the money that they've had

up till today. They haven't paid down any debt and, if they're going to continue to rely on federal money, I think there's going to be a big surprise coming in this downturn in our economic situation in Canada.

And so, Mr. Deputy Speaker, I would suggest that after giving this some serious consideration, that even the Minister of Education will agree that this bill should be withdrawn, should be taken back to the drawing board and perhaps even scrapped. But he should be standing up for the—for his portfolio.

And with those few words, Mr. Deputy Speaker, I thank you for your time.

Mr. David Faurichou (Portage la Prairie): Mr. Assistant Deputy Speaker, I appreciate the opportunity to rise and participate in second reading debate of Bill No. 4, The Community Revitalization Tax Increment Financing Act.

This act, as has been described by the explanatory note—under this bill regulations may be made designating properties as community revitalization properties. While a property is so designated, increases in its assessment value as—are subject to a community revitalization levy that is imposed at the same rate as, but in lieu of taxation for school purposes.

It further states, money raised by community revitalization levy is to be paid into a new community revitalization fund. This fund is to be used to make grants to help revitalize communities and neighbourhoods to encourage economic, social and cultural development and to preserve heritage properties. This is the explanatory note as to the background and purpose of the legislation.

Red flags are raised on in both those paragraphs from my perspective. First off, the particular properties are going to have a levy placed upon them that is in lieu of school taxes. One then wonders whether or not that the local area where educational facilities are in need of educational dollars, will they, indeed, then go wanting? What will actually happen to the increased assessment of the properties and thereby the taxes there raised? And whether or not they are going to jeopardize the function of the educational facilities within the school district, division, that is providing the education for students of that particular area. So one wonders whether or not they are going to curtail education.

The other thing is that by levying in on properties, all persons in this House recognize that levy of taxes on property values is not representative

at all of ability to pay. Persons may very well have properties in their possession that over the years have appreciated, perhaps because of inflationary pressures, perhaps by improvements made by the property owner or just perhaps in the case where the property itself, by location, has seen an increased value through competition for use of that property. It does not, though, reflect the ability of the individual residing in that property, conducting business in that property, as to whether or not they have the dollars available to them to pay the additional property's taxes, because, as all of us realize, we do not, in fact, have the money in our hands until those properties are sold and thereby we are taxed on what might be, not what actually is.

And so every member of the House recognizes that this is an unfair way of levying taxes because it does not at all either reflect the ability to pay or provide revenues for the—towards the actual upkeep and maintenance of those properties. Unlike municipal taxes that are equalized towards the varying properties for services actually received by those properties, this is not the case as far as this legislation is concerned.

So we already have two very glaring reasons why this particular piece of legislation is not very favourable to the community, to the constituents to which we represent.

* (16:20)

Also, in the second paragraph, money raised by this revitalization levy is to be paid into a community revitalization fund. Well, we're very, very curious as to how this particular fund is going to be administered and the criteria to which the fund will dispense monies to which the fund has within it. The government has left this extraordinarily wide open while it is going to be under the guise of the Auditor General and subject to audit. It is, though, truly under the direct administration and direction by government, and so that leaves the question in all members' minds as to whether or not their constituency is going to be looked upon with favour for particular projects, whether they be a heritage site or a community neighbourhood facility that is needed to enhance the social and economic well-being of a particular area.

So the discretion that is allowed for in this legislation is, to my way of describing, a very, very scary situation, because the government of the day has now what my honourable colleague from Emerson referred to as a slush fund for their sole

determination as to who will be looked upon with favour, and to state that government members would look with favour upon opposition members' constituencies receiving funds from this particular resource I would say are scant to nil, and that way then it is definitely not fair and equitable to all Manitobans, and therefore this particular situation I do not believe is one in keeping with the spirit of fairness and equality that all of the members of the Legislative Assembly want to achieve in any piece of legislation that is passed before this House.

So the litmus tests that we've put this legislation to are indeed failing to meet the criteria of legislation which we—or to be very specifically, I—can support, and I look to members of the government side of the House and I would suggest that they too should be very cautious and willing to take a second look as to whether or not they can support this government bill.

Ms. Jennifer Howard, Acting Speaker, in the Chair

This government bill, it has been stated that it is very important to particular undertakings here in the province of Manitoba. Most specifically mentioned is a new Winnipeg football stadium perhaps, also to CentrePort and other heritage buildings that are located here in the city of Winnipeg. Now, I'm rather concerned once again that because of the representation within the caucus of the New Democratic Party that perhaps the rural south of Manitoba is going to be excluded from consideration for any of the resources that come from this particular fund. And Portage la Prairie, the constituency which I represent, I believe will be one.

So, Madam Assistant Deputy Speaker, I appreciate the spirit of the legislation, and the description of the legislation is one that is honourable and something that all of us should aspire to because we want to see our communities and neighbourhoods flourish. And we would like to see the infrastructure within those communities, ones that we can all be proud of, as well as we would very much like, especially myself, as keen as I am towards preserving our heritage in the province of Manitoba, which this legislation does make mention of, as being a potential recipient of resources from this fund.

But when it comes back down to the detail and the regulations and the actual dispensation of the—of the funds, I believe the mechanism is flawed, the mechanism is tainted and will indeed lend itself to disproportionate sharing of these resources. And dare I say that it may be distributed upon partisan lines

where perhaps the constituency of Fort Rouge will be greater favoured than the constituency of Portage la Prairie, being the member for Fort Rouge (Ms. Howard) sits on the government side of the House and the member for Portage la Prairie sits in the opposition side of the House.

Now, this government has been working this legislation around for quite some time. We all know that this—a bill similar to this was introduced by the Intergovernmental Affairs Minister, Steve Ashton, back in June 12th of 2008, and we are here now debating second reading on September the 17th, 2009, more than a year after, and these concerns to which we aired originally when the bill was first introduced, then lost to the end of session and then reintroduced in the following session, the concerns remain the same.

And I can't stress more strongly that the particular ability to pay is paramount whenever we are considering new or additional taxation here in the province of Manitoba. And it also is converse to what we would like to see happen in our particular communities. When you have an assessment-based tax levy—call it what you will—it actually encourages those individuals to not do improvements to their properties, to perhaps let those properties degenerate, thereby lowering the assessment of those properties and consequently paying less tax, less levy.

And I will state that I have first-hand experience of neighbours right in the community in which I reside that have taken this particular train of thought to a significant degree, and their homes are—have become so dilapidated that the taxes that they pay to the municipality and the levy that they pay towards the school, Portage la Prairie School Division, are less than the tax credits received for that particular property. So, in essence, they are receiving all of their services, education and the sewer, the water, the street, the sidewalk, the lighting, boulevard maintenance—all for nothing, because they have let their properties degenerate to a point where their assessments—assessed value is only generating amount of tax and levy less than the credits that are afforded by the government of Manitoba.

* (16:30)

So why then are we looking to have another piece of legislation follow this very flawed way of collection of taxes? And not to mention that the particular property which I cite is indeed an eyesore and consequently reflects upon the rest of the

neighbourhood. It also has a defined effect on the neighbourhood property values, because those that are looking to purchase properties in the vicinity of this derelict dwelling are reflected in the property values of the homes in the near vicinity of this property. And yet our current tax regime rewards this particular owner of this property, and I think that is wrong and I wish the government would recognize what happens when legislation such as we have before us passes through this House. And this legislation will—could very well encourage the opposite effect in the communities we want to see revitalized, and having properties deteriorate so that the individual owners do not have to pay any tax because their—they've let their properties decay and reduced assessed value, thereby generating less tax to a point of less than the tax credits afforded them via the Province's rebate program.

So I hope I've left the House with a couple of points of consideration. I actually would like to see the government withdraw this legislation and go back to the drawing board and examine it—examine fundamentally the need for this type of legislation. But I will say the purpose is notable and one that all of the members of the House would like to see is our communities, neighbourhoods, revitalized, but this is not the way to do it, and I hope the members have been listening and take this debate into consideration when coming to vote on this legislation.

Madam Deputy—Assistant Deputy Speaker, I appreciate the opportunity to participate this afternoon in the second reading debate of Bill No. 4, The Community Revitalization Tax Increment Financing Act. Thank you very much.

Mr. Cliff Cullen (Turtle Mountain): I appreciate the opportunity to weigh in to debate today on Bill 4, and Bill 4, of course, is The Community Revitalization Tax Increment Financing Act. As many of us know this bill, it's the TIF bill.

And this particular piece of legislation has been before the House before, as many of us recognize. Obviously, the government came up with another way to creatively finance the coffers of the Province of Manitoba. And they did have one shot at this thing a little while ago, and, of course, that was Bill 46, brought in by the former Intergovernmental Affairs Minister and he's brought it in for a second time. And, obviously, the government of the day and the minister at that time couldn't find the overwhelming support that he needed to move that particular piece of legislation forward, so here we are a year later and

we're back here debating, you know, the same legislation in principle.

And I think you've heard from—certainly from my colleagues on this side of the House that there is a lot of concerns with the fundamental principle of this particular legislation, Madam Acting Deputy Speaker. And I hope the government will take a sober third look at this particular legislation, because I don't think—I don't think Manitobans really buy into the concept here.

And it's pretty typical of some of the legislation that's been brought forward by the NDP government, and, you know, they can put lipstick on a pig, Madam Acting Deputy Speaker, but at the end of the day, you still have a pig, and this particular legislation isn't very appropriate for Manitobans.

Mr. Speaker in the Chair

When we look at the big picture of the financing here in the province of Manitoba, I think it's important to recognize why we would even need this type of legislation. And, in fact, this type of legislation is just another tax, and, in fact, this particular tax is robbing from the education field. And it's something I'm going to talk a little bit about a little further on is the education field, but I want to talk first of all about the big picture in terms of the economy and the finances here in the province of Manitoba.

I think you have to put things in perspective here, Mr. Speaker, that back in 1999 when the NDP government came into office the budget of the Province was around \$6 billion. Now here we are 10 years later, the budget of the Province has grown to over \$10 billion. That's a tremendous increase in the budget on the Province of Manitoba and clearly what the NDP government are saying when they bring in Bill 4 is that, we're sorry but we can't manage the finances of the Province of Manitoba. You know we've increased the budget by \$4 billion, almost 75 percent increase in 10 years in the Province of Manitoba, unprecedented amounts that the government of the day is spending. But that's not enough. They're signalling to the people of Manitoba that even in the \$10-billion budget here in the Province of Manitoba we still don't have enough money to provide any kind of economic activity and any kind of economic stimulus to help out in the province of Manitoba.

This in my view is just another creative way to get their hands in the pockets of the average working

Manitobans to support their spending habits, Mr. Speaker. The other thing you have to bear in mind, out of a \$10-billion budget in the Province of Manitoba, the NDP government now get almost 40 percent of their funding, almost \$4 billion straight as transfers from the federal government.

Mr. Speaker, we are at unprecedented levels of transfer payments from our federal government here in Manitoba. And what we've been trying to stimulate the government into in the last few years as opposition is to say, why do we have to be a have-not province. We should have tremendous opportunities here in the province of Manitoba to move forward with economic development and that economic development would be reflected in positive spinoffs and positive tax revenue for the Province of Manitoba. Instead we have a Premier and a government who has been willing for the last 10 years to go hand out to the federal government and ask for more money to support their spending habits.

Now we as Conservatives are always being noted as being fiscally responsible. Now we don't mind spending money, but we wanna make sure that we get value for the money that we're spending. And we think if this government had been getting value for the money that they've been spending over the last 10 years they would not have to resort to legislation such as this TIF financing piece of legislation. And I think Manitobans when they had a sober look at this thing too they would understand the situation that we're in here in Manitoba.

We've got a government that's out of control, has a spending habit way out of control, our \$10-billion budget every year is still not enough for the NDP government of the day because we're still going further in debt. And if Manitobans believe that we've had a balanced budget for the last 10 years under the ex-Minister of Finance well, I'll tell you, they've got another thing coming and that's exactly the position we're at. We get an NDP government that's snowballing the people of Manitoba into believing these issues and again, Mr. Speaker, that is exactly what they're gonna do with this TIF bill is to snowball the people of Manitoba into believing this is the only way that they can achieve any kind of economic development spinoff or incentives here in the province of Manitoba.

Madam—or Mr. Speaker, you know, a few years ago when I know the downtown arena was being built, you know, that's something that is, certainly,

that we, as Manitobans, appreciate now that it's built and it's certainly nice for downtown Winnipeg, but I don't think the government had to resort to any kind of extra, come up with any kind of legislation to provide any kind of tax incremental financing. Like it should be a stand-alone type of project, or they can just go borrow some more money if they wanna do it that way without putting, you know, some smoke and mirrors out and bring forward a bill and then try to get the people that are involved in these projects tell them that that's the only way we can finance these projects.

* (16:40)

Good Lord, Mr. Speaker, with \$10 billion, and then another opportunity to borrow as much money as they want, why in the world would we need some kind of legislation like this?

Mr. Speaker, you know, we had quite a debate today about agriculture. I know the point came out today in agriculture that, yes, they've said they've doubled the budget here in terms of the agriculture budget here in the province of Manitoba over the last ten years. You know, you can use these figures to say that, but in reality the agriculture budget is only 2 percent of the entire budget of the Province of Manitoba. So, you know, when you try to snowball Manitobans by saying we've doubled the budget, the reality is it's still only 2 percent of the entire budget of the Province of Manitoba, and that represents agriculture and the whole idea of rural initiatives.

And, you know, this particular piece of legislation will probably not address any kind of rural development initiatives. You know, this particular piece of legislation, we're led to believe, is going to represent economic opportunities, we think, for Winnipeg and possibly the city of Brandon.

So, Madam—Mr. Speaker, you know, there's certainly a lot of flaws in this particular legislation, that members of our caucus have pointed out. And I think it's important that the government recognize the slippery slope they're going down when they bring forward this type of legislation.

You know, obviously, we're very concerned about this bill and its ability to set up a slush fund for whoever is going to be the next Minister of Finance here in the province of Manitoba. And you know, that's a real concern for us because we've recognized what kind of spending habits that this particular government has. So we're really concerned about the creative accounting they've come up with to provide

the Minister of Finance another slush fund to hand out money.

And we could get into the whole debate about the harmonized sales tax too, Mr. Speaker. You know, in our view, that's just another potential tax grab and I think we can relate that back to Bill 4 in terms of this bill being another cash grab for the Minister of Finance.

And this particular piece of legislation doesn't spell out in detail how the Minister of Finance will spend that slush fund. And I think it's incumbent upon the government to tell Manitobans how they intend to use their hard-earned money as their slush fund. And this particular piece of legislation does not do that, Mr. Speaker.

So that's why we're very nervous about this particular bill being another piece of creative legislation in terms of a tax grab out of the pockets of hardworking Manitobans.

And, Mr. Speaker, I think the government should be focussing more of its effort on making Manitoba more competitive. If Manitoba becomes more competitive with other jurisdictions, we won't have to rely on creative financing such as the TIF legislation.

Now, Mr. Speaker, we've got three candidates running around the province making all kinds of promises for the future of the province of Manitoba. And it's quite disturbing, it's quite disturbing to hear that they don't all think that Manitoba should be moving forward in terms of economic development and moving Manitoba forward so that we're not as reliant on the federal government for handouts. You know, I think once Manitobans get a sense that this government isn't really ready to set the bar too high, and they're going to have a real close look at what the NDP stands for in the province of Manitoba.

If this government continues to look for—to the federal government for transfer payments and handouts to help them pay off their debt, help them balance their books, Mr. Speaker, the people of Manitoba should speak up and tell the NDP exactly what they think about that kind of economic activity going forward. There's no—there's no plan here by the NDP government to carry Manitobans through the bad times, the tough times that we're in.

You know, we talked this morning about losing 12,000 manufacturing jobs in the province of Manitoba over the last year. Very significant economic impact here in the province of Manitoba.

Instead of the government of the day trying to address the downside here and come up with a plan and a vision for Manitoba, we've got potential—the next potential Premier of the province saying, it's okay, we can go to Ottawa and ask for more money. That's an easy way out, Madam—Mr. Speaker.

Mr. Speaker, it's obviously clear that any kind of good, positive, proactive government would have a plan in place to move the economy forward so that we're not as reliant on the federal transfer payments and we don't have to rely on creative accounting ideas such as Bill 4 that's being proposed today.

Mr. Speaker, it's all about being truthful and honest with the people of Manitoba, and the government of the day has to—has to be truthful and honest and not try to snowball, not try to cover up and not try to mislead Manitobans with a piece of legislation such as this. This particular legislation, all it will do is will harm the students of Manitoba who are—obviously, school divisions rely on tax revenue to come in, and if the government of the day is going to have their hands out and take that money off the table instead of allowing that particular value and that much money going into the school system to use for the education of our future students, our future leaders of the province, there's something really wrong with this particular legislation.

Mr. Speaker, we know the challenges that we have in the school system today; we know the challenges we have with the infrastructure in the school system. We have a large number of older buildings that are in desperate need of repair. We know the pressures that are on in the school rooms in terms of overcrowding. We know the pressure that that the students are on in terms of being educated and being competitive with not just our neighbours in other provinces, but they have to be competitive with students around the world. There is tremendous pressure on the education system to deliver and develop our students to a point where they can be competitive with people around the world. And what we're doing with Bill 4 is taking some of those, that potential investment in our students off the table.

Mr. Speaker, if the government is really serious about education in the province of Manitoba, the Minister of Education (Mr. Bjornson) is really serious about education and our students of Manitoba, he would have a really strong voice at his table and ask the caucus and the Cabinet to have a real hard look at Bill 4, this tax incremental financing act, because it's not a good piece of

legislation for Manitoba now and it's not a good piece of legislation for Manitobans in the future.

So, Mr. Speaker, with that, I hope the government has a real hard look at this particular bill when it come up for vote. Thank you.

Mr. Larry Maguire (Arthur-Virden): Mr. Speaker, it's my pleasure again to stand in the House to speak in regards to Bill 4, The Community Revitalization Tax Increment Financing Act, better known as TIF by this government and by people in the province of Manitoba.

And this is a bill, of course, that was first brought forward by the member from Thompson, Intergovernmental Affairs Minister, back in June of '08 over a year ago, Mr. Speaker, and, you know, initially it was Bill 46, and, of course, I tell you, they only brought it in at the very, very, very last minute of the summer session. In fact, June the 12th was the very last day we sat that summer. And so if it was such an important—if it was such an important implement to be used by the government or by—to make available for the development of CentrePort, then, obviously, it would have been a greater priority and brought in much earlier in the spring so that it could have been more fully debated.

And, then, in the course of the fall session it was—it was—died on the Order Paper [*inaudible*] and the government did bring it back in after the Throne Speech back in November of '08, Mr. Speaker. And, of course, the—this tax increment finance funding bill, if you will, is brought forward on the auspices of making sure that it will fund CentrePort for the future development—CentrePort Canada—for the future development of that—of our industry here in Manitoba.

And, as I've said this morning when the—we had all-party support for the passing of the foreign trade zone in regards to CentrePort Canada, Mr. Speaker, I believe strongly that this is a great opportunity for Manitoba and needs to move forward.

But, Mr. Speaker, we need to look at the kind of financing that is going to make this kind of a project happen. And this particular project, I believe, is a way for the government to—I mean TIF financing is normally used in areas where there is downtrodden areas that need to be upgraded, some of those types of areas in the city of Winnipeg. Other areas already have that opportunity to do it on property taxes.

* (16:50)

The problem we have, Mr. Speaker, is that this is dealing with education taxes, and the tax incremental finance funding of this government as proposed in this bill, is—Bill 4, the new bill that was reintroduced with a new number on it, is to steal from the education department the incremental increases of the taxes from those areas, and take it away from students, not only students but teachers and the education system, and put it into the development of specific projects, perhaps, in regards to the zone that would be encompassed in what is called CentrePort Canada.

And, of course, then, I just came from the announcement in the House along with the minister of transport today, where they introduced the person I mentioned this morning, in speaking to the bill, was Diane Gray, the Deputy Minister of Finance, Deputy Minister of Trade, Deputy Minister of Federal-Provincial and Intergovernmental Relations, and that, as I said this morning, will leave a great gap in the government's responsibilities to fill all those positions. But she a very great person to have fulfil that role because of her connections within the province, across Canada and internationally. And that's what we need in regards to the vision that's required.

And so I look forward from her now as the president, CEO, of CentrePort to—CentrePort Canada—to look further into ways of being able to develop this package and make it come to fruition without this type of financing tool, Mr. Speaker, because this is a—really, it's the kind of a bill that was brought forward with very, very little vision, and I know that she has more vision than that. And I know that this bill, as brought forward, and I know that the member that brought it forward for now is running for the leadership of NDP party, and I respect him for—anyone for putting their name forward in that kind of a position—but we must not take from education in order to develop a fund that can be used for this type of a development. There are other mechanisms and I look forward to the government being able to bring some of those forward.

I know that, also, that this bill has also been associated with attempts to build a new, you know, a Winnipeg football stadium, for construction of light rapid transit. It could be used for another—for other areas in other cities. And that is a point that I wanted to make earlier, Mr. Speaker, that the—this bill that they bring forward as such an important bill to be used for the funding of CentrePort Canada, is not mentioned anywhere in the CentrePort bill itself.

We talk about the development of the board of directors, the hiring of the CEO being the responsibility of that board of directors, and those items we passed very quickly in this House, making sure, I did, as transport critic, making sure that that bill was brought forward so that we could have a—get on with the development of the board. And now, today, I'm glad to see the fruition of the formation of the CEO. And, of course, her first role will be to develop the team around building, as she said today in her speech at the airport, Mr. Speaker, in the announcement of her position being announced, her first job will be to form the team to get CentrePort on the road.

Mr. Speaker, I think, though, that if this hadn't been such an important tool in the financing of this particular project, that the government would have had the vision to have put it in as part of the financing act—or of the development of the CentrePort act. But, of course, that wasn't their agenda. Their agenda was to be able to utilize these funds for any particular project they wanted. And that is where I think Manitobans could be left on the hook for a great many projects that the NDP want to fund in regards to any of their particular pet projects, if you will, around the province, and take a good deal of responsibility away from some of the ministers, perhaps, that might want to develop some projects of their own and put it back in their budgets. And I would say, perhaps that that might even be the case in regards to another bill that the government has in Bill 31, with The Manitoba Floodway Authority Amendment Act that's coming forward as well, and we'll have a committee on that bill tonight.

But, Mr. Speaker, I just want to say that this is a great opportunity to build the port, but I believe that the tax increment financing funding mechanism that the government has chosen, where it's just on the education tax, the incremental increases in the education tax, they're not taking the present one away; be very clear of that; it's the increases, future increases from development of the funds. And I'm sure that maybe some of our NDP colleagues in this House don't even understand what the bill has in it for them, but I just wanted to put it on the record that this is the incremental increases in education taxes on those areas. And, particularly, I know this morning that the Minister of Education (Mr. Bjornson) must understand this, because, of course, when we were discussing the foreign trade zone this morning, he indicated in our discussion across the floor that he was very—that he very nearly

was consulted, and I'm glad to hear that, by the Minister of Transportation (Mr. Lemieux) on this issue. And he thinks, personally, that this is a very good means of funding CentrePort, and that is using education taxes, incremental increases in education taxes on those areas, to fund something else besides education.

So I have concerns about that. I don't know whether—the minister obviously doesn't, but I really have serious concerns about that. I know the people of my school boards in my area are concerned about it, and I know that, you know, of course they're concerned about some of the other decisions that this minister has made as well that have been forced on them at the last minute in regards to decisions on how they should fund their school boards and the interruptions and processes that he's had in some of those areas. And I think that that's part of a—you know, that should be the vision of a Department of Education, particularly led by the minister, to be able to come up with some better ideas on how they could fund like that, fund projects in schools and for greater opportunities in our students. Certainly, we are in a situation where we must, I believe, not be taking away or detracting from the financing of schools in Manitoba, and I'm very concerned that perhaps this will.

Mr. Speaker, creative financing is something my colleague from Turtle Mountain talked about, and I guess I'm—I'd have to add one more. There's a little bit even out of the Minister of Transportation's own department where he said that last year, you know, they had \$545 million that they put into funding for transportation now. Well, you know, if you really go back and look, this is \$100-million increase from where we were before.

Well, let me just put it on the record. The budget that the government has announced has been 400 million for 10 years, each year over that period of time to do construction and work in Manitoba. Last year, they increased that amount by \$35 million, Mr. Speaker, and so that now you've got a true budget for bridges. So now you've got a true budget of 435 million. And then the third quarter report of the government, if you look at it, they lapsed \$80 million in the Department of Transportation in construction.

So, if you carry that forward, that was only for three-quarters of the year. Carry that forward, you're pretty close to \$110 million, Mr. Speaker. Add \$110 million of lapsed money from last year back

into this year's budget, and what number do you get? Four—\$545 million. They haven't put one new nickel of funding into transportation in this province this year, and that's the kind of creative financing that they're trying to mislead Manitobans with, and that's what I'm concerned about in the tax increment financing that they're using under Bill 4.

And so I'm very, very, very concerned about how this bill will be going forward. I will not be voting in favour of this bill myself, and I guess that I know that the government may have good intentions with this particular bill, but I really don't think that this is the be-all and end-all that they are hoping will be—that it will come into being. I'm very concerned about that, Mr. Speaker.

So with that, I'd like to end my comments on those words. Thank you.

Mr. Speaker: Is the House ready for the question?

An Honourable Member: Question.

Mr. Speaker: The question before the House is Bill No. 4, The Community Revitalization Tax Increment Financing Act.

Is it the pleasure of the House to adopt the motion?

Some Honourable Members: Agreed.

Some Honourable Members: No.

Mr. Speaker: Agreed? No?

Voice Vote

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

Some Honourable Members: Aye.

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

Some Honourable Members: Nay.

Mr. Speaker: In my opinion, the Ayes have it.

Mr. Gerald Hawranik (Official Opposition House Leader): On division.

House Business

Hon. Gord Mackintosh (Acting Government House Leader): On House business, Mr. Speaker.

I'd like to announce, in addition to the bill previously referred, that Bill 4, The Community Revitalization Tax Increment Financing Act, will

also be considered at the September 21 meeting of the Standing Committee on Social and Economic Development.

Mr. Speaker: It's been announced, in addition to the bill previously referred, that Bill No. 4, The Community Revitalization Tax Increment Financing Act, will be considered at the September 21st, 2009, meeting of the Standing Committee on Social and Economic Development.

* * *

Mr. Mackintosh: What time is it, Mr. Speaker? Is it 5 o'clock?

Mr. Speaker: Would you like to call it 5 o'clock?

Is it the will of the House to call it 5 o'clock?
[Agreed]

Agreed. Okay. The hour being 5 p.m., this House is adjourned, and stands adjourned until 1:30 p.m. on Monday.

CORRIGENDUM

On Tuesday, September 15, 2009, page 3093, second column, sixth paragraph, should have read:

Mr. Speaker, he says: Now that the vision of Manitoba's future is taking shape through CentrePort plan, I offer this three-for-one deal for the vision. How about linking the Bipole transmission line project to the vision and build the line down the east side of Lake Winnipeg? With the savings of well over \$400 million on the east-side line, build a super highway down the east side direct from our inland seaport to Churchill to CentrePort in Winnipeg. Build the highway beside the transmission line. If this can't be done, then someone tell me what I am missing, end quote.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, September 17, 2009

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