

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

Official Report
(Hansard)

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Speaker*

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Eighth Legislature

Member	Constituency	Political Affiliation
AGLUGUB, Cris	The Maples	N.D.P.
ALLAN, Nancy, Hon.	St. Vital	N.D.P.
ALTEMEYER, Rob	Wolseley	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
BJORNSON, Peter, Hon.	Gimli	N.D.P.
BRICK, Marilyn	St. Norbert	N.D.P.
CALDWELL, Drew	Brandon East	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CUMMINGS, Glen	Ste. Rose	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
EICHLER, Ralph	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
GERRARD, Jon, Hon.	River Heights	Lib.
GOERTZEN, Kelvin	Steinbach	P.C.
HAWRANIK, Gerald	Lac du Bonnet	P.C.
HICKES, George, Hon.	Point Douglas	N.D.P.
IRVIN-ROSS, Kerri	Fort Garry	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
JHA, Bidhu	Radisson	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
LOEWEN, John	Fort Whyte	P.C.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
MAGUIRE, Larry	Arthur-Virden	P.C.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McGIFFORD, Diane, Hon.	Lord Roberts	N.D.P.
MELNICK, Christine, Hon.	Riel	N.D.P.
MIHYCHUK, MaryAnn, Hon.	Minto	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
MURRAY, Stuart	Kirkfield Park	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
OSWALD, Theresa	Seine River	N.D.P.
PENNER, Jack	Emerson	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack	Southdale	P.C.
ROBINSON, Eric, Hon.	Rupertsland	N.D.P.
ROCAN, Denis	Carman	P.C.
RONDEAU, Jim, Hon.	Assiniboia	N.D.P.
ROWAT, Leanne	Minnedosa	P.C.
SALE, Tim, Hon.	Fort Rouge	N.D.P.
SANTOS, Conrad	Wellington	N.D.P.
SCHELLENBERG, Harry	Rossmere	N.D.P.
SCHULER, Ron	Springfield	P.C.
SELINGER, Greg, Hon.	St. Boniface	N.D.P.
SMITH, Scott, Hon.	Brandon West	N.D.P.
STEFANSON, Heather	Tuxedo	P.C.
STRUTHERS, Stan, Hon.	Dauphin-Roblin	N.D.P.
TAILLIEU, Mavis	Morris	P.C.
TWEED, Mervin	Turtle Mountain	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, May 5, 2004

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PETITIONS

Minimum Sitting Days for Legislative Assembly

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

The background to this petition is as follows:

The Manitoba Legislature sat for only 37 days in 2003.

Manitobans expect their Government to be accountable, and the number of sitting days has a direct impact on the issue of public accountability.

Manitobans expect their elected officials to be provided the opportunity to be able to hold the Government accountable.

The Legislative Assembly provides the best forum for all MLAs to debate and ask questions of the Government, and it is critical that all MLAs be provided the time needed in order for them to cover constituent and party duties.

Establishing a minimum number of sitting days could prevent the government of the day from limiting the rights of opposition members from being able to ask questions.

We petition the Legislative Assembly of Manitoba as follows:

To request the Legislative Assembly of Manitoba to consider recognizing the need to sit for a minimum of 80 days in any given calendar year.

Signed by Dale Harasymiw, Ian Harasymiw and Orest Hnatyshyn.

Mr. Speaker: In accordance with our Rule 132(6), when a petition is read it is deemed to be received by the House.

Highway 227

Mr. Ralph Eichler (Lakeside): I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

It is unacceptable for the residents of Manitoba to travel the unsafe gravel roads of Highway 227 in the constituencies of Lakeside and Portage la Prairie.

Inclement weather can make Highway 227 treacherous to all drivers.

Allowing better access to Highway 227 would ease the flow of traffic on the Trans-Canada Highway.

Residences along Highway 227 are not as accessible to emergency services due to the nature of the current condition of the roadway.

The condition of these gravel roads can cause serious damage to all vehicles, which is unacceptable.

Residents of Manitoba deserve a better rural highway infrastructure.

We petition the Manitoba Legislative Assembly as follows:

To request that the Minister of Transportation and Government Services to consider having Highway 227 paved from the junction of highways 248 and 227 all the way to Highway 16, the Yellowhead route.

To request the Premier of Manitoba to consider supporting said initiatives to ensure the safety of all Manitobans and all Canadians who travel along Manitoba highways.

Submitted on behalf of Jane Field, Bryan Tully and Irene Tully and others.

Mr. Speaker: In accordance with our Rule 132(6), when a petition is read it is deemed to be received by the House.

Alzheimer's Disease

Mrs. Myrna Driedger (Charleswood): Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

Alzheimer's is a debilitating disease.

Cholinesterase inhibitors are known to slow or even prevent the progression of Alzheimer's.

The provincial government asked for the development of an Alzheimer's strategy in 2000 and was presented with nine recommendations in 2002, none of which has yet been implemented.

In the absence of a provincial Alzheimer's strategy, the Winnipeg Regional Health Authority put in place a policy in November 2003 whereby Alzheimer's patients entering personal care homes are being weaned from certain Alzheimer medications in a move that the WRHA's vice-president of long-term care has referred to as a financial necessity.

The administrative costs of the Winnipeg Regional Health Authority have more than tripled since 1999, to a total of more than \$16 million a year.

In a move that amounts to two-tier medicine, the families of Alzheimer's sufferers in personal care homes may request that the drugs continue to be delivered at the family's expense.

We petition the Legislative Assembly of Manitoba as follows:

To request the Minister of Health (Mr. Chomiak) to ensure that his attempts to balance his department's finances are not at the expense of the health and well-being of seniors and other vulnerable Manitobans suffering from this debilitating disease.

* (13:35)

To urge the Minister of Health to consider reversing his decision to deny Alzheimer's patients in personal care homes access to certain medications.

To request the Minister of Health to consider implementing a provincial Alzheimer's strategy.

Submitted by Donna Palson, Jan Brown, Dale Nesbitt and others.

Mr. Speaker: In accordance with our Rule 132(6), when a petition is read it is deemed to be received by the House.

Proposed PLA—Floodway

Mr. Kelvin Goertzen (Steinbach): Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

The Province of Manitoba has tabled legislation in the Legislature that may result in the \$660-million expansion of the Red River Floodway by the summer of 2005.

The Premier of Manitoba plans to subject all work related to the project to a Project Labour Agreement (PLA).

The proposed PLA would force all employees on the project to belong to a union.

Approximately 95 percent of heavy construction companies in Manitoba are currently non-unionized.

The Manitoba Heavy Construction Association has indicated that the forced unionization of all employees may increase the costs of the project by \$65 million.

The chair of B.C.'s 2010 Construction Leaders Taskforce has stated, "Major industrial projects built under project labour agreements from the energy sector in Alberta to off-shore development on the East Coast have repeatedly incurred cost overruns, labour disruptions and delays."

Organizations including the Winnipeg Chamber of Commerce, the Canadian Taxpayers Federation, the Manitoba Heavy Construction Association, the Canadian Federation of Independent Business, the Merit Contractors Association of Manitoba, the Winnipeg Construction Association, the Construction Association of Rural Manitoba and the Canadian Construction Association and some federal members of Parliament have publicly opposed the Premier's plan to

Manitobans deserve an open and fair competition that protects taxpayers from unnecessary costs and respects workers' democratic choice.

Manitobans support the right of any company, both union and non-union, to participate in the expansion of the Red River Floodway expansion project.

We petition the Legislative Assembly of Manitoba as follows:

To request the Premier of Manitoba to consider ending his Government's forced unionization plan of companies involved with the Red River Floodway expansion.

To request the Premier of Manitoba to consider entering into discussions with business, construction and labour groups to ensure any qualified company and worker, regardless of their union status, is afforded the opportunity to bid and work on the floodway expansion project.

Signed by Vern Falk, Mark Woznesensky, Murray Hiebert, and many others.

Mr. Speaker: In accordance with our Rule 132(6), when a petition is read it is deemed to be received by the House.

TABLING OF REPORTS

Hon. Steve Ashton (Minister of Water Stewardship): Mr. Speaker, I would like to table the Manitoba Water Stewardship Supplementary Information for Legislative Review, 2004-2005 Departmental Expenditure Estimates.

Hon. Gord Mackintosh (Minister of Justice and Attorney General): I am pleased to table the following report: Manitoba Justice Supplementary Information for Legislative Review, 2004-2005 Departmental Expenditure Estimates.

Hon. Oscar Lathlin (Minister of Aboriginal and Northern Affairs): Mr. Speaker, I would like to table the 2004-2005 Supplementary Estimates Information for the Department of Northern Affairs, Aboriginal Affairs.

Hon. Stan Struthers (Minister of Conservation): Mr. Speaker, I am very pleased today to table the Supplementary Information for Legislative Review for the years 2004-05 for the Department of Conservation.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to

the public gallery where we have from Crystal Spring School 14 Grades 4 to 7 students under the direction of Mr. Victor Kleinsasser and Mr. Ian Kleinsasser. This school is located in the constituency of the honourable Member for Morris (Mrs. Taillieu).

Also in the public gallery we have with us today from Devils Lake High School, Devils Lake, North Dakota, 25 Grade 11 and 12 students under the direction of Mr. Al Henry.

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

And also in the loge to my left we have Mr. Brian Pallister, who is a former member of Portage la Prairie.

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

* (13:40)

ORAL QUESTIONS

Education System Financing

Mr. Glen Cummings (Ste. Rose): Mr. Speaker, I think it is pretty evident that funding services and managing finances is about making choices when one is entrusted with government. From 1999 till now, this Government has received and spent \$1.5 billion in new revenue and still has not committed itself to education funding reform. *[interjection]* Yes, well, the Premier likes to chat about he could not find the billion. "I cannot find the billion yet." He found it. He spent it and then some. When is he going to provide some meaningful education funding reform?

Hon. Gary Doer (Premier): It is all about choices, Mr. Speaker, and the choices we have made have resulted in two improvements in the credit rating in Manitoba in 2003 versus 2004.

Mr. Speaker, it is also about choices. I was reviewing the costs of the 68% increase in education taxes that members opposite made between 1990 and 1999. You know, it is the equivalent of \$131 million that was downloaded on education property tax in Manitoba. That is the equivalent of 1 percent of sales tax. You had a choice. You raised the taxes. We

flattened it out in education with the \$92 million that we have been supported in education taxes.

Mr. Cummings: Mr. Speaker, the only thing flat around here is the Premier's answer.

Funding education is a constitutional responsibility of the Province. This Government has had enormous increase in revenues, and to look at the reaction of the public while they have been managing the affairs of this province, I have a quote here that says, "The bottom line that governments can, even if they are taxing every which way to Sunday, they cannot make ends meet because they are lousy money managers." That is from the Brandon Chamber of Commerce.

Therefore, I ask this Premier: When will he stop fiddling around with a little tax here, a little tax there? When will he provide some meaningful education funding reform?

Mr. Doer: Mr. Speaker, I would like to quote the Moody's rating agency that talked about the prudent fiscal policies of this Government, and why they gave us an upgrade, two upgrades. The upgrade today is better than when the member opposite was sitting in Cabinet making decisions.

It is all about choices. You made some of the wrong choices. I would point out, Mr. Speaker, in the Beautiful Plains School Division, which is in the Neepawa community, taxes went up 86.1 percent between 1990 and 1999. Between 1999 and 2003, the taxes went down 9.8 percent. Your choices were bad. Ours are in the right direction.

Mr. Cummings: I guess that was right after I quit being a trustee or I retired.

Mr. Speaker, we have some serious doubts whether or not this Premier is committed to meaningful education funding reform. I think it is very easy to say that changes that were hoped for in the nineties could not be funded because of the state of the economy. But, given \$1.5 billion worth of growth in his revenue in four years, this Premier, even given his previous Education Minister's comment, leaves us to doubt if he has any commitment to making meaningful change. He said that the Province is going to be hard pressed to provide 80 percent of whatever school boards—

Mr. Speaker: Order.

Mr. Doer: Mr. Speaker, I am shocked that the member opposite would be criticizing the school trustees that replaced him in the Neepawa, Beautiful Plains School Division.

* (13:45)

I would point out when the members opposite did minus 2, minus 2, zero and plus 2 in an election cycle, minus 2, minus 2, zero, plus 2 in another election cycle, they downloaded \$131 million on to the education property taxpayers of Manitoba, a 68% increase. They downloaded the equivalent of a 1% sales tax. We put \$92 million into tax relief in the education sector of Manitoba. It has resulted in flattening out the taxes. I would acknowledge that the school trustees have raised taxes by a comparable amount, but we do not have a situation where taxes go up 68 percent as they do under members opposite.

They also raised the portioning on farmland when they were in Cabinet. Mr. Speaker, this minister has lowered the portioning for farmland. They should be ashamed of themselves in terms of the questions they are raising in this House.

Education Financing Report Minister's Awareness

Mr. Leonard Derkach (Russell): Mr. Speaker, the Premier, who moved his family into the River East School Division because of the quality of education there, should also recognize that in that particular school division taxes are going up 7 percent because of his move on amalgamation.

Mr. Speaker, yesterday in this House, after being questioned by the Education critic about the report, the minister stood up for one brief response and said, and I quote, "I have not yet received the report." Later, the Premier said in a response that not only did he receive the report, but I quote, "Some of the drafts are going to trustees, mayors, municipalities and the City of Winnipeg."

Mr. Speaker, I want to ask the Minister of Education: Was he misleading this House, or is he so incompetent that he is not even on the mailing list of his Premier?

Hon. Peter Bjornson (Minister of Education, Citizenship and Youth): Mr. Speaker, there was a process in place. I honoured that process.

Mr. Speaker, the process that was agreed to with the ministerial working group was they would present that report to me after a meeting in May. I was scheduled to receive the report with a meeting with the working group in June. We had agreed to that process. I honoured that process yesterday when I stood in the House and said that I had not received the report. At that point, I had not received the report. The first view I had of the draft report was after members opposite tabled the draft.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Minister of Education Replacement

Mr. Leonard Derkach (Russell): Mr. Speaker, not only is this incredible, it is absurd because here we have a Premier who is sending out the draft report to trustees, mayors, municipalities, the City of Winnipeg. These are his comments, and yet the Minister of Education says, "I have not received the report."

Mr. Speaker, will the Premier please take some responsibility and at least appoint a competent minister who is not going to mislead this House?

Hon. Gary Doer (Premier): We have a competent minister who is reducing the ESL, something this minister never did. This Minister of Education (Mr. Bjornson) raised the property tax credit which cost people in River East \$75 per householder in the 1990s. Two weeks ago, I believe—

Mr. Speaker: Order.

Mr. Doer: Mr. Speaker, the member from Emerson is talking about firing somebody. He is the only one in the House who wants to raise sales tax by 1 percent to get to 80% funding.

Mr. Speaker, a couple of weeks ago it was public information, I believe, in one of the newspapers if not both, from the head of the school trustees. Carolyn Duhamel said, "We have a draft copy and we are circulating it around."

Mr. Speaker, we obviously were waiting for the so-called final report. You will even notice today that people like Stuart Briese, who is a stakeholder, is part of this group, is disagreeing with some of the

recommendations. We will wait for the final report, but the member opposite knows that this is a group of people who are mostly in the education and municipal sector and they are reporting. I would encourage them to look at both the costs and the expenses of running the education system.

Education Financing Report Minister's Awareness

Mr. Leonard Derkach (Russell): Mr. Speaker, I am going to try to get the Minister of Education on his feet again. Maybe he can clear something up here.

It is unfortunate that the Premier of this province continues to hearken back to days of old, yet he is the Premier, Mr. Speaker, who is supposed to take responsibility, and that is what we are asking.

I want to ask the Minister of Education why it is that he made a statement in the House here yesterday that said he has not yet received the report when, in fact, his Premier admitted that he has been sending the report out to municipalities, to mayors and to the City of Winnipeg. That is a quote by the Premier.

* (13:50)

Hon. Peter Bjornson (Minister of Education, Citizenship and Youth): Mr. Speaker, the reason I rose in the House and said I had not yet received the report was because I had not yet received the report.

There is a process in place, Mr. Speaker. I honour that process. This has been a very long consultation with the stakeholders. With the process in place, I respect that process. They were going to have another meeting of stakeholders in May, as I said, and then the report would be submitted to me in its final draft at a meeting with myself in June. That is the process. I honour that process, I respect that process, and at that point, we will see the report.

Red River Floodway Expansion Master Labour Agreement

Mr. Kelvin Goertzen (Steinbach): Mr. Speaker, yesterday in response to an education and financing report that was tabled in this House, the Premier (Mr. Doer) dismissed the recommendation as another option before the Minister of Education, according to him, had not even seen the report. The Premier has now set a direction for the Government that certain

recommendations can be labelled as "not an option" before reviews even begin.

Will the Minister of Water Stewardship now follow his Premier's lead and tell Manitobans that forced unionization and forced union dues will not be an option when it comes to the floodway mediation report?

Hon. Steve Ashton (Minister of Water Stewardship): Mr. Speaker, Wally Fox-Decent is engaged in a process right now that we certainly respect. I would hope the member opposite would respect this as well, and we are anticipating a report very shortly from Wally Fox-Decent. I am going to let Wally Fox-Decent do the job that he is well respected in Manitoba for, and I wish members opposite would also respect Wally Fox-Decent and his capabilities.

Mr. Goertzen: We see the two sides of the Government. Some reports they respect and some reports they do not respect. Manitobans are concerned that forced unionization or forced union dues will drive up the cost of the floodway expansion by millions of dollars. It is as much a tax on Manitobans as increasing the PST. Neither should be an option, so why will this Minister of Water Stewardship not just say today that forced unionization and forced union dues are not an option and avoid the confusion that was caused by his Premier (Mr. Doer) and his Minister of Education (Mr. Bjornson) yesterday?

Mr. Ashton: Mr. Speaker, yesterday they asked about a draft report. There is no report from Wally Fox-Decent. He is still involved in meetings with stakeholders and I do not quite understand, quite frankly, what the member opposite does not understand about that. I await the report from Wally Fox-Decent. I respect Wally Fox-Decent, and I wish the member opposite would, too.

Mr. Goertzen: The Premier ruled out as an option something on a report that had not even been put forward until yesterday. The Minister of Water Stewardship is pretty good at contradicting his Premier. It has almost become an art for him, and I guess the Premier probably wishes that he would confer with him more often and get on the same page.

Well, today he has the chance. He can actually follow his own Premier's lead, so why does he not

just stand up and say he is going to advise the mediator that forced unionization and forced union dues will not be an option, Mr. Speaker?

Hon. Gary Doer (Premier): I am pleased that the members opposite now are supporting Wally Fox-Decent. I was a little flattered but a little bit surprised when their 110 petitions that they read in the House asked us to interfere in the process. I am glad the member opposite has done a U-turn on his position and is allowing an expert like Wally Fox-Decent deal with the issue, Mr. Speaker.

Legal Aid Review Report Tabling Request

Mr. Gerald Hawranik (Lac du Bonnet): Mr. Speaker, the Justice Minister ordered a review of legal aid last fall and according to the *Winnipeg Free Press* article on April 7, the Justice Minister was given that report on March 15.

Mr. Speaker, will the Justice Minister table the legal aid report today or will he do as his Minister of Education (Mr. Bjornson) did yesterday, deny the report because it is damaging to the NDP?

Hon. Gord Mackintosh (Minister of Justice and Attorney General): Mr. Speaker, the member should know that on the Order Paper, Bill 47 is scheduled for first reading in this House in the next several days. That legislation will deal with legal aid and at that time the report will be made public so that we can have input from the public and indeed other stakeholders.

Mr. Hawranik: I table for the House a letter dated March 31 from Manitoba Justice. Mr. Speaker, on March 1, I requested under Freedom of Information legislation a copy of the Legal Aid review report from the Department of Justice.

* (13:55)

I was advised by the department that the request would be met by April 30. This is now May 5, Mr. Speaker, and I have not received a copy of that report. What exactly is the minister hiding? Will the Justice Minister table the Legal Aid review report today?

Mr. Mackintosh: Indeed we have received that report. It is a very good and comprehensive analysis

of Legal Aid plans, Mr. Speaker, and provides a path for Manitoba to consider.

We look forward to tabling that in the next several days and making that available to the public as well, along with legislation which will enable Legal Aid to be stronger in servicing Manitobans in a cost-effective way.

Mr. Hawranik: Over the last week the minister has provided notice to this House that he intends to introduce Bill 47, which is an amendment to the Legal Aid legislation. I expect that Bill 47 will deal with changes to legal aid as recommended by the review report.

Why is the minister hiding that Legal Aid review report, Mr. Speaker? Is it because he is not following the recommendations of that report?

Mr. Mackintosh: Mr. Speaker, it is just a hypothetical question, of course. The Legal Aid report will be made public in the next several days as well as the legislation, and it will be done when the legislation is good and ready. The final draft, I understand, is being prepared now and we will do it when we are ready to do it, as I say, within the next several days.

Internet Luring Charges

Mr. Kelvin Goertzen (Steinbach): The issue of Internet luring of children is a very serious issue for all Manitobans. Families, parents and young people want to know that there are real teeth and not just paper news releases in the provincial justice system.

Yesterday, the Minister of Justice's prosecutors dropped charges under the new federal Internet luring act against a 24-year-old who was found guilty of having sexual relations with a 13-year-old child after contacting the victim on the Internet. Mr. Speaker, why did the minister's department drop these charges?

Hon. Gord Mackintosh (Minister of Justice and Attorney General): Mr. Speaker, I think I heard from the member opposite the allegation that the minister had dropped charges. Again, this reflects back to statements made by the critic on the Driskell matter.

Mr. Speaker, the elected members of this Government do not conduct prosecutions. Maybe in some Soviet or banana republic that might happen, but not in Manitoba. If members think so, if they wish so, that is not a province I would want to live in.

Mr. Goertzen: Mr. Speaker, I would remind the Minister of Justice that these are his employees and he is responsible for the department. Not only did the minister's staff drop the charge against the Internet luring act, but the Crown's recommendation on the reduced charge was a conditional sentence, and that is house arrest. The Minister of Justice has knocked down forests putting out news releases about this Government's concerns about conditional sentencing alternatives, but when it comes to a charge of sexual relations with a child, the minister seems to think that it is okay. Can he explain to Manitobans why he is saying one thing but doing another?

Mr. Mackintosh: Mr. Speaker, if the member is concerned about press releases put out urging the federal government to bring in an Internet luring law, we stand by that kind of announcement and pressure because it was successful. If he is concerned about releases or announcements asking for a strong, robust, national sex-offender registry, we have no apologies. If it is announcements or releases calling on the federal government for child pornography laws that are, indeed, strong and robust, we do not apologize for that.

I will say in answer to the question, specifically, that the Prosecutions branch of Manitoba is strongly supported by this Government to make decisions based on the law and the available evidence. We increased their budget 67 percent. It is unfortunate they voted against that budget.

Mr. Goertzen: My opposition is that this Minister of Justice says on one day that he is opposed to conditional sentencing and the next day they are recommending it. Outraged City of Winnipeg police officers were quoted today as saying that it is really nice to have new legislation but it has to be used; this was a clear opportunity. Actions speak louder than this Minister of Justice's news releases. The police are doing the best they can with the resources they have, but the Minister of Justice has failed them, and he has failed families when it comes to protecting children.

* (14:00)

Mr. Speaker, is there anybody on the government side of the House, whether it is the Premier (Mr. Doer), whether it is the Minister of Family Services (Ms. Melnick) or whether it is the Minister of Justice, who is going to stand up for children and have the guts to do the right thing?

Mr. Mackintosh: The phrase "over the top" comes to mind, Mr. Speaker. I would suggest that the member be cautious in conducting newsstand research. When I came in this morning, I had asked the department to provide a full report on the background, the circumstances and the transcript of this particular case. Prosecutions branch acts on the basis of law and the evidence, and not political interference. It is unfortunate members opposite do not appreciate that value in a democratic society. Let their member be reminded that this Government is providing leadership in this country and putting forth new ways to protect the children of Manitoba. We are going to continue that. If there are any shortcomings in policies or other approaches, we will certainly attend to them and continue that leadership.

Mr. Speaker: Order. Before recognizing the honourable Member for Southdale, I would just like to remind all honourable members that computers or any electronic device, that includes telephones, BlackBerries, whatever you have, are not to be turned on during Question Period. I would just let all honourable members know that. That is our rule in this Chamber.

Pharmacare Deductible Increases

Mr. Jack Reimer (Southdale): Since we launched our toll-free number, 1-877-NDP CUTS line, for Manitobans to share their concerns about the Doer government's hikes to Pharmacare deductibles, we have received over 200 phone calls. Seniors, disabled and Manitobans from all walks of life called to share their concern with this Government's concern. In fact, the Premier (Mr. Doer) has acknowledged that his hikes will, and I quote, "be tough on lower-income people and middle-income people."

Mr. Speaker, how can this Minister responsible for Seniors (Mr. Rondeau) defend this hike to the disabled woman who advised her deductible has

gone up \$282 and now has to use her Visa card to simply buy her needed medication?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, we indicated that it was a very difficult decision with respect to the Budget, but our goal was to preserve Pharmacare into the future. It was rising at 15 percent and 20 percent per year. I notice that the minister of health of Alberta has recently speculated, yesterday, that they may eliminate their pharmacare program in Alberta as a result of rising costs. Nova Scotia has increased premiums by 16 percent.

We looked at every province. We wanted to maintain a universal program where you get 100% coverage after you achieve your deductible. We looked at places where they only covered seniors. We looked at places where you had to pay a premium like some Conservative provinces. We looked at all the options. While it was difficult, we thought this was the fairest way to preserve the program and provide universality to all Manitobans now and into the future.

Mr. Reimer: Mr. Speaker, again, this Government's inability to manage the province's finances is directly impacting the health of all Manitobans. We heard from a woman suffering from MS. She and her husband have two young children. Their deductibility will rise almost \$1,700, and she must now cut down on child care.

Why must this family, already suffering from a family member having a debilitating disease, have to make these choices now?

Mr. Chomiak: Mr. Speaker, 85 percent of Manitobans, of the 85 000 Manitoba families who receive Pharmacare, will see an increase in their deductible of \$1 to \$9 per month. I must tell you that we cover the MS drugs, all three MS drugs, which cost in excess of \$20,000 a year per patient. They are covered in this jurisdiction. They are not covered in all jurisdictions. Yes, the member says it should be, and I am glad that we did it. That is why we do it, and we want to continue to do it in the future.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Reimer: Thank you, Mr. Speaker. What I am pointing out to the members and to the Government

is the fact that there are costs that are increasing to seniors, the people on disability, people on fixed incomes. These are actual happenings here in Manitoba.

We also got a phone call from a lady who lives in the Elmwood riding. These are seniors living in a home. They are still in their home. Their deductible is going to go up \$102. It may sound like a small amount but it is a big amount to seniors living on a fixed income. They are living day to day, they said. They now have to make choices because of \$102. I pointed out \$1,700. I pointed \$282. These are all increases that people on fixed incomes or people with disabilities or people with a debilitating disease now have to carry. It is not fair.

I ask this minister, the Minister responsible for Seniors (Mr. Rondeau), the Minister of Health or the Minister responsible for Persons with Disabilities (Ms. Melnick): How can they download this on to these people here in Manitoba?

Mr. Chomiak: I am glad the member asked that question because we did not want to just restrict our programs to seniors or specific diseases as is done in other jurisdictions. We wanted a universal program that covers the cost of drugs for every Manitoban. The vast majority of Manitobans will receive their drugs, in fact they all will receive their drugs, 100% coverage once they achieve their deductible. Mr. Speaker, 85 percent of people who receive Pharmacare benefits have seen an increase into the future.

While that is difficult, the budget for Pharmacare has grown at 15 percent and 20 percent per year, which is a bit greater than the 1% budget promise members opposite made when they talked about health care. They said 1 percent should go to the Budget. We are putting in an increase to Pharmacare this year, and we want to maintain it into the future.

Dauphin Lake Management Plan

Hon. Jon Gerrard (River Heights): Today I table a memorandum of understanding that was signed by the present government with great fanfare in December of 2000. This memorandum of understanding was to develop a plan for the Dauphin Lake fishery to improve the management of Dauphin Lake. Three and a half years later the plan still has

not been publicly released. It seems to be another example of inadequate attention to lakes.

I ask the Minister of Water Stewardship today whether he can finally table his plan for Dauphin Lake, or is he still just developing the plan.

Hon. Steve Ashton (Minister of Water Stewardship): Mr. Speaker, I am surprised the member opposite was not asking about the new initiatives we announced this morning which are going to provide a million dollars in terms of additional initiatives that will impact, yes, for Lake Winnipeg, a prime focus, but for many lakes throughout the province.

I would like to point out to the member opposite that we have done a significant amount of work the last number of years in dealing with bringing together various stakeholders, dealing in terms of co-management, in particular, with Lake Dauphin and Lake of the Prairies. We are bringing in tougher legislation this session that is going to target illegal fishing.

Mr. Speaker, I can tell you that we have made significant progress. Particularly, I want to acknowledge the work that has been done by the West Region Tribal Council and by the many stakeholders, sports fishers and local municipalities. We have made significant progress and we will continue to do so.

Mr. Gerrard: I was pleased to see that the minister had cobbled together a few initiatives to announce today after my pressing him repeatedly, and he at least recognized that what was in the Budget was not good enough.

What I would ask the minister is why it has taken three and a half years after signing an MOU, a memorandum of understanding, to develop a plan. Why has it taken three and a half years, and we still do not have a plan? Is the minister not really concerned about Dauphin Lake? Is he not really moving this plan forward? Does he not have the resources even to produce a plan? Where is the minister's plan?

* (14:10)

Mr. Ashton: Mr. Speaker, only the Member for River Heights would describe a million dollars in initiatives that are going to focus in on Lake

Winnipeg and lake and river health throughout the province as a cobbled-together announcement. I am very disappointed in particular that the member did not actually ask a question about one of the areas that we did respond.

The only area that he has raised that is the result of that is in terms of disclosure, because he asked the question about two weeks ago in terms of the R.M. of Gimli. He did not, by the way, put on the record that that has now been dealt with in terms of the operation of the plant.

We said, Mr. Speaker, the public has the right to know. We are going to make sure those kinds of incidences that impact on Lake Winnipeg and other lakes and rivers in the future will not just go in terms of notification of officials, but will be the result of public notification. That is the kind of progress we are making as a government in terms of water issues in this province.

Pelican Lake Management Plan

Hon. Jon Gerrard (River Heights): Today, Mr. Speaker, we learn it is three and a half years from a memorandum and there is still no plan. Last week, we learned that it takes more than three months to set up a meeting with the minister to talk about a crisis in Killarney Lake. The minister then implied that he could not get to Killarney because I could not get to Thompson. What a feeble excuse and, besides, I was in Thompson three times in the last year.

In southwestern Manitoba, Mr. Speaker, people are concerned not only about Killarney Lake, but about other lakes like Pelican Lake where there are reports of considerable die-off of fish this spring. I ask the minister: When will the minister table his plans for Pelican Lake and for Killarney Lake?

Hon. Steve Ashton (Minister of Water Stewardship): It kind of shows you where we are at in this Legislature when members opposite have to get up and proudly proclaim they have actually visited Thompson, Manitoba, the third largest city in the province. What he did not mention is those visits were not during the election. In fact, the Leader of the Liberal Party, the Leader of the Opposition (Mr. Murray), could not find Thompson or the entire North when it came to the last election. I need no lectures from that member about anything to do with

this province. I represent the entire province and he is welcome any time in Thompson, Manitoba, Mr. Speaker. Maybe he will show up during the next election.

Nursing Profession Government Initiatives

Ms. Kerri Irvin-Ross (Fort Garry): In March 2000, this Government announced a five-point plan to address nursing issues. Will the Minister of Health please indicate if progress has been made on this plan?

Hon. Dave Chomiak (Minister of Health): In 2003, there were 879 more active practising nurses in Manitoba than in 1999. Enrolment in nursing programs has more than doubled since 1999. Since 2001, nursing vacancies have dropped by 25 percent. Nursing graduates have tripled since 1999. The number of graduates who report full-time employment has doubled since 1999. Since 1999, six hundred nurses have been recruited to Manitoba from other provinces and the United States.

Mr. Speaker, \$3 million has been provided through RHAs to improve access to continuing education, 700 nurses have received relocation assistance, 411 nurses have accessed funding to complete nursing refresher programs, specialty training courses in emergency. I could go on the balance of the afternoon talking about the changes in nursing in Manitoba since 1999.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I ask the co-operation of all honourable members. We need to be able to hear the questions and the answers and if the honourable Minister of Health and the honourable Member for River East (Mrs. Mitchelson) wish to have a conversation, we have loges or they can have it in the hallway or in their offices, but we need to be able to hear the questions and the answers.

Driver Licensing Impact on Autopac Rates

Mr. Glen Cummings (Ste. Rose): Mr. Speaker, only this Government would brag when they still have not solved hallway medicine, as they like to describe it.

My question is to the Minister responsible for MPI (Mr. Mackintosh). Has this minister put in place

a working agreement which will transfer the responsibilities for DDVL and how much will that cause an increase on insurance rates?

Hon. Ron Lemieux (Minister of Transportation and Government Services): I had mentioned to the member opposite prior that there is an Estimates process happening and a lot of the details will be coming out through the Estimates process. We will have an opportunity to discuss that, but I have to tell you, Mr. Speaker, with regard to the benefits, there is going to be improved customer service, operational savings, cost avoidance, better safety co-ordination. I know this Government is very proud of our record with regard to safety overall with regard to the driving public.

Mr. Cummings: Mr. Speaker, we have seen hidden agendas on the part of this Government many times. This is an embarrassing answer from a government that is potentially unloading \$10 million worth of additional expense into MPI. We want a straight answer. What effect will this have on cost to insurance in this province?

Mr. Lemieux: I have to tell you there are many loyal and dedicated employees in DDVL, so it is with regret in many ways. Those people are dedicated employees and work very hard for the Province of Manitoba but we know they will do an equally strong job for MPI. I have to tell you, though, what a hypocritical comment. They had—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I just want to caution all honourable members. I have cautioned members last week and the week before about the words, "hypocritical," "hypocrite." Some Speakers have ruled them parliamentary and other Speakers have ruled them unparliamentary. I personally, as a Speaker, do not think it is the place in this Chamber for that. I think it would disrupt the House and cause some decorum to fall by the wayside, so I would encourage all honourable members to stay away from using those kinds of words. It is just a caution to all honourable members.

The honourable Minister of Transportation and Government Services, to conclude his answer.

Mr. Lemieux: Mr. Speaker, I apologize if anyone took offence. I respect your rulings and I apologize for the comment.

Nevertheless, Mr. Speaker, I have to say that when that member was on the government benches, they had a report commissioned in 1993 by Deloitte & Touche that told them to do exactly the same thing. What do they do? They sit on it for 11 years, do nothing when there are all kinds of benefits for the taxpaying public of Manitoba. They sit on it. Again, in 1997 there was an internal report. What do they do? Nothing. They sit on it. The mothball party that did absolutely nothing in Manitoba for 11 years.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

* (14:20)

Mr. Cummings: Well, Mr. Speaker, the member can call me anything he wants, but when he does not know the answers, calling names and getting personal is not going to save the insurance rates of this province. This Government, of all parties, should understand that messing with public insurance in a way that is unpredictable, and they are refusing to answer the questions once again. Very clearly, we know that this Government tried to spend \$10 million of MPI revenue before fixing a computer program. Now they know that they can move it into Autopac, but they know that there is a cost. What is that cost?

Mr. Lemieux: Mr. Speaker, we have always been concerned with regard to the taxpaying public of Manitoba and wanted to make sure that there are a lot of benefits with regard to any moves that are made. I know we will have an opportunity to speak to it during the Estimates process, but there are many cost avoidances that are into this move from DDVL to MPI, and those will come out within the Estimates process. I am sure members will have a number of questions with regard to that.

As a government, we have continually looked after the well-being of the taxpaying public of Manitoba, whether it be in education, health or other areas. I have to tell you in this particular area, once again I mention about improved customer service and many other benefits that are going to come forward as a result of this.

Mr. Speaker: Time for Oral Questions has expired.

MEMBERS' STATEMENTS

Dennis Zboril

Mrs. Leanne Rowat (Minnedosa): Mr. Speaker, I would like to rise today in the House to share a story of an individual's will and a community's pride. Dennis Zboril returned home to Minnedosa late last night with a gold medal. Our hockey hero earned the award when Team Canada won top place in the final game of the World Amputee Hockey Championships in Prague last Friday morning.

Team Canada beat Team U.S.A. in the final game with a 7-1 win and Dennis scored one goal in that final game. Team Canada won their first game on April 24, beating the Czech Republic. In day two, they beat Finland and Zboril's team took on Russia to win 13-0 in their game, and then the finals, which they won.

Mr. Speaker, Dennis' father, Jeff, accompanied his son on the trip and was there to cheer his son on during the game. Dennis' mother, Bev, indicated to the *Minnedosa Tribune* that her son had also been named best defenceman on the team and was selected as one of the players for the tournament all-star team. Minnedosa's World Gold Medal Champion will be honoured at a special recognition evening being planned by the local Kinsmen Club on June 6.

School Science Symposium

Ms. Marilyn Brick (St. Norbert): On April 25, the Manitoba Schools Science Symposium was held in Winnipeg at the University of Winnipeg's Duckworth Centre. This year there were 501 projects by 900 students from across Manitoba.

Mr. Speaker, I would like to give honourable mention to the best in the Science Symposium. First, Zexi Wang and Alyson Huang, from Fort Richmond Collegiate, who won best Overall Senior Group Project. There was also Akeshia Subedar, from Acadia Junior High, who won best Physical Junior Individual Project and Canada Wide Science Fair.

For best Overall Intermediate Individual Project, Katherine West from Ryerson School won. From Acadia Junior High, Nishant Balakrishnan won best Overall Junior Individual Project.

Mr. Speaker, we must also not forget Erin Sawatzky for winning the best Individual Health

Intermediate Award. Then there was Lisa Craigen from Acadia Junior High who won best in Individual Energy Junior Category. For best Individual Earth Science Junior Award, Starry Peng from Acadia Junior High won. Dane Pischke, also from Acadia, won for best Individual Engineering Junior. Michelle Leung won in the best Individual Environment Junior Category. Jinglu Liu from Fort Richmond Collegiate was the winner in the best Senior in the Individual Plant.

I would also like to make a particular mention of those students winning in other categories from my area. From La Barriere Crossings School, Sawyer Marshall, Kristen Small, Adam Holik, Neahmiah Kleinsasser, Steven Learning and Robert Dumaresq.

From St. Avila School, Alanna Johnson, also Kyle Vouriot and Branden Kunst from St. Norbert Immersion School, and Tasnia Tarannum and Ingrid Hougen from Dalhousie School.

There were many other students who won medals, and I would like to congratulate them all for their accomplishments as they have all studied hard and formulated incredibly innovative ideas for this symposium. In particular, I would like to thank the schools, the teachers and the parents for their support and instruction of such bright students. Thank you, Mr. Speaker.

Mr. Speaker: Before recognizing the honourable member, could I ask honourable members that are having conversations to please do it in the loge or in the hallway because it is very, very hard to hear the person that has the floor.

Churchill Bulldogs

Mr. John Loewen (Fort Whyte): Mr. Speaker, on April 22, I had the very great pleasure of attending the second annual Churchill Bulldogs Hall of Fame dinner to celebrate the pride and tradition of the Churchill Bulldogs football team.

This dinner was attended by over 150 former alumni coaches and present students and participants in the Churchill High football program. This program was entitled "Pride and Tradition," and it was a celebration of the many great accomplishments of the football program that has arisen from this small school over the years.

Mr. Speaker, I would like, in particular, to congratulate the inductees, former coach Mr. Paul Normandeau, seventies' players running back Jim "Bullet" Morgan, Mr. Bart Evans who was an offensive lineman in the seventies and went on to a career with the Hamilton Tiger Cats and other CFL teams. In addition, Mr. Bob Sokalski, Mr. Tony Paukovic and Mr. Alex Parasidis were inducted into the Churchill Bulldogs Hall of Fame.

It was a particularly enjoyable evening for those of us attending, particularly those of us who were alumni of the program because, in September of 2003, the current Bulldog team was able to defeat Oak Park 27 to 7 in the first game of the high school football season. Oak Park was attempting to break Churchill's record that goes back to 1970. The '67, '68, '69 and '70 teams went 32 consecutive games without a loss. The Bulldogs team of 2003 was able to stop Oak Park's winning streak at 31 games, and they were given a great deal of congratulations.

Congratulations to all who were inducted that evening. Thank you, Mr. Speaker.

Fred Douglas Society Humanitarian Award

Hon. Rosann Wowchuk (Minister of Agriculture, Food and Rural Initiatives): Mr. Speaker, I am pleased to rise before the House today to congratulate a recipient of the Fred Douglas Society Humanitarian Award, Karen Schoenrath.

The purpose of the Fred Douglas Humanitarian Award is to honour individuals who have enriched our communities through their outstanding service towards the elderly in the province of Manitoba.

Karen received this award because of her considerable contributions to improving the lives of seniors in her community of Swan River. As a volunteer, Karen has worked closely with the Swan River and District Community Resource Council which offers support services to seniors and people with disabilities. She is currently the co-president of the board, and in 1997-98 she was the board president. She worked in the preparation of the first proposal for a grant from Manitoba Health to fund a Services to Seniors Resource Co-ordinator.

Mr. Speaker, she fundraised to purchase office furniture and equipment. She also volunteered her time assisting the new resource co-ordinator and

recruiting board members and volunteer service providers. Her qualifications as a nurse have also contributed greatly to the health and well-being of seniors in her area, as she has volunteered at a monthly blood pressure clinic and has recruited many much needed volunteer nurses as well.

Karen is a nurse at the Swan River Hospital, Mr. Speaker, where she works casual shifts. She has belonged to and volunteered for the Royal Purple Lodge for 40 years. All her volunteer work and consistent devotion to the lives of seniors is an inspiration to each of us. Her humanitarian service and pioneering spirit are a voluntary contribution toward the betterment of seniors in her community.

I would like to commend her for all her hard work. Thank you, Mr. Speaker.

Education Finance Report

Hon. Jon Gerrard (River Heights): Mr. Speaker, Manitobans realize that there is a critical need to reform education funding in Manitoba. Under the Tories the proportion of provincial funding fell from 72 percent to 62 percent. Under the NDP, the proportion of provincial funding has fallen from 62 percent down to 57 percent and looks like it will go lower this year.

Education property taxes are clearly too high. Manitobans realize that there is a need for change. The Government has set up a working group. The working group spent a lot of time developing ideas to change the education funding approach in Manitoba.

Mr. Speaker, we see today on the front of the *Free Press* that the Premier (Mr. Doer) can do no better than heap scorn on the plans developed by the working group. There is something fundamentally wrong when people have worked so hard trying to develop a better way of funding education in Manitoba, and the only response from the Premier is to heap scorn on their efforts.

* (14:30)

Mr. Speaker, Manitoba Liberals agree with the concept put forward by the working group of having 80% provincial funding. We believe this is very important, to increase the level of provincial funding to 80 percent, to give much better equity in terms of funding all over Manitoba. We also see that it is very

important that there be a proportion of local school board financing and local school board control to make sure that there is local input and local attention to quality of education as it is delivered in the schools.

Mr. Speaker, Manitoba Liberals see that this can be accomplished in a fiscally responsible way using a multi-year time frame, which is exactly what we proposed in the last election about a year ago. There is no need to increase the provincial sales tax from 7 percent to 8 percent. We presented this notion a year ago. We still believe that this change must come, that the change can be done in a fiscally responsible way without raising the sales tax, as the NDP seem to want to do.

ORDERS OF THE DAY

GOVERNMENT BUSINESS

House Business

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, would you please canvass the House to see if there is unanimous consent to have a section of Committee of Supply sit in Room 254 concurrently with the House this afternoon and for the section to consider the Estimates for the Department of Finance?

Further, Mr. Speaker, would you determine if there is unanimous consent that no votes be called in the section of Supply meeting this afternoon and that there be no quorum requirement in Supply, today only?

* (14:30)

Mr. Speaker: Is there unanimous consent to have the section of Committee of Supply sit in Room 254 concurrently with the House this afternoon and for the section to consider the Estimates for the Department of Finance?

Further, determine if there is unanimous consent that no votes be called in the section of Supply meeting this afternoon and that there be no quorum count requirement in Supply. Is there agreement?
[Agreed]

Mr. Mackintosh: Mr. Speaker, I will just set out the Orders of the Day, and then we will have to call Supply. Would you please call in the House second

readings in the order they appear, second the motion on page 7, and then adjourned debates on the bills in the following order: 11, 16, 41, 15?

Mr. Speaker: In the Chamber, we are going to be doing government bills, and in Room 254 we will deal with Supply. So, in accordance with Rule 233, Room 254 will deal with the Supply and that will be the Department of Finance, and now in the Chamber here, we will deal with government bills. We will start off with second readings.

SECOND READINGS

Bill 19—The Public Schools Amendment Act

Hon. Peter Bjornson (Minister of Education, Citizenship and Youth): I move, seconded by the Minister of Family Services and Housing (Ms. Melnick) that Bill 19, The Public Schools Amendment Act; Loi modifiant la Loi sur les écoles publiques, be now read a second time and be referred to a committee of this House.

Mr. Speaker: It has been moved by the honourable Minister of Education, Citizenship and Youth, seconded by the honourable Minister of Family Services and Housing, that Bill 19, The Public Schools Amendment Act, be now read a second time and be referred to a committee of this House.

Mr. Bjornson: Through Bill 19's amendments, we will enhance Manitoba's excellent public school system by strengthening legislation to address concerns raised by education stakeholders. The amendments recognize in the legislation the Frontier Collegiate Institute advisory committee.

The amendments state that the minister may, by regulation, establish a reserve as the separate ward of a school division and outlines the factors the minister is to consider before making such a regulation.

In terms of changes supported by trustees, we have amended changes to the timing of the election of chair and vice-chair. As well, Bill 19's amendments propose a trustee is disqualified for four years from holding office if he or she violates the PSA; "is convicted of (i) an offence punishable by imprisonment for five years or more, or (ii) an offence under section 122 (breach of trust by public officer), 124 (selling or purchasing office) or 125 (influencing of

negotiating appointments or dealings in office) of the *Criminal Code*. . . ."

Mr. Speaker, the bill clarifies that a person cannot be nominated for election as trustee and from being elected or remaining as a trustee if elected or appointed MLA, MP or municipal councillor. The effective date for this provision is November 1, 2006.

A welcome change for divisions with wide geographic areas is the amendment that allows boards to hold a board meeting by electronic means without declaring a trustee absent, although a trustee must be present at least once every three months. Further amendments to allow boards to "meet in camera for the purpose of hearing representations about and determining whether to expel a pupil." As well, provisions in the bill address the need for employee leave of absence for individuals intending to run for trustee.

Mr. Conrad Santos, Deputy Speaker, in the Chair

It says that a DSFM employee, if elected as trustee, must take a leave of absence, and that if an employee of any other school board is elected as a trustee for that school board, they must take a leave of absence.

Mr. Deputy Speaker, further amendments will allow the minister to make regulations around the prescribed usage of teacher contracts. The act currently allows the minister to make regulations around the form of contract, and this change allows the minister to establish parameters around how limited-term contracts are to be established.

In terms of expropriation and disposition of school board property, the bill proposes that an expropriation by-law must be approved by the PSFB and allows for regulations which will define the guidelines for disposition of school property.

These amendments will address long-standing concerns of teachers and school administrators, and we are pleased to address them through these proposed changes.

Thank you, Mr. Deputy Speaker.

Mr. Peter Dyck (Pembina): I move, seconded by the honourable Member for Lac du Bonnet (Mr. Hawranik), that we adjourn debate.

Motion agreed to.

Bill 25—The Amusements Amendment Act

Hon. Eric Robinson (Minister of Culture, Heritage and Tourism): I move, seconded by the Minister of Healthy Living (Mr. Rondeau), that Bill 25, The Amusements Amendment Act, be now read a second time and be referred to a committee of this House.

Mr. Deputy Speaker: It has been moved by the honourable Minister of Culture, Heritage and Tourism, seconded by the honourable Minister of Healthy Living, that Bill 25, The Amusements Amendment Act; Loi modifiant la loi sur les divertissements, be now read a second time and referred to a committee of this House.

* (14:40)

Mr. Robinson: Thank you very much, Mr. Deputy Speaker. I am pleased to be introducing The Amusements Amendment Act for second reading. I look forward to the committee hearings during which we will consider the bill in detail on a clause-by-clause basis.

Trends in the video game market are potentially placing children at risk and putting pressure on provincial and territorial governments to minimize this risk. Violent and sexually explicit video games represent a growing segment of the video game market, and improvements in graphics technology mean that video game images are becoming increasingly realistic. Unfortunately, children have been targeted by the video game industry in the sale and marketing of graphic and violent video games. Parents and citizens in Manitoba have expressed concern about the violent and sexually explicit content of a number of video games on the market today. Through our Healthy Child initiative, this Government is committed to protecting children from harmful material.

Mr. Deputy Speaker, this bill redefines the term "film" in The Amusements Act to clearly include video games. This change also allows video games to be regulated. The legislation will require that video games be classified, but it will not require the Province's Film Classification Board to carry out the classification.

However, Mr. Deputy Speaker, the legislation will enable the Province to adopt classifications of

another body and will empower the Province to establish prohibitions for the sale or rental of violent and sexually explicit video games to children. The Government also recognizes that visual media is constantly taking on new forms, and these amendments enable the Government to consider the regulation of the new technologies as they develop.

I have had the opportunity to have discussions with representatives from the Violence Is Not Child's Play Coalition and the Retail Council of Canada, and both these organizations share our Government's concerns with the ability of young children to purchase or rent violent and sexually explicit video games. Both these organizations are to be applauded for their concern for the safety of our children, our future, indeed.

I would like to commend the Retail Council of Canada's work with video game retailers in British Columbia on their commitment to "Commitment to Parents" initiative. Under this initiative, video game retailers may choose to voluntarily enforce an industry-based classification system and refuse to sell or rent violent or sexually explicit video games to children. I support those responsible retailers who have chosen to participate in this initiative.

I would encourage members on both sides of the House to show their commitment to our parents and our commitment to our young people and support this bill.

Mrs. Mavis Taillieu (Morris): Mr. Deputy Speaker, I move, seconded by the Member for Pembina (Mr. Dyck), that we adjourn debate.

Motion agreed to.

Bill 34—The University of Winnipeg Amendment Act

Hon. Diane McGifford (Minister of Advanced Education and Training): I move, seconded by the Minister of Health (Mr. Chomiak), that Bill 34, The University of Winnipeg Amendment Act, be now read a second time and be referred to a committee of this House.

Mr. Deputy Speaker: It has been moved by the honourable Minister of Advanced Education and Training, seconded by the honourable Minister of Health, that Bill 34, The University of Winnipeg

Amendment Act; Loi modifiant la Loi sur l'Université de Winnipeg, be now read a second time and be referred to a committee of this House.

Ms. McGifford: This amendment to The University of Winnipeg Act reflects better the processes used by the university regarding the way in which students are treated by the two governing bodies, the Board of Governors and the Senate.

The proposed amendment would split disciplinary powers over students so that the Senate would have internal disciplinary jurisdiction over students in academic matters and the Board of Regents have internal disciplinary jurisdiction over students in non-academic matters. This measure ensures that the governing body of the university specializing in academic matters addresses concerns regarding the academic behaviour of students.

The Board of Regents retains the authority to address the non-academic discipline of students. This amendment requested by the University of Winnipeg will help to strengthen the academic integrity of the university while, at the same time, ensuring that student disciplinary matters of an academic nature will be addressed by the body best suited to resolve this matter.

Mr. Peter Dyck (Pembina): I move, seconded by the honourable Member for Arthur-Virden (Mr. Maguire), that we adjourn debate.

Motion agreed to.

Bill 43—The Personal Health Information Amendment Act (Spiritual Health)

Hon. Dave Chomiak (Minister of Health): I move, seconded by the Minister of Healthy Living (Mr. Rondeau), that Bill 43, The Personal Health Information Amendment Act (Spiritual Health); Loi modifiant la Loi sur les renseignements médicaux personnels (santé spirituelle), be now read a second time and be referred to a committee of this House.

Motion presented.

Mr. Chomiak: Mr. Deputy Speaker, the definition of health included in this bill refers to the condition of being sound in mind, body and spirit. Already two existing Manitoba statutes, The Workplace Safety and Health Act and The Sustainable Development

Act, include this definition for that purpose. To clarify and reinforce the belief that is already present in the administration of many facilities, that is, the belief that spiritual care is central to the overall health and well-being of the individual and that spiritual care is an integral part of the delivery of the health care system, we propose this amendment.

Mr. Peter Dyck (Pembina): I move, seconded by the honourable Member for Arthur-Virden (Mr. Maguire), that we adjourn debate.

Motion agreed to.

Bill 44—The Colleges Amendment Act

Hon. Diane McGifford (Minister of Advanced Education and Training): I move, seconded by the Minister of Health (Mr. Chomiak), that Bill 44, The Colleges Amendment Act, be now read a second time and be referred to a committee of this House.

Mr. Deputy Speaker: It has been moved by the honourable Minister of Advanced Education, seconded by the Minister of Health, that Bill 44, The Colleges Amendment Act; Loi modifiant la Loi sur les collèges, be now read a second time and be referred to a committee of this House.

Ms. McGifford: This amendment, Mr. Deputy Speaker, which was requested by Red River College, will provide all colleges with similar powers. The amendment mirrors a change made to The University of Winnipeg Act in the late 1990s and will allow colleges to develop by-laws that regulate parking.

This change is consistent with other post-secondary institutions in the province, which have the authority to make by-laws respecting parking on property owned or managed by the institutions. The change is also consistent with the authority provided to board-governed organizations. This legislation will not impact the delivery of community college programming, nor will it change the relationship between the colleges and government.

Mr. Peter Dyck (Pembina): I move, seconded by the honourable Member for Emerson (Mr. Penner), that we adjourn debate.

Motion agreed to.

Bill 45—The Engineering and Geoscientific Professions Amendment Act

Hon. Nancy Allan (Minister of Labour and Immigration): I move, seconded by the Minister of Health (Mr. Chomiak), that Bill 45, The Engineering and Geoscientific Professions Amendment Act, be now read a second time and be referred to a committee of this House.

* (14:50)

Mr. Deputy Speaker: It has been moved by the honourable Minister of Labour and Immigration, seconded by the Minister of Health, that Bill 45, The Engineering and Geoscientific Professions Amendment Act; Loi modifiant la Loi sur les ingénieurs et les géoscientifiques, be now read a second time and be referred to a committee of this House.

Ms. Allan: It is an honour at this time to have the opportunity to speak to Bill 45. Last year the Association of Professional Engineers and Geoscientists of the province of Manitoba approached the Government and requested amendments to their professional act that would ensure that the association had the necessary legislative authority to provide charitable donations, gifts or grants for causes important to the association. There was also some question as to whether the association had sufficient legislative authority under the act to provide for bursaries, awards and other educational incentives or to engage in promotional activities in advancing the purposes of the association. Legal counsel for the association advised that the Government be requested to amend the act to ensure that there was such legislative authority. The association did so last fall.

Following a careful review of the association's request by our Legislative Counsel, Mr. Deputy Speaker, the Government agreed to proceed with the requested changes. Amendments in three areas of the act would appear necessary to provide the legislative authority required to satisfy the association's request.

Their first change would involve expanding on the purposes of the association. More specifically, the purposes of the association would be expanded on to include advancing the education and proficiency of its members and promoting the continuing development of the engineering and geoscientific professions.

Second, Mr. Deputy Speaker, the powers of the association would be expanded to permit it to dispose of property or money by donation, gift or otherwise towards furthering its purposes.

Third, to complement the enhancement of the association's purposes and powers it is necessary to extend the association's by-law-making authority. For example, the amendments authorize the association to make by-laws respecting bursaries, awards and other educational incentives and the provision of financial or other assistance. As well, the association will be able to make by-laws relating to meeting the means of promoting the engineering and geoscientific professions. These powers will enable the association to establish rules and parameters relating to its additional purposes and powers.

The engineering and the geoscientific professions have always been very important to the development and expansion of Manitoba's social and economic well-being. These amendments, we firmly believe, deserve the support of every member of this Legislature. They will have a positive impact on the development of the engineering and geoscientific professions and on the social and economic well-being of the people of Manitoba.

I therefore commend this bill for approval of the Assembly.

Mr. Peter Dyck (Pembina): I move, seconded by the honourable Member for Southdale (Mr. Reimer), that we adjourn debate.

Motion agreed to.

Bill 46—The Teachers' Pensions Amendment Act

Hon. Peter Bjornson (Minister of Education, Citizenship and Youth): Mr. Deputy Speaker, I move, seconded by the Minister of Healthy Living (Mr. Rondeau), that Bill 46, The Teachers' Pensions Amendment Act; Loi modifiant la Loi sur la pension de retraite des enseignants, now be read a second time and be referred to a committee of this House.

His Honour the Lieutenant-Governor has been advised of the bill, and I table the message.

Motion presented.

Mr. Bjornson: Bill 46 contains amendments that will address seven key recommendations of The

Teachers' Pensions Amendment Act. Proposed amendments will enable teachers in the future to make pension contributions while on adoption leave and allow current and former teachers to purchase past maternity leave.

As well, teachers on long-term disability or LTD will be paid out of the pension fund rather than from LTD funds maintained by the Manitoba Teachers' Society. Further, teachers receiving LTD will not be required to make contributions during a period of disability if they are receiving disability income under a group insurance plan and not under sections 19 and 20 of the act.

Teachers will receive pension credit on short-term leaves of absence with full or partial pay and will receive pension credit for the period of leave. The amendments will also remove the requirement to appoint two members to the Teachers' Retirement Allowance Fund board or TRAF from names submitted by the Manitoba Association of School Trustees. Thank you, Mr. Deputy Speaker.

Mr. Peter Dyck (Pembina): I move, seconded by the honourable Member for Portage la Prairie (Mr. Faurichou), that we adjourn debate.

Motion agreed to.

Bill 48—The Human Tissue Amendment Act

Hon. Dave Chomiak (Minister of Health): I move, seconded by the Minister of Healthy Living (Mr. Rondeau), that Bill 48, The Human Tissue Amendment Act; Loi modifiant la Loi sur les tissus humains, be now read a second time and be referred to a committee of this House.

Motion presented.

Mr. Chomiak: Amendments to the act are meant to increase Manitoba's organ donation rate by streamlining the donation process. Organ donation rates nationwide are low. Manitoba's amendments to this legislation will help improve those rates to save lives and make the quality of life better for Manitobans.

In addition, Mr. Deputy Speaker, the name of the act has been changed to The Human Tissue Gift Act, to better reflect the spirit of donors and their relatives when many cases are grieving their personal loss while unselfishly making this contribution to others

whose lives will be saved or improved. The amendments were developed in consultation with representatives of the WRHA organ donation program, the Tissue Bank program and the Lions' Eye Bank program.

Amendments include changes that will require that the organ tissue and/or eye bank agencies be notified of a death or an impending death, so trained staff can assess organ tissue or eyesight ability and attempt to obtain informed consent for donation; enable the disclosure of personal health information of potential donors to the organ tissue and eye bank agencies for quick suitability assessment; and allow for the recovery of expenses of earning the assessment retrieval processing preservation storage and other activities required in the donation process, as well as payment to the professionals involved in such activities.

A new organ and tissue donor card is being sent to all new Manitoba Health card registrants, 18-year-olds deleted from their parents' health card and those requiring a placement health card. Penalties for the sale of an organ or tissue have been increased from a maximum fine of \$5,000 or up to six-month imprisonment or both, to a maximum fine of \$10,000 or up to one year imprisonment or both.

We look forward to discussion with respect to this very significant changes to update the act, Mr. Deputy Speaker, and to provide for timely notification in the hopes and desires of improving the gifting of organs in the province of Manitoba. Thank you.

Mr. Peter Dyck (Pembina): I move, seconded by the honourable Member for Arthur-Virden (Mr. Maguire), that we adjourn debate.

Motion agreed to.

* * *

Hon. Dave Chomiak (Minister of Health): I move, seconded by the Minister of Healthy Living (Mr. Rondeau), that in accordance with subsections 11.1(5) and (6) of The Provincial Court Act, the Report of the Standing Committee on Legislative Affairs respecting the Judicial Compensation received on April 14, 2004, be concurred in.

Motion presented.

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

* (15:00)

DEBATE ON SECOND READINGS

Bill 11—The Manitoba Public Insurance Corporation Amendment Act (Protection of Crown Assets)

Mr. Deputy Speaker: Resume debate on second reading, Bill 11, on the proposed motion of the honourable Minister of Justice (Mr. Mackintosh), standing in the name of the honourable Member for Lac du Bonnet (Mr. Hawranik).

Is there leave that it remains standing in the name of the Member for Lac du Bonnet?

An Honourable Member: No.

Mr. Deputy Speaker: Leave has been denied.

Mr. Glen Cummings (Ste. Rose): I appreciate the opportunity to speak on this bill. It seems to me that we have a very political bill that the current government has brought into this Chamber, one that could be viewed as rather than having a positive action but to have a negative action, where instead of acting to do something, it acts to prevent something.

From that perspective, I would like to express my frustration with the Government for introducing this type of legislation. The basic principle of being elected to government is that those who are successful at the polls are entrusted with the responsibility to make decisions on behalf of the public. I know this is a topic that is near and dear to your heart and one that I suspect every member of this Chamber should hold equally near and dear to their own heart, but what we see here is something that deviates from what would be normal practice in that respect. We have a government introducing a bill that would prohibit action or will allow action only under certain conditions that would normally be considered something that government could make a free choice or make a decision on behalf of those who elected them to manage on their behalf.

No one of this side is saying that Manitoba Public Insurance is subject to being sold. But what this bill does is it overlooks the fact that there are lots

of things around the management of Manitoba Public Insurance that should never be held above scrutiny, or beneath scrutiny, if you will, depending on how you view the thing and how you view that aspect of governance.

Mr. Deputy Speaker, Manitoba Public Insurance is an independent corporation, or as independent as any Crown corporation can be made, with a minister in Cabinet responsible to report on the activities of that corporation. It is governed, obviously, for rate structure by The Public Utilities Board. It seems like a pretty reasonable, arm's-length situation.

But there is a little history to this corporation that perhaps some of us have overlooked. At one time, Manitoba Public Insurance was also selling general insurance, fire insurance and liability. In 1989 that arm of the corporation was sold and the losses and the bleeding that was associated with that responsibility within the corporation stopped. Now, if there had been a bill of this nature in place at that time, I suppose that it would have been very difficult for the government of the day to deal with that issue, and yet it was clearly bleeding. In my modest opinion, it also was something that was on the fringes of the mandate that Manitoba Public Insurance should have, because most people, when they think of what used to be MPIC, think of auto insurance. That is indeed where the monopoly mandate is for Manitoba Public Insurance.

It is a mandated monopoly, Mr. Deputy Speaker, and, to that end, the Government is saying, well, that must continue as it is in perpetuity. But I would submit that none of us are wise enough to be able to predict what will happen down the road in the area of some of these responsibilities. Because someone feels that they are so wise that they can tie the hands of future elected officials, then I suggest that they are perhaps introducing, as I said, a political agenda, one which they want to score points on with the public, yet they are not necessarily, in my view, providing a fair representation on behalf of the public in looking clearly at what the implications are from introducing a bill such as this.

It does speak to a required referendum in terms of a future divestiture of the corporation. Who could be opposed to that, Mr. Deputy Speaker? Who could be opposed? Well, there are people out there who have always been opposed to a monopoly in this area, but let us just examine that one question. Why

would anybody be opposed? It is not that in today's world we see a cheaper and competent way of providing insurance to the general driving public in this province. Who would have predicted 10-15 years ago that we are at this time seeing government debt being pushed into Manitoba Public Insurance?

The moving of the DDVL into Manitoba Public Insurance was not the mandate that this corporation was given to begin with, Mr. Deputy Speaker. It is not necessarily disconnected. It is very connected. MPI currently runs the computer system for a lot of the work that is done under DDVL, not it all, though. Frankly, the exchange of information between those two entities within government has to be as efficient and as clear as possible. But it was only two, three, perhaps four years ago—time flies when you are having fun—this Government was going to take about \$30 million from the coffers of MPI; 20 million was for education, again, a laudable objective, but the wrong source. The other \$10 million was going to go to provide computer upgrades.

So I get a little offended today when I hear the current minister of transport talking about there have been previous reports to recommend what they are doing. He should also look at what the implications are of what he is doing and whether or not it fits in the mandate of the corporation and whether or not it is fair to add to your insurance costs and registration costs and a little extra for the Government, which appears to be what the current policy of this Government is.

You mix all this together. It is sort of like one of those balls full of crystals with a picture of a pastoral scene, maybe some houses. You shake it up and the snowflakes fall down through your crystal ball. That is what the Government is seemingly attempting to do as it moves forward with its plan for this corporation. This bill is part of that master plan. Shake up the ball, have the snow falling, you cannot predict where it is going to fall, but it looks pretty. Sure, nobody will really care.

What is the hidden agenda and what is the responsibility according to the base mandate of this corporation, Mr. Deputy Speaker? This is the only complete monopoly that has no-fault capability in North America. There are portions of no-fault insurance in other jurisdictions in this continent, Canada, United States, where we very often drive in each

other's jurisdictions. It is also the only one that has full monopoly, and that is what makes it unique.

* (15:10)

In Québec there is no-fault. Manitoba's system is copied after Québec, but the tin and the glass is repaired by someone else. There is an example of where the exact mandate of the corporation needs to be examined from time to time.

What are the implications in that as reflected in this bill, Mr. Deputy Speaker? The fact is this Government has a certain philosophical view on its ability to dictate the mandate of this corporation without necessarily having full public input. Through the actions that it is taking in this bill, it is, as I said, sprinkling a little bit of light, fluffy snow across the horizon. The public will not notice that there has been much of a change, but there will be a change, and there will be implications that are going to come from other actions that they are taking.

At the same time they are saying, but nobody in the future should have the right to examine if there are portions of the service provided by MPI that could be provided differently. Howard Pawley will tell you he had one heck of a time coming to peace with the insurance agents. His vision, as I recall, was not to have MPI insurance delivered by private-sector public insurance agents. Turns out that was a compromise that everybody was willing to settle for, and it happened.

But what was the reason that they were gathering on the steps of the legislature, Mr. Deputy Speaker? How many of them were out there? Perhaps you were there or remember that event. It seems to me there were a thousand people out there, worried about where the Government was going with a mandate for compulsory insurance through monopoly in this province. That was before we were even talking about no-fault.

So what is it that drives this Government to introduce this kind of legislation? They introduced the same kind of legislation around Hydro. Made great waves during the election saying, our promise is that we will not sell Hydro.

We can make the argument very clearly that there are portions of Hydro they intend to give away, Mr. Deputy Speaker. There will be those who will

say that is an overstatement. But the fact is that in negotiations on responsibilities for aspects of flooding and being on traditional lands of some of the northern communities that are impacted by potential Hydro development, and being offered an opportunity to be co-investors in Hydro and to reap some of the profits as it evolves.

That is a double standard, and that is why I worry about what is the Government's intent when it has this bill before the Legislature. I listened with some interest to some of the government members speaking in glowing terms about Manitoba Public Insurance.

But did Manitoba Public Insurance have a mandate to have driver education, Mr. Deputy Speaker? Does it have a mandate to provide additional resources for police in this city? Does it have the mandate to do advertising at a Blue Bomber game?

These are all things that are somewhat flexible, not necessarily contemplated when MPI became an entity, or when the mandate was decided by the government of the day as what that should be. That leads me to view this bill with some scepticism. It leads us to wonder what it is that the Government's hidden agenda is when it introduces this type of legislation.

I prefer to take the simple view, which is that Government wants to replay that old card: We promised not to sell Hydro. We now promise not to sell MPI. You have got to watch those nasty Conservatives because you never know what they are going to do.

Well, Mr. Deputy Speaker, the fact is that no government is so wise and so all-seeing that they can predict what would be the best for this society 10 years from now. There are things that we should never close the door on: options for good ideas; options to take advantage of different ways of providing service; options as to where competitiveness can be introduced.

One could say, Mr. Deputy Speaker, by looking at the Québec model, that there are options for how the claims are settled, that there are more options for private-sector involvement there. Does it have to always be delivered by Crown employees? That is an

option that nobody is contemplating today, but I say to you, and I say to the Government, do you consider that a privatization, do you consider that an option that should be never looked at, at any time in the future?

I am not recommending it, but frankly, neither should anyone say we will never, ever look at that, because I point to the original concept of MPI where it was insuring, and what people said was an area where no one would buy insurance or could get insurance. Frankly, after the initial shock of MPI being general insurance arm, being put into the private-sector, the company shed itself of some considerable losses, and at the same time, it appears that service has now evolved.

So, as we look at this bill in its entirety, it is really not much there. It is just offensive. The government of the day will use its majority to pass a bill that does nothing more than make a political statement. That in some extent is abuse of this Chamber. It is fair for us all to—we are politicians—make statements, indicate directions that we will go. But there are times, I think, when, and I have been here about as long as you have, Mr. Deputy Speaker, and over the years I do not think we have seen any legislation of this type until we saw the Hydro and the MPI legislation, particularly this bill that we are dealing with today.

We have seen very little of that type of legislation, Mr. Deputy Speaker. There is a good reason for that. It just simply does not play a major role, we could say, in the responsibilities that this Chamber would normally undertake. So it is negative in its approach, it tends to make people look at us and say, "So you are so smart that forever and a day, without a referendum, you are not going to allow certain changes to occur at the corporation." One of the problems with Crown corporations, in the long run, is that they have to make change to stay current, to provide service that is desperately needed, in some cases, or good service that people expect. That requires changes that we have no way of anticipating today. I would suggest that no way can we or should we tie the hands of future leaders in this province in a way that strikes me as being a little bit offensive, because it is being introduced for political purposes.

Having said that, Mr. Deputy Speaker, I think that the people within the corporation can be quite comfortable that MPI will continue in much the form

that it is today for the foreseeable future. I make the simple point that none of us are wise enough to be able to predict precisely what could or should happen in the future, and whether or not there will be changing circumstances that require actions that are unanticipated today.

So, if this Chamber is prepared to consider this legitimate legislation and that it should be passed, certainly I for one, as a former minister responsible for this corporation, I am not going to be painted into a corner that says, oh well, I want the freedom to sell the corporation." That is not what the issue is. The issue is that this Government believes they are all-seeing, all-powerful, omnipotent and can predict what would be the best format down the road. There may be things that they have not thought of, or would not contemplate, or perhaps things that they believe, philosophically, should never happen that will now be made more difficult via this bill.

In that respect the bill really does not warrant the amount of time that it is probably going to be given here and in committee but I would propose that, given the lightness of this bill and the intent behind this bill, that it is a little bit of an unreasonable position by government to bring this legislation forward, and that they have closed some doors or are closing some doors that would be better dealt with in a way that says, "How can we improve service? What is it precisely that the mandate of the corporation is and how can we make it better for the driving public in this province?"

*(15:20)

Mr. Jack Penner (Emerson): Just to put a few comments on the record in regard to the matter of The Manitoba Public Insurance Corporation Amendment Act (Protection of Crown Assets), I think in that context we should consider this bill. This bill, as my colleague from Ste. Rose has just indicated, is nothing more, in our view, than a blatant attempt to politicize the process under the guise of protectionism that this Government is so noted for in the general public.

The general public is becoming very sceptical of the way this Government has, over the last five years, portrayed itself, and how they have demonstrated to the people of Manitoba that what they see is not really what they get. I think this bill clearly demonstrates that.

I want to put a few questions on the record in regard to this bill. I want to ask the Assembly here what their views are in regard to what can or might happen under the guise of securing, by legislation, the corporation, virtually in perpetuity, without any retroaction, unless a government has the will to change the legislation back. That, of course, as you know, Mr. Deputy Speaker, could happen overnight. Any government, even this Government, could choose the day after tomorrow, the day after this is passed, saying, "Oh, we made a mistake," and bring a new bill forward causing dissolution of this bill.

That is how frivolous this bill really is, Mr. Deputy Speaker, because this clearly wants to leave the impression that politically we are protecting a corporation from sale by a government, yet reality says that the Government could change that bill virtually within a day or two if they chose to do it within a majority government.

But I believe the true reason why this Government wants to put this legislation forward is to, No. 1, clearly indicate to the general public it is their intention to keep this corporation at whatever the cost may be.

Secondly, I think we have seen a demonstration in this Legislature just over the last couple of days as to how they might in fact move costlier portions of a given department under the realm of the corporation, under the guise of public insurance, when in fact the DDVL, the department has nothing to do with insurance. There is no insurance. It is a licensing agency, and I believe here is a demonstration of what government intends to do.

Number one, they want to secure the corporation from sale. The government of the day, the NDP government then want to use it as a cash cow. The reason I say they want to use it to draw cash out of, I think they have demonstrated under Hydro. They passed a bill first, not allowing a political party or a government, whether it be NDP or other, to sell the corporation and then caused the corporation to pay huge dividends to the Government: \$80 million in additional water use fees that this NDP government has foisted upon Manitoba Hydro; \$200 million in dividend payments that they demanded from the corporation. The corporation has no way of saying, "Well, we have no way of raising this money except to go back to the people and borrow the money to pay it to the Government and raise Hydro rates," as

they have said they must, to meet the demands of this Government.

Yet there is no ability of the corporation being dissolved and/or sold. Even if the corporation becomes worth absolutely zero, Manitoba Hydro could very well—look at the huge debt they have on their books now, huge debt, and it need not take too long if this Government keeps on its trail of destruction and spending that they might in fact drive the Hydro corporation into bankruptcy. It could well happen that banks will say, "No longer will we loan this corporation any money."

What happens then, Mr. Deputy Speaker? It is bankrupt. It cannot be sold, and if bankrupt, how do you terminate operations on Manitoba Hydro under a bankrupt situation? Who then owns it? Is somebody given the total Hydro corporation to manage and run? Because that would appear to be the only option.

Secondly, I want to say this to you. When this Government was first elected, the first year it was elected, it came to the Manitoba Public Insurance Corporation and said, "We need \$20 million from your coffers, from MPIC, public insurance corp, to fund the universities, \$20 million." Well, the people of Manitoba were disturbed. They voiced their opposition to this and the Government backed down, but had this piece of legislation been in place, that would secure this Government under the guise of the Government's control.

I see this as a much more significant piece of legislation than my colleague who has just said that he views this as a frivolous attempt to provide some political demonstration of security of the corporation. I believe this Government is intent on making absolutely sure that nobody can dissolve this organization no matter what they try, and then force increased rates. You just watch. Within a year or two you are going to see major rates of insurance on your car, your motorcycles and your trucks in the province of Manitoba.

Secondly, Mr. Deputy Speaker, I believe then the corporation will be used as a funding agency to provide money to government for other matters, such as providing vehicle licensing to the people of Manitoba. At whose cost? At whose cost? Because government has not got any more money that it can provide those services, now we transfer those

services to the corporation. Secondly, by raising the rates, the Government can demand a dividend. How large will the dividend be? We do not know. We know how large the increase in spending has been every year by this Government, and if revenues keep going down as they are today, this Government, by next year, will be in serious, serious difficulty. They projected a significant increase in revenues and yet the exact opposite has happened so far.

So where are we going? Now we are going to secure this corporation, secure it by legislation that will not allow anybody to dispose of it and then the NDP government, the Doer administration, can, in fact, say to the people of Manitoba now you pay, we will use this as a collection agency for money to drive the NDP agenda. To do what? To keep on spending. Because in all reality, people really love to see projects go up. They like to see bricks and mortar go up. And if government has no money, where do they go? They will go to Hydro. That is one cash cow. They will go to the public insurance corporation. That is another one. Which one will be next? Which one will we secure permanently as a government agency that will be nothing more than a collection agency for the spending habits of Premier Doer and his NDP administration in this province?

So, Mr. Deputy Speaker, does this bill, in your view, accomplish that? I think so.

* (15:30)

Now, what kind of projects could we expect the corporation then to fund more significantly than we have? Well, let us just say the Minister of Water (Mr. Ashton) is going to expand beaches and cottages, and those kind of things. Yet they need infrastructure money to build the highways and the roads and the sewage disposal systems, that sort of stuff, on the new cottage-lot industry that they are going to establish. They might go to the corporation and say now, we want you to invest. Because now they have total control. We want you, as a corporation, to invest in the sewage disposal system. We want you to put the infrastructure in for the cottage industry. Do they need to make a profit? No, they do not. All they need to do is raise the insurance rates on your cars, your vehicles, and whatever.

The honourable Member for Selkirk (Mr. Dewar) has just said, "But you could raise the sales tax." Well, we saw a proposal brought before this

House by the Leader of the Opposition, the Honourable Stuart Murray. We allowed that to be brought to this Legislative Assembly that demonstrated clearly a document that the Minister of Education (Mr. Bjornson) has hidden in his department and now does not even admit that it exists. Yet the Premier (Mr. Doer) of this province, the NDP Premier, has openly stated that he has already distributed it to his friends, and the Minister of Education knows nothing about it.

This Member for Selkirk is now sitting there saying that they will increase and expand the sales tax in this province even more than the 1 percent that was being proposed by the Minister of Education (Mr. Bjornson). What a web we weave. Does this fit in well to the plans of using the insurance corporation as a funding agency to support the spending habits of this Government? Yes, it does, Mr. Deputy Speaker; yes, it does. It fits in perfectly as one of the collection agency blocs that this Government must have to secure the huge additional cash flow they will need to support their addicting habits of spending.

Now, talking about addiction, we have just seen a major move to increase the gambling habits of the people of this province. Now, what are they going to gamble on? Wow, we are going to spend \$100 million of the good taxpayers' money to buy Cadillac VLT machines. Then we are going to force the Public Insurance corporation to do a major advertising campaign because we would not want to accuse the Government of doing the advertising. So now we force the corporation to do the advertising campaign. Are they going to have the money? Of course they will, if they increase your insurance rates, and that is a sure thing that that will happen. I say to you this all ties together in a very devious plan to ensure that the money will be there so this Government can continue to spend \$100 million on new VLTs.

A piece of legislation that guarantees the existence under security of government ownership, as a cash cow, as an advertising agency and, clearly, a demonstration that this Government does not intend to stop spending. I know the honourable Member for Flin Flon (Mr. Jennissen) is sitting in the Chamber and saying, "Oh, but what a cash cow." He said, "What a cash cow." He said that it even might have BSE.

An Honourable Member: The member from the Pas.

Mr. Penner: Oh, maybe it was the Member for The Pas (Mr. Lathlin). I am sorry about that because—*[interjection]*. Then I apologize for that. I should know that because the honourable Member for The Pas and I signed an agreement many years ago, which I appreciated a great deal, when I was the Minister of Conservation, that provided a very significant conservation initiative in The Pas area. I believe that that project over there has served well, and I commend the honourable member who is now the member of the Legislature for that area and, indeed, the minister, for the initiative that he took as the chief of the reservation over there to drive that initiative, because it took a significant amount of effort. I congratulate him for taking that initiative and I think that project has served well.

But I say to you this, Mr. Deputy Speaker, that if this Government continues its wily ways of deceptive processes, such as trying to leave the impression that this legislation will stop any government from privatizing this public insurance corporation, do not believe it. Do not believe it because it will not happen. It only takes a very simple bill like this to dissolve the security that is there. Once the Government has utilized to the fullest the rate increases that I see coming, and that this Government wants to implement under the guise of securing the corporation for the people of Manitoba without allowing them to sell it, I think, is, clearly, a deceptive move that should be looked at very suspiciously.

So, with those words, I say to you this: I have served as a board member at the public insurance corporation for better than four years. It was a great experience. It took good, sound board-management principles to manage the corporation in such a way that rates did not increase over that period of time to any great extent. The corporation had a larger reserve when I left that office when our party was defeated, but I was very proud of those board members that sat and served with me. I was very proud of the executive committee that managed the corporation and how they managed it and how they invested wisely the monies that were collected by the corporation. There were large amounts of money in various accounts at the corporation when this Government came to power.

What truly disappointed me, and I say this in all sincerity, what truly disappointed me, that one of the

first moves this Government made was to try and draw on those accounts and leave the impression to the insured public of this province that they were going to help educate. At the expense of who? At the expense of every Manitoban that owned a vehicle, and that is virtually every adult of adult age in this province of Manitoba, and some of them own more than one, and the large trucking companies own many of them.

So who would have paid? The general public would have paid. The general public felt deceived at that being one of the first actions of this Government. They rallied, and this Government backed down. I commend the Government for backing off that, because they had no business of going to that corporation to try and tap that large amount of money that was there.

I, however, note that the rates are going to go up because the corporation has been forced to spend most of the money to maintain the rates where they were over the last number of years, and they should have gone up slightly every year, at least at the rate of inflation, but the current government did not allow that.

So where are we now? We are going to have to pay not only the interest rates that are there on money that the corporation might have borrowed, but we are going to have to pay the fees that are going to be required to keep insurance running as it is. We are going to have to pay the fees that I believe this Government wants to draw out of that corporation as dividend. This legislation only demonstrates the sincerity of this Government ensuring that it will remain a cash cow for the Government of Manitoba.

Thank you, Mr. Deputy Speaker, for allowing me a few minutes to address this bill.

*(15:40)

Mr. David Faurshou (Portage la Prairie): Mr. Deputy Speaker, I appreciate the opportunity to rise and participate in the debate regarding Bill 11, The Manitoba Public Insurance Corporation Amendment Act.

Today I will not enter into the debate as to the pros and cons of privatized auto insurance versus a monopoly position of a Crown-owned corporation, but I do want to discuss the concerns that I have in regard to this legislation.

This legislation is a mirror image to the legislation passed earlier in this Chamber regarding Manitoba Hydro, Mr. Deputy Speaker. Now, as legislation pertains to Manitoba Hydro, it was not specific enough in regard to the actual situation to which we find ourselves with Manitoba Hydro. We passed legislation stating that a referendum had to take place before the sale of Manitoba Hydro as a Crown-owned corporation. But it did not go far enough insofar as this current administration has in fact eroded the equity position that we as Manitobans have in that Crown corporation to which we are all very proud the accomplishments and success and cost effectiveness that it affords all Manitobans.

Manitoba Hydro today is owned more by the financial institutions than it is by we as Manitobans and that alarms me, Mr. Deputy Speaker. I would assume that it would alarm you as well that, today, we own less of Manitoba Hydro than we did four years ago. In regard to Hydro, this should be alarming to everyone in the province and especially so to the Government, the NDP government, because they are effectively calling the shots. Yes, we have legislation and we will not sell it. But the actual practise of this current government is that they are indeed selling it because we have a lesser equity in it today than we did.

As well, Mr. Deputy Speaker, it has not prevented the Government from taking significant dividends, as was termed earlier, in an earlier discussion, from a Crown-owned corporation such as Manitoba Hydro. Now I recognize that there are differences between Manitoba Public Insurance corporation and Manitoba Hydro, insofar as Manitoba Hydro has a greater investment in fixed assets than does Manitoba Public Insurance corporation in percentage to dollars of business done each and every year.

So I do not suspect we will be getting a large dividend in payments from Manitoba Public Insurance corporation. But I want to caution all honourable members that taking a dividend payment from a Crown-owned corporation, as was tried earlier, I might add, from the reserves that Manitoba Public Insurance had amassed, which were rightfully due to the ratepayers and the premiums that those ratepayers, effectively, had provided to the corporation. I am glad that the public outcry was such that the Government realized that they were making a grave error and recanted upon their proposal.

I see now, Mr. Deputy Speaker, that the minister of the time, who had made the announcement and decision originally, decided not to run for office. It was a significant error in judgement, I believe, and just over the top. I hope that was not the final straw that made for the decision for her not to run again. But it was a significant error on behalf of the New Democratic Party governance.

Mr. Deputy Speaker, in regard to the bill as we see it here today amending the Manitoba Public Corporation Act, I am dismayed to see that there are not further amendments afforded us in regard to a recommendation that came from a former New Democratic Party Cabinet minister, Mr. Sam Uskiw, who provided 54 recommendations to improve the performance and cost-effectiveness of insurance afforded all Manitobans by MPIC.

That is specifically in regard to the operation of the Fair Practices Office. I am pleased to see that this Government did follow through with the opening of the Fair Practices Office, which I wholeheartedly supported. However, there is a difference as to how this Government implemented the operation of the Fair Practices Office as was proposed by Mr. Uskiw. Mr. Uskiw said that it is vital for elected representatives to have direct input, a direct linkage, to the operations and policy determinants of the MPIC. He saw that, through the Fair Practices Office, which would be an office to which any individuals that are having problems with their claims with Manitoba Public Insurance could come and ask for, theoretically, an unbiased review of their claim. Now, if there was a problem with the policy that was not satisfying the legitimate concerns that were coming from claimants, then the Fair Practices Office would report directly to a minister of the government. Then the minister of the government would, as being elected by Manitobans, have the opportunity to direct changes to policy.

What we see at the present time and the way the Government has decided to go about this, is that the Fair Practices Office does not report to the minister; it reports to the president, the president of the corporation. Not to reflect on the president in any fashion whatsoever, but what it does do, it allows for the potential of cover-up. Because what the Fair Practices Office may be uncovering as an unfair practice in policy perhaps, it never sees the light of day because it is all internal. The reporting goes to

the president and the president and vice-president or officers of the MPIC, then effectively are given the opportunity to cover something up if it is not right.

I believe that we have to be transparent if we have a Crown corporation, and transparency comes with accountability and accountability must be provided through the Manitoba Legislative Assembly to which we all are responsible to Manitobans through the electoral process. The officials of Manitoba Public Insurance corporation are not elected; they are appointed. I believe that there has been an error in this area and that this act as an amendment to the MPIC Act is that we should be having discussion in that regard as well.

I also believe, Mr. Deputy Speaker, that without accountability and direct linkage to this Legislative Chamber, we are perhaps missing out on some of the cost-effective decisions that would take place if we were really, truly having this corporation be accountable to the Legislative Assembly. Not to say that there are not benefits to a number of Manitobans from a monopoly for the insurance in the province of Manitoba. But I do believe that unless we look very closely at how the corporation determines the premiums to respective individuals, here, in the province of Manitoba, I believe that perhaps there can be improvements.

* (15:50)

What I am saying is that right now the corporation determines the skews of premium assessment to basically make, model, year and number of accidents of that particular make and model. Essentially the premium is determined at that. A lot of the individual age consideration and how we conduct ourselves during different periods in time within our lifetime, Mr. Deputy Speaker, should be considered. I do not believe that they are being considered to the right degree.

I give a very specific example of personally investigating in other jurisdictions where private insurance is available, that the particular vehicle which I operate and comparing my driving record, I would be paying less than one half the premium for exactly the same coverage to which Manitoba Public Insurance Corporation affords me here in Manitoba. One half.

Now I believe that the monopoly is saddled with responsibilities to making certain that it is the fairest

to the majority of the people. The persons in my age group from 35 to 55 operating on a relatively good driving record, Mr. Deputy Speaker, I believe should be afforded a greater break within the current premium and for auto insurance here in the province of Manitoba. So I leave that with you in this regard.

Mr. Deputy Speaker, I would like to see this bill go before the committee and have public input. So at this time I would recommend that we move this bill forward to committee. Thank you.

Mr. Kevin Lamoureux (Inkster): It is with great pleasure to actually be able to speak to Bill 11, Mr. Deputy Speaker. I thought it was of most interest reading the explanatory notes. It talks about the referendum for MPIC. Like all Manitobans, I have a view on MPI. There are areas, no doubt, in which it can be improved. There are other areas which are managed and done quite well. Personally I am a big fan of MPI. I think I have seen, I have lived in jurisdictions where there was not public insurance. I am very much aware of the costs of insurance in the private-sector versus public-insured bodies, whether it is MPI, Saskatchewan SGI, Saskatchewan Government Insurance. I think that the public insurance is the way to go.

What I thought was interesting is that the government of the day has seen the merit in terms of bringing forward legislation that would require the government of the day to have a referendum if there was an attempt to privatize. You know something, Mr. Deputy Speaker? I think that is a good thing to do. There is nothing wrong with that. I can even be somewhat sympathetic as to why it is the Government has chosen to bring in this, because I was here when MTS was privatized. Having said that, the government of the day is saying, "Well, look, what we want to do is we want to bring in legislation that is going to ensure that future privatizations of issues, whether it is Manitoba Hydro, whether it is MPI, are in fact dealt through referendum."

Having said that, this Government has gone out of its way to manipulate the balanced budget legislation in order to avoid a referendum. So one has always got to be cautious. When government talks about referendum, you have got to be very—*[interjection]* Conform to the law. I will have to digest that thought for a while to get a really good understanding of what it is the member from Interlake, I believe it is, has just said.

What we have done is we have seen a government of the day talk wonders of referendum and the need to have referendum on important issues. We agree with that, but at the same time that the Government is introducing Bill 11, we have been raising the issue of the need for a referendum on the increases in taxes. When you look at this Budget, there is a little bit of irony when part of registering your vehicle now, you are going to be paying that much more, I believe it is \$23 more a year.

When we take a look at the PST, that is really the issue that should have caused a referendum in Manitoba. If we look at the Government in terms of actions and words, actions quite often speak louder than words. I think that the Government has gone out of its way to try to manipulate its books in order to be able to avoid a referendum.

So, from my perspective, Mr. Deputy Speaker, even though it is nice to see a piece of legislation of this nature, I have got to question whether or not the Government even has the credibility or the integrity as a governing party to be even talking about referendums, because, quite frankly, the numbers are even within its own budgetary documents that clearly show that either the Government is in violation of the referendum legislation regarding balanced budget or the tax increase or it should be, at the very least, providing independent accounting that can clearly show that a referendum is indeed not necessary.

The other day when I raised it in Question Period I challenged the Minister of Finance. I even indicated to the Minister of Finance, if I am wrong I will apologize to the House, Mr. Deputy Speaker. But, you know, if the Government is wrong, as we believe it is, because we have actually asked for numbers and the Government does not even provide those numbers, if the Government is wrong, they are breaking the law.

Yet we see another piece of legislation here which is talking about the importance of referendum when it would appear they do not even support the legislation on the balanced budget, because if they supported that legislation, as they claim to support, why are they not coming forward and saying to the members of the Opposition, here is where we got our numbers from. Here is how we justify our numbers. They have not done that. Instead what they have done is, "Trust us, believe us that a referendum is not necessary."

We checked with the Law Society, Mr. Deputy Speaker, to get a sense in terms of how much money they are going to be able to generate. It was, I believe, somewhere between \$17 million to \$20 million in one year from the Law Society. This Budget is saying \$17 million. When you talk about, well, maybe it has to be a brand-new form of a sales tax or an actual increase, in other words from a 7 percent to an 8 percent, let me go and ask a lawyer, go ask an accountant, an engineer, people using security systems. That is a zero percent increase to 7 percent.

So the Government has really lost out on this issue. It is being less than honest with Manitobans on the issue of referendums. That is why when I came in and we found out we were debating Bill 11, and it is all about referendums, this being the issue that it has been for us in the last little while, I see from my perspective a government that is not prepared to provide the numbers, provide the information to be able to satisfy members of the Opposition that they are not in violation of the current referendum on taxes.

Yet they have the tenacity to bring forward legislation and say, "We want to protect MPI." If we really want to protect MPI, we should probably have more Liberal MLAs inside this Chamber. Then you would see a stronger, stronger representation of what Manitobans really want, and that is integrity in government, not only a government that is going to talk about referendums, but a government that would in fact respect referendum legislation.

This is a government that has no respect for referendums. They talk the line, but their actions speak louder than their words. Having said that, members should be very sensitive on this issue. They should be, because, quite frankly, I talk to Manitobans, as I am sure that they do, but no doubt they are very selective in terms of what they tell them. We choose to tell them the truth. When we tell them the truth, I think they are disappointed.

* (16:00)

It is decent—[interjection] Well, someone says relevance. If they do not understand the relevance, then they are beyond my ability to be able to help them, because, quite frankly, a referendum, whether it is balanced budget legislation or it is MPI I would suggest to you is indeed quite relevant. MPI, as a Crown corporation, does have a wonderful future in the province of Manitoba.

My concern is that you have a government that sees Crown corporations as a source of creating general revenues. One has got to be very concerned about that. We saw how many hundreds of millions taken away from Manitoba Hydro.

We have seen this Government, not once, twice, I believe three times where it has gone to MPI through drivers' registrations, if you like, increasing your registration fees \$23, as I pointed out in this particular budget.

Now they are going to amalgamate. They are going to take MPI and the drivers' licence and amalgamate in order to save money. One would on the surface say, "That is a pretty good idea. I think we can support that." But do you know what I suspect? That this Government is so manipulative, that do you know what it really wants to do?

It is going to save a government expenditure line through the Department of Transportation on administration. It is going to save some money there, right? Who knows where they will spend it? You know as well as I do they will squander it somewhere, but they will find, if you show a dollar they will grab it awfully quick.

So they will take the money that they are saving in the drivers' bureau and you know what? Now there might be additional cost with MPI as a direct result of taking on that additional responsibility. So where is that money going to come from? Well, it is going to come from the drivers of course.

So indirectly the Government, even though it could be applauded in terms of being able to see some potential benefits by amalgamating, at the end of the day, they have probably generated a little bit more money for them to be able to squander.

You know, what it proves to me is that the NDP can mess up any good idea, Mr. Deputy Speaker. I am very concerned that the Government's intentions with MPI, as they were with Manitoba Hydro, and I believe, Crown corporations in principle, what they see them as is as a source of revenue for the Government, for general revenues.

That is not what Crown corporations are there for. A Crown corporation is there in order to provide a level of service to the consumers where private-sector cannot compete. I remember years back

talking about, well, it did not make any sense to have two Crown corporations, i.e., Winnipeg Hydro and Manitoba Hydro, that there was merit in terms of the two of them going together.

You do not need to provide two government Crown corporations competing amongst each other. Well, a government Crown corporation, arm's length ideally, Mr. Deputy Speaker, can do wonders for the Province. Whether it is Hydro, whether it is MPI, they can provide a service to Manitobans, to consumers that would be second to no other because of the demand of those types of services.

Where we tend to disagree with the New Democrats is we do not necessarily believe that the government of the day should be using those Crown corporations in order to take monies into general revenues because then, Mr. Deputy Speaker, you are artificially setting up those prices higher than what they would have normally been otherwise.

One of the competitive edges, and competition is a word which the New Democrats are somewhat foreign to, competition, profit, those sorts of things, Mr. Deputy Speaker. But one of the things that makes MPI look relatively well in comparison is because it is able to provide insurance rates at a pretty good price relatively compared to other provinces, especially where there is private insurance.

The concern is that we want Manitobans to feel comfortable that government is going to do what it can to ensure that the consumers are going to be the biggest benefactor, and in some areas, companies. This is where, as I say with Manitoba Hydro, we should be proud of the fact that with Manitoba Hydro we could be providing all sorts of economic activities because of our hydro capabilities.

This is why, Mr. Deputy Speaker, I think that we have got to ensure, and I said earlier, the benefits of Crown corporations being arm's length. I have seen government manipulate MPI, not only this Government, other governments. It goes all the way back to Howard Pawley, where they tend to want to put MPI rate increases, seem to coincide with the election cycle.

It backfired back in 1988. Actually, MPI was one of the reasons why I was elected in the first place back in 1988, because that was the year in which the government of the day said, "Yep, let's sock it to the

consumers. Give them the increase," and that is what they did. Little did they know they had a little bit of volatility within their backbench and Mr. Walding recognized the government for the many flaws that it had and voted against it.

Mr. Deputy Speaker, you yourself were in that particular government that day and you can recall the problems that MPI was causing for the government of the day that ultimately, in part, led to the fall of that government and to the election of 20 Liberal MLAs. I look forward to the day, because if you give them enough rope, my Leader was talking about rope the other day, if you give the New Democrats enough rope, they will eventually choke themselves on it I must suggest. What we will see, I believe, is a resurgence in good time, hopefully, I would suggest to you, in short time, where we will see the NDP lose in their numbers because of their persistence in making bad decisions on priorities. That is really what it is all about. It is an issue of priorities.

So, in one sense, Bill 11, I do not have any problem in terms of it going to committee. I suspect, generally speaking, the vast majority of Manitobans support MPI and want to see it remain in the public realm. I can also suggest to you that a vast majority of Manitobans would not support the way in which this Government has periodically interfered with MPI in the rates that have been set. Nor do they appreciate the new tax that they are putting on, Mr. Deputy Speaker. The Government does doctor it a little bit.

In this particular budget, I believe they justified the \$23 increase that they put on your registration for your licence or the registration of the vehicle. That \$23 increase, they justified it. You know how they justified it? I am sure you recall. They said, "What we are going to do is that is going to allow us to finish off the Perimeter, and after all who is going to oppose the finishing off the Perimeter. It is something that is long overdue. We think, sure, it is great to see." You can quote me, Mr. Deputy Speaker. I am sure that once that Perimeter is done, they are not going to take away \$23 off the registration.

In fact, as in the past, what we are going to see, especially under an NDP administration, is an ever increasing of wherever it can draw dollars from. I remember campaigning back in 1988. I think it was between '86 and '88 the government of the day managed to find 36 new taxes, or something of that

nature. I could be slightly wrong on that number, but that goes back a few years. We have to be very much aware of where the Government is pulling taxes. It has not been friendly to motorists in this province. I trust and I hope that the NDP will keep their greedy little fingers out of MPI. *[interjection]* Well, they go, "Oh, aah." I could have said the very same thing about Manitoba Hydro and look what you did. You zapped them good. No pun intended, but you did give them a good zap. I am talking about the consumers. You have to watch them. This Minister of Finance (Mr. Selinger) can be fairly sly, so you have to watch in terms of what it is that he is up to.

* (16:10)

Mr. Deputy Speaker, having had the opportunity to say those very few words on Bill 11, we look forward to it going to committee and trust that it will likely go through committee and back into third reading. But the idea of having a referendum I see as positive. I like the little catch that it has. You know, you cannot quite avoid a referendum by bringing in legislation because you are going to have to bring it back to a committee inside the Legislature. I like that. I think that is a positive thing. It is kind of like in case this Government changes its mind or any other government changes its mind into the future, that there is an obligation before you can wipe out the referendum that it has to come before a committee of the Legislature. I think that that is kind of a nice little catch to it, somewhat unique.

As I say, the principle of the legislation, I think we support. We look forward to hearing any public comment on the bill. With those few words, Mr. Deputy Speaker, we are prepared to see it go to committee. Thank you.

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

An Honourable Member: Question.

Mr. Deputy Speaker: The question before this House is the second reading of Bill 11, The Manitoba Public Insurance Corporation Amendment Act (Protection of Crown Assets); Loi modifiant la Loi sur la Société d'assurance publique du Manitoba (protection des biens de l'État).

Is it the pleasure of the House to adopt the motion? *[Agreed]*

Bill 16—The Manitoba Public Insurance Corporation Amendment Act (Denial of Benefits for Offenders)

Mr. Deputy Speaker: On the proposed motion of the honourable Minister of Justice (Mr. Mackintosh), Bill 16, The Manitoba Public Insurance Corporation Amendment Act (Denial of Benefits for Offenders); Loi modifiant la Loi sur la Société d'assurance publique du Manitoba (refus de versement de prestations aux contrevenants), standing in the name of the honourable Member for River East (Mrs. Mitchelson).

Is there leave that this remain standing in the name of the Member for River East?

An Honourable Member: Denied.

Mr. Deputy Speaker: Leave has been denied.

Mr. Larry Maguire (Arthur-Virden): It is my privilege to stand in the House today and speak on second reading to Bill 16, The Manitoba Public Insurance Corporation Amendment Act (Denial of Benefits for Offenders).

This bill has come forward because of particular circumstances that have arisen in the province of Manitoba from accidents that have happened over time in this province. Of course, I believe that basically this bill is an addition of my predecessor's bills that have come before this House in regard to denying benefits for people who have made offences under certain circumstances in the province of Manitoba.

It clarifies and cleans up some of the language in the bill that has been there in the past as well. It of course deals with The Manitoba Public Insurance Corporation Act, where currently a victim is limited, or their dependants, to entitlements, to benefits when a victim wilfully causes the accident or is convicted of a Criminal Code offence relating to criminal negligence.

It also refers to a number of other sectors, a number of other circumstances in regard to which benefits can be denied and looked at being reduced. Of course, some of those are in the area of circumstances around manslaughter, dangerous operation of a motor vehicle, in impaired driving circumstances,

or, as well, becoming a much more pertinent crime, leaving the scene of an accident.

This expands on the list of Criminal Code offences to include offences relating to the theft of a motor vehicle or flight from police. I believe that it is a very good move to include both of these situations, if you will, in the new bill. These circumstances being added to the bill, I think the new ones being added, and there are more than just those. There are also, apart from the flight from a police officer, as well as the theft of a motor vehicle, there is also supports reduced for someone who is in an accident that takes the motor vehicle without consent, which certainly looks like theft of a motor vehicle to me. They have listed them separately. I think that is certainly a concern.

The whole bill replaces the word "victim" with "claimant" to reduce the benefits to anyone claiming certain benefits from MPIC if they committed the specified Criminal Code offences and caused damage. It kind of closes the loopholes that were there in respect to some accidents that have taken place in the province, some of them much more published than others. Of course, Mr. Deputy Speaker, the primal case that we have looked at under this area was a case, that I think Manitobans are very aware of, of an individual, revolving around a domestic dispute in the community of Portage la Prairie. That was a very unfortunate circumstance, I am sure, but this bill does clarify that some of those areas needed to be straightened out.

Mr. Deputy Speaker, the act would reduce payments to injured auto thieves, and I certainly feel strongly that, if you have been an individual who has caused any of the crimes that I have outlined earlier, it just makes sense to me that you would see your benefits reduced if you have been the perpetrator or the cause of a particular accident. I think that all members in the House would certainly believe that we would move forward.

Mr. Deputy Speaker, I think that I will be moving this bill forward today, but I would like to also say, though, that there are a number of areas where the specific circumstances are referred to these victims' causes, and one of those is in the area of if a claimant is guilty of one or more of the specified list of offences and creates personal injury, and I think that is important. Obviously, that is what this bill is brought forward on. It has to cause that bodily injury.

Then there is a death benefit under some circumstances, and a new provision in this bill would say that, if the person has no dependants, the death benefit is not payable. That is certainly something, I think, that we can all live with. But if he has dependants, depending on the number of dependants, he could receive up to 80 percent of that death benefit otherwise payable, and that is under a scale depending on how many dependants this individual has, the perpetrator. In this case it is reduced to 80 percent if you have four or more dependants and 60 percent for three and on a sliding scale.

This amount is further reduced due to the responsibility for the accident if you are found to be 50 percent or more responsible for this accident, Mr. Deputy Speaker. Then, of course, there is a further reduction in the benefit of 50 percent. But, if you are found to be less than 50 percent responsible for the accident, then the percentage that you are found to be responsible for is the percentage that you would receive under the new legislation.

That is to say, Mr. Deputy Speaker, if you are found to be 20 percent responsible for the particular circumstances, then you would only receive 20 percent of the benefit on the claim that you would have got under this particular piece of Manitoba Public Insurance Corporation legislation.

*(16:20)

Of course, Mr. Deputy Speaker, there is a concern there, and the death benefit, obviously, the perpetrator has already paid the ultimate price with his life in regard to being the cause of the accident. Therefore, I have no qualms in saying that there is some concern there, but when the person has no dependants, I think it is also fair to say that, if you have been found to be the cause of the accident and you have no dependants in this particular case, then the death benefit is fine to be not paid out as it might have been under other circumstances.

This is also the case in regard to permanent impairment benefits, Mr. Deputy Speaker, where a person is permanently impaired. Why should this be further reduced? Well, because it impacts upon the dependants of the perpetrators who are innocent victims. It also offloads responsibility for financial support of the perpetrator on the social assistance system.

Of course, Mr. Deputy Speaker, I think it is fair to reduce it somewhat, but rather than the health system picking up those costs, I think it is fair to provide this lump sum for the perpetrator. But it would be on the same sliding scale that we just talked about in regard to the first claim and the death benefit that I talked about. Of course, if you are not responsible for the accident and convicted, he will receive 100 percent of it, of any permanent impairment benefits. So I think that is just a little bit more common sense that has been added into the bill.

It also refers to the income replacement indemnity and it is monthly for the perpetrator in this particular case, modifies the existing provision by doubling the reduction that currently exists, but only for the first year after the accident. I think there is a concern there, obviously, that this is for the first year only, if you have dependants. I think that there are a number of issues there that need to be continued to be looked at, but the Government has not put them in this particular bill.

I guess I would like to wrap up by saying that this bill just moves our previous legislation a little bit forward in regard to where we were under any Criminal Code offences if you were convicted of them, from the 1993 legislation that was brought in, and that this individual should not be able to benefit from his own crimes in circumstances where you have been in a circumstance where you have caused the accident. Of course, I have discussed the areas that have been prorated under.

So, with that, Mr. Deputy Speaker, I am going to close my comments today and just say that we are prepared to move this particular bill, Bill 16, The Manitoba Public Insurance Corporation Amendment Act (Denial of Benefits for Offenders), on to committee.

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

Some Honourable Members: Question.

Mr. Deputy Speaker: The question before the House is second reading of Bill 16, The Manitoba Public Insurance Corporation Amendment Act (Denial of Benefits for Offenders); Loi modifiant la Loi sur la Société d'assurance publique du Manitoba (refus de versement de prestations aux contrevenants).

Is it the pleasure of the House to adopt the motion? *[Agreed]*

Bill 41—The Profits of Criminal Notoriety Act

Mr. Deputy Speaker: To resume the ajourned debate on the proposed motion of the honourable Minister of Justice (Mr. Mackintosh), Bill 41, standing in the name—it is an open debate.

Is there anybody who wants to speak?

Mr. Kevin Lamoureux (Inkster): Mr. Deputy Speaker, I wanted to take this opportunity to be able to put a few words on the record in regard to Bill 41. One could approach this particular bill and at first glance say it is a wonderful bill, and it is great to see a government be so proactive and address an issue which is fairly emotional. It is a very passionate issue.

You know, all one has to do is just reflect over the last year on some of the news reports that have been coming out of British Columbia with the Penticton farmer, and you get a sense of the anger and resentment that the public as a whole have toward an individual that did such a horrendous crime against people. For many, it just kind of turns one's stomach. It is very hard to understand how such a warped mind can do something of that nature. Unfortunately, or sadly, things of this nature do happen in our society. You hear about them, and, unfortunately, it seems that we are at a loss as to how we can actually prevent them.

There is a great deal of work that is done in the whole area of sociology to try to get an idea of what sort of a mind could actually do things of this nature. There are just tremendous amounts of studies. There are individuals, professionals, PhDs, others that visit high-security institutions, not only in Canada, but more specifically in the U.S. just to try to interview these types of personalities, as we try, as I say, as much as possible to prevent crimes of this nature from happening in the future. If you could try to understand or to get some sort of a profile of an individual that might prevent a crime of this nature from happening in the future.

Mr. Speaker in the Chair

It is very, very difficult, I suspect next to impossible, Mr. Speaker, in terms of being able to

do. That we are always going to have crimes of this nature taking place. When you do, the response from the public, generally speaking, is fairly consistent.

There is an outcry of support for the victims, Mr. Speaker, and there is outrage in regard to the offender, the individual that has really caused all this harm, not only to an individual or a number of people but to a community, in fact, to the broader community.

As we know, as I pointed out in terms of the B.C. case, Mr. Speaker, that case is known throughout the country because of the magnitude and, in fact, because of what actually had taken place. So, I think it is fairly predictable in terms of when crimes of this nature occur, that we can anticipate how the public is going to react. I suspect what we have here is a provincial minister who has listened to what has been happening in, maybe it is B.C., maybe other jurisdictions, and felt, well look, we could bring in legislation that would, at least in part, address one of the primary concerns that the population as a whole has. That is, nothing is more upsetting than when you have a vicious, barbaric, criminal action that takes place and people die, and you get the individual who has caused that harm, then goes to jail, in most cases, I suspect, it is goes to jail for life, and then they take items that they might have had, or they will recount the story, and attempt to make money from that.

* (16:30)

That is really quite sad when we hear about that. It is hard for people, including myself, to imagine how someone was able to profit after committing such a horrendous crime to society. What we see is, the public as a whole wants government to take some action when it hears of things of that nature, and who can blame them? I agree. I am not sure what federal legislation is there today that is in place that would address that particular issue. I do not have the resources to be able to do some of the detailed research that I would have liked to have done leading up to the debate on this particular bill.

But having said that, I look at this bill and I wonder if, in fact, it would have been a better bill if it would have been coming from Ottawa, because it is of a criminal nature. I am curious as to what is the real impact it is going to have here in the province of Manitoba. I read the press release, and I believe I

have it here. In the press release issued from the Minister of Justice (Mr. Mackintosh) here, it states that the legislation would apply to offenders living in Manitoba and those whose crimes were committed in the province of Manitoba.

I would be very much interested in hearing from the Government in terms of how many cases he would cite in the province of Manitoba, in the history of the province, where this legislation would have, in fact, taken effect. I would be very much interested in knowing that. Generally speaking, when you get legislation of this nature put in before us, it would be very difficult to oppose it. Because on the surface, it appeases a huge concern that not only Manitobans but Canadians have in dealing with the whole issue of making money off these horrendous crimes, and it going to family members or relatives of the perpetrator of those crimes. That is why I approach this legislation with a somewhat, not necessarily clear, understanding in terms of what the Government has actually done.

How many times could the Government have actually used this legislation in the past? Is it something that they feel, maybe, if we put in some of the resources that the minister has obviously put in to coming up with this bill, with lobbying Ottawa, if Ottawa has a deficiency in this area. If the resources that were put in to coming up with this bill would have been put into the lobbying of Ottawa, it might have been a better expenditure of resources. But I do not know that, Mr. Speaker, because I do not know to what degree this minister has worked with Ottawa in trying to address this issue. I would be interested in knowing from the Minister of Justice (Mr. Mackintosh), has he raised the issue and to what degree has the Government raised the issue with Ottawa.

So there are two pieces of information that I believe the Minister of Justice should provide this Chamber before the bill actually passes. The first, give us some background. Where in Manitoba does he see, in the past, this bill would have been of benefit? Two, what is actually happening in Ottawa in regard to this?

In other words, Mr. Speaker, I brought forward a private member's bill in regard to immigration consultants. Well, Ottawa brought forward a bill or regulations in regard to immigration consultants. Then I hear the minister made comments or some

sort of announcement that indicates the immigration consultants now, in the province, through the PNP program as an example, would have to be okayed through that body. Had the minister taken that action, the bill that I have proposed might not have the same value today as it would have had before—

An Honourable Member: It is a duplication of services.

Mr. Lamoureux: As the minister, herself, points out, it is a duplication of services. On that note, Mr. Speaker, if the House wanted to I would be prepared to withdraw the bill if there was unanimous consent from the Chamber. I would do that because I see the value that is there. *[interjection]* I am quite prepared to do that, if one wants to make that suggestion.

But the same principle should also apply here for this minister, Mr. Speaker. Provide the information so that we are able to find out in terms of why it is that we are dealing with this piece of legislation. One is left only to speculate. The Minister of Justice (Mr. Mackintosh), as he has on other issues, sees a public issue and says, "You know what? I think I could have a press conference on this issue," and says, "Here is what we are bringing in in terms of legislation, and it is going to make it look as if we are really tough, again, on this whole crime front."

That is the best deal with the explanation to date that the minister has provided. That is the conclusion that many people are drawing.

The Minister of Justice needs to bring forward his arguments in articulation as to how the taxpayers of Manitoba, or just Manitobans in general, are going to benefit by this bill passing, or is it being used, as many would say, as a propaganda piece, even if I am going to give the Government the benefit of the doubt and reserve how I would ultimately vote on it until it goes into third reading.

I think the Minister of Justice owes it to this Chamber, whether the backbenchers of his party want to hear it, Mr. Speaker, is secondary. I believe he owes it, at the very least, to the members of the Opposition as to why it is that he was really bringing in his bill.

What sort of an impact is it going to have, Mr. Speaker? Is it going to be more of a moral impact? Is that the message that he wants to get out by passing

legislation of this nature? He wants to come out and say, "We are just tough on crime, and we are going to reach." The other day I was talking—actually I talk with my wife every day, but the other day we were talking about Bill 41 and I had expressed some of the concerns as I just did here. You know, she said, "Well, it kind of sounds a little bit silly to me." I responded, "Maybe someday what we are going to do is we are going to see the Minister of Justice bring in a bill. I can imagine it now. I can imagine the bill: We are going to outlaw crime in the province of Manitoba." I can see the bill. Imagine the press conference. *[interjection]*

No, Mr. Speaker, it was not my wife that made that suggestion. Mind you, she might have. No, this is just in some dialogue I had with Cathy.

An Honourable Member: Was it her suggestion to sit more than 37 days a year?

Mr. Lamoureux: You know I am being taken a little bit off. I want to remain focussed here, Mr. Speaker.

The point is that the Minister of Justice is in a wonderful position to be able to really have an impact on society here in our province as most if not all ministers are. Well, my concern is that this minister is, I believe, bringing forward legislation. I am wondering if the minister is bringing in the legislation more for the media spin of "we are being tough on crime, and the more legislation that we can bring in, the better it is going to make us look as a government."

Mr. Speaker, I applaud the Government when it brings in tools that are really going to make a difference. I hope that this particular piece of legislation will make a difference. I want the Minister of Justice (Mr. Mackintosh) to explain to this House how it is going to make the difference in a very real way, just like I wanted him to explain other legislation and tell us how it is going to make that real difference. They say proof is in the pudding.

You know, the other day the Premier (Mr. Doer) said, "Well, four more years from now we will have the next election." That was just the other day. Mr. Speaker, the problem with the Premier going another four years from now—*[interjection]*

Mr. Speaker, the member from Crescentwood implies that I speak too loud. Well, you know, when

I express myself, I express myself. I make no apologies in terms of the level of my voice when I speak. If you do not like what I am saying, well, you are welcome to leave the Chamber, but we only sat 37 days last year. I would suggest to you that you should be able to be a little bit more patient, and if it is offensive, I extend my apologies, but it is just, I guess, my natural tone when I speak. That is just the level that I speak at.

Mr. Speaker, the point that I was getting at, before the member of Crescentwood had interrupted, was that—

* (16:40)

Point of Order

Mr. Speaker: The honourable Minister of Energy, Science and Technology on a point of order.

Hon. Tim Sale (Minister of Energy, Science and Technology): Mr. Speaker, I am going to turn my hearing aids off because I can hear without them in this case, but I have not been the member from Crescentwood for some years. I am the member from Fort Rouge.

Mr. Speaker: On the point of order raised, he does not have a point of order. It is a dispute over the fact. I think the honourable Member for Inkster, if he is getting passionate about his speech, I think that is welcomed in this Chamber.

* * *

Mr. Lamoureux: My apologies to the member. It must have been that short sabbatical I had that caused a little bit of confusion, no doubt.

But, Mr. Speaker, the point is that this legislation that we, no doubt, ultimately will be passing, three years from now we are going to be able to reflect on this legislation and the questions that we will be asking three years from now is how effective have these tools been. And at the end of the day, if the Government has not been successful at showing how effective these tools that we have been passing today have been, I believe Manitobans are going to see through the actions that the Government has taken in dealing with crime and will vote accordingly. So I say it as a cautionary note, and with those few words we welcome the opportunity to see this bill go to committee. Thank you.

Mr. Leonard Derkach (Russell): It is a pleasure to rise this afternoon to speak to this bill, because this is one that I think in principle has some merit. Because the mood of people, I think, is in line with what the legislation is trying to speak to. For this reason, the Opposition of this Chamber, although we are here to oppose the issues that government raises, perhaps because they fall short of the mark, in this case we do have some concerns, but in a general sense and in principle this bill does address some of the issues that we have seen take place across this land and across the nation and beyond which really leave a sour taste in the mouths of many people.

In my view, a criminal loses not only his privileges in society, but I think he should lose the right to be able to profit in any way, shape or form from a crime that has been committed. Now one may say well, after the criminal has served his time or served the penalty, whatever that might be, then that person should be able to do and express himself in any way, shape or form within the context of the law because we do believe in the concept of freedom of speech.

However, in a case where a crime has been committed, I do not believe that that person who has been found guilty and convicted of that crime should ever, ever be able to profit in any way, shape or form from disclosing the details, writing about it, talking, whether it is a speaking circuit or whatever it might be. That person should never, ever be able to profit from the activities that he or she might have been engaged in and was found guilty of.

The one area that I think needs to be addressed in this legislation is that this should also apply to government and government agencies, and those people who work on behalf of government, whether they are the police associations, the police forces, whether it is the Justice Department or government in general, should never ever be able to profit in any way, shape or form financially by disclosing details of a crime or talking about a crime, writing about a crime, because I think, in a human sense, that is wrong. If we have any morals in our society, that is something that we should fight against as well.

The fines are deterrents in one way in crime, and if you do not comply to this particular piece of legislation it can result in a fine of up to \$50,000 or the value of the contracts for recalling the crimes, Mr. Speaker.

I find that it should not just be a fine. Any material like that should be confiscated and should be destroyed, and should never be able to be used in a public sense. All that does is conjure up the notions in some warped minds that, in fact, this is an action that I could either duplicate, replicate or perhaps alter, and maybe I will pay the penalty.

But in Canada that is not a death penalty, and then I will be able to write about it 20 years hence and really make some dough off this activity that I have been engaged in.

So fines do not address the issue here. It should simply be tough legislation that says you cannot do it; and if you do it, it will be confiscated, destroyed. Any way that you want to express yourself about disclosing the acts that you have been involved in, in a criminal sense, are just not going to be tolerated in a public sense, in our society. That, then, sends a message strong and hard to people who maybe want to profit in any way, shape or form from crime.

If we look at the horrendous crimes that are committed in our society from time to time, Mr. Speaker, the one crime that keeps coming back to me all the time, is the one that was committed in southern Manitoba that we read about in the papers the other day. That was the Grenier murder case. This was such a vile act that it is one that keeps coming back to me because of the innocence of that person who was at such a young age and was so brutally murdered in a senseless way. Now that individual who caused that may in fact be able to walk in 25 or 20 years under our law. But we should never, ever as a society, whether it is present or future, tolerate that person being able to profit by disclosing the details of that crime.

Mr. Speaker, I commend the Government in moving in this direction. But I also ask the minister and the Government to consider that other step which means that you do not simply put a fine—money does not solve things, in many instances. We should be so committed to discourage this that we would be prepared to move in a very harsh way against an individual who does that by confiscating, destroying any kind of disclosure or any kind of written material of this kind, so that it can never be a reminder to that family who had to suffer the consequences of that crime.

With those comments, Mr. Speaker, I will conclude my remarks. There are times in this Legislature when we do not agree on all the details of a particular piece of legislation. But we all agree in principle that the general direction that the legislation is pointing us in is okay. To that extent, I would have to say that as a member of this Legislature, I would be prepared to support, but also caution the Government, to become much more vigilant and to become a little more stringent in how they address the penalties and the concept of having even the government agencies being able to profit from such disclosure. Thank you very much.

Mr. Speaker: Any other speakers? Ready for the question?

An Honourable Member: Question.

Mr. Speaker: The question before the House is the proposed motion of the honourable Attorney General, Bill 41, The Profits of Criminal Notoriety Act.

Is it the pleasure of the House to adopt the motion? *[Agreed]*

* (16:50)

**Bill 15—The Highway Traffic Amendment Act
(Police Powers Respecting Unsafe Drivers and
Miscellaneous Amendments)**

Mr. Speaker: Bill 15, The Highway Traffic Amendment Act (Police Powers Respecting Unsafe Drivers and Miscellaneous Amendments), standing in the name of the honourable Member for Lakeside (Mr. Eichler).

Mr. Ralph Eichler (Lakeside): Mr. Speaker, I would like to rise today to put a few words on the record in regard to Bill 15, The Highway Traffic Amendment Act (Police Powers Respecting Unsafe Drives and Miscellaneous Amendments).

This side of the House is, of course, supporting this Bill 15. The bill outlines that the driver who fails a field sobriety test, does not follow instructions about a test or refuses to take a test, his or her licence will be suspended administratively for 24 hours. A 24-hour suspension will apply to a driver who also has been impaired or taking drugs or refuses to take a sobriety test or a blood sample.

My concern with this bill is those who have a driver's licence it is fine, the people that do not have a driver's licence are the ones that I am concerned about the most. When we look at Bill 15, my concern is that the young offenders that are moving out into the rural areas are finding that they cannot get the speeds up in town so they come out to places like Lakeside, but they find out very quickly that they cannot drive on the roads because they are pretty rough. Once we maybe get some paved out there, maybe we will be just like the city of Winnipeg. *[interjection]* Exactly, we have speed bumps on all our corners.

The article on September 5, 2003, the police had an article in there saying the officers will not let up on impaired drivers. I think the impaired drivers is the thing that is going to be the easiest to test, because we have the technology and the resources to move forward on this. Where we will have our problems in the future I think is to outline the test that we need for marijuana and other drugs that we may be concerned with.

The possible legalization of marijuana that may be coming forward by the federal government is a concern, a serious concern that I take. I am concerned with the future generation that is coming down the road and with our own mine in Flin Flon that has been used as a grow operation for marijuana. These people get behind the wheel and think they are indestructible in any way, shape or form, they can just kind of fly and walk on air, do everything they want. We need to make sure that in this bill we are going to give the powers to the courts to see to it that these people will be punished as well. Hopefully we will follow up with the proper testing and be able to bring this forward.

The suspects also that are taking these drugs, my concern there is that without the proper equipment to do this, unlike alcohol, it is difficult for us to concentrate on those individuals as they do not have the sobriety test or those tests that are available for us to follow up on. Mostly those people are driving without a licence anyway. So we need to make sure we protect ourselves in those.

The federal Justice Minister, Irwin Cotler, was supposed to table the legislation this spring. We will be interested to see, as the member from Steinbach pointed out, maybe they will not get it done this year.

If they are out then of course we will have to deal with that.

Having said that regarding the drugs, Mr. Speaker, the other thing that I am concerned about is the Court of Appeal. An officer has no authority to ask a driver if he has had anything to drink or if he has taken drugs, unless he has reasonable grounds to believe that he has, unless he provides the driver with an opportunity to consult a lawyer. This legislation prevents an officer to ask these questions of the driver when stopped by the officer and does not require an officer to provide the driver with an opportunity to consult a lawyer. This legislation is somewhat maybe weak in that area. We would make sure that it is covered under Bill 15. Forty-eight hours is a time that a vehicle can be impounded for. Of course, if charges are laid, well, then we will deal with that accordingly.

We would like to see Bill 15 move forward. There are a couple of other speakers on it that would like to put a few words on. So having said those few brief words I will leave it at that.

Mr. Kelvin Goertzen (Steinbach): Boy, it is a great pleasure to follow my colleague from Lakeside. I always enjoy listening to the comments that he puts on the record. I think he has come upon something here, Mr. Speaker, in relation to this bill, when he suggested the Government is actually doing some prevention already for racing in the province by allowing all of our roads to deteriorate and allowing potholes all over rural Manitoba.

I am glad that the minister for highways and transportation was listening to those comment, Mr. Speaker, because I am not sure if that was actually his intention, in allowing the roads to deteriorate throughout the province to prevent speeding from happening, but I guess I will give credit where credit is due. If that is their intention, to replace one evil for another by keeping people from speeding, then letting our roads go, to deteriorate, well, I say, I guess that is the legacy that they will have to live with. That is certainly concerning for members on this side of the House and all rural residents, and particularly the rural residents who are sitting on this particular side of the House.

I would certainly encourage the urban members who probably do not get out to those rural communities as often as they should, Mr. Speaker, and

certainly I know that members on our side—I just hear the Member for Tuxedo (Mrs. Stefanson) comment on the great amount of time she spends in rural Manitoba, and I know that she does because she has been to my constituency. I always appreciate the fact that members from our side of the House are coming out to see what the conditions are in rural Manitoba. I would encourage the Government, those members, urban and rural, on the government side, to make the trip out to rural Manitoba and see what is happening, because while the roads are deteriorating—and that might have some positive effect on racing which this bill relates to, certainly I think that there are other ways that we could do both; improving our infrastructure, our roads in Manitoba and also ensuring that justice is still well served.

I find it somewhat ironic, Mr. Speaker, that we are listening to this House day after day and the Premier (Mr. Doer), the First Minister, raises issues regarding Brian Mulroney and John Diefenbaker and past leaders of federal parties. He raises those on a fairly frequent basis. Well, it is strange, then, that the Government brings in a bill that relates to a kind of cracking down on those who are driving under impairment, under a narcotic substance, under a drug substance, and I think that the intention of that bill is certainly good, but I wonder what members opposite are saying to their federal colleague Mr. Jack Layton.

We are on the precipice, Mr. Speaker, we are on the verge of a federal election, and, well, I hear the member formerly for Crescentwood, I understand, calling out comments across the way. I talk about Jack Layton because I think it is important to relate what the Government is trying to do in terms of cracking down on those who are driving under drug impairment, more than just alcohol, or they are talking about other illegal substances like marijuana or something more significant on the hierarchy of drugs. I noticed that the position of the federal NDP is not just to decriminalize marijuana, which I guess there is some debate going on in Canada, but to legalize it, to outright legalize marijuana in the country. Is it not ironic, now the NDP government here stands up and says, "Well, let us bring in a law that is going to crack down on those who are out there driving under the influence of narcotics like marijuana." Yet their federal colleagues in Ottawa are saying, "Oh, no, let us make it all completely legal; let us make it all legal altogether." Is it not interesting?

I wonder while the First Minister stands up day after day and says, oh, Brian Mulroney this and Brian Mulroney that, I wonder if the First Minister and the Minister of Justice (Mr. Mackintosh) have taken the time to contact their colleague in Ottawa and say, "You know what, Mr. Layton, maybe you are not exactly on side with what everybody else is doing. We in Manitoba are trying to crack down on things like people driving under the impairment of marijuana." But I do not know if they have done that. I do not know if they have written that letter. I do not know if they have put forward that opinion. [*interjection*]. Mr. Speaker, there are members in this House who asked me to raise comments about other transgressions of the federal New Democratic Party, and I will not go there.

An Honourable Member: There is a ring of truth out there.

* (17:00)

Mr. Goertzen: There is a ring of truth to a lot of things that happen in this House, and I know that there are other issues that will be before the courts related to federal members of Parliament. We will leave that for the appropriate authorities, Mr. Speaker, to deal with and do time, but I do think that it is an interesting point that the federal member of the Conservative Party, and I wonder how many members on the government side are members of the federal NDP party who support the legalization of marijuana. I would encourage the minister of energy and industry to go to a Web site. I am going to tell them a story.

Mr. Speaker, a constituent of mine several weeks ago forwarded me an e-mail link. The Web site, and I do not want to advertise it, but it was in relation to an Internet site entitled "Pot-TV." On this particular Web site entitled "Pot-TV," which is advocating the legalization of marijuana, is a commercial. Do you know who the commercial is from? I would like to ask the members opposite who the commercial is from, but I know they are not going to get up and ask, so I will tell them the answer. The commercial is from Jack Layton. Jack Layton is advertising on "Pot-TV." Is that not interesting?

I see, Mr. Speaker, you have a look of, kind of, bemusement on your face, and you are wondering could it be true. I would encourage you and all the members opposite to go and check this out for

themselves, because I think it is absolutely reprehensible that the federal NDP is advertising on a Web site that is—well, the Member for Selkirk (Mr. Dewar) wants to talk about relevancy and I will get to that.

But the federal NDP wants to talk about legalizing marijuana, Mr. Speaker, and now we see a bill, Bill 15, that says, "Oh, well, we had better clamp down on all those who are driving under drugs." There, I have satisfied the Member for Selkirk's curiosity about relevancy. Now I wonder if he would satisfy my curiosity, and after checking out the Web site, call Jack Layton saying, "Remove those ads." Remove those ads for not just decriminalizing marijuana. I will tell you, if you look on that Web site you will also see statements from the individuals who set up the Web site commending Jack Layton and the federal NDP on their stance to legalize marijuana.

Well, and so I see some of the ministers have their heads down and so they should. They should have their heads down in shame. If they have not contacted their federal colleague Mr. Svend Robinson, sorry, Mr. Speaker, not Mr. Svend Robinson, although they should probably contact him too and give him some sage advice these days. They should be contacting Mr. Jack Layton and telling them that where they are going—

An Honourable Member: Get your hand off the horn, Kelvin.

Mr. Goertzen: Mr. Speaker, I hear some of the honourable members across the way saying that I have my hand on the horn on this issue. I say very clearly, I do have my hand on the horn because I want Manitobans to hear about this issue.

Yesterday it was interesting because I heard the same comment from the Premier (Mr. Doer). I heard the same comment from the First Minister a few days ago when I was asking questions about the cost of the floodway ads and he said, "Well, the Member for Steinbach has his hand on the horn." And that turned out to be a \$100,000 honk, because they found out that the ads cost \$100,000. I blew the horn once, and it cost Manitobans \$100,000. So I will continue to honk that horn, and I am sure that the members opposite will be looking forward to that. But they are sensitive about the issue because I think they see the duplicity in the situation.

Where on the one hand they are bringing forward legislation that is supposed to clamp down on drivers who are under the influence of certain kinds of narcotic substances and yet, on the other hand, they are, as a federal party, ready to go door-knocking for their federal colleagues, I am sure, in the weeks ahead. Yes, and see the Minister for Agriculture (Ms. Wowchuk) says, "Yes, I am going to be out there door-knocking for my federal NDP colleagues." She should know that, when she is out there door-knocking for that federal NDP colleague, she is out there supporting the legalization of marijuana, and I say, "Shame on the Minister of Agriculture."

But maybe that is her new cash crop. Maybe that is how the Minister of Agriculture is going to pull the agriculture industry from its depths, from its 40% decrease in income. Maybe she is going to support the legalization of marijuana as the new cash crop of Manitoba and support what her leader federally is doing.

So I caution the members, I caution them when they want to draw links between the federal leaders and the provincial leaders that their record is not exactly clean on this issue. I would recommend that each member take the time to write their federal colleague Mr. Layton and give him some wise advice. They might also want to do the same for other federal members of the NDP who find themselves in difficult situations these days.

Mr. Speaker, I think generally the intention of the bill is good. When we look at the difficult work that our police have to do on a day-to-day basis, I would encourage all members to try to provide police officers with the resources and the powers that will help them do their job within the framework of the Constitution, of course, because they want to ensure that police officers have the ability to do their job, but still that our Charter is upheld and that the rights that individual citizens have are maintained. Whether this particular bill will strike that balance is yet to be seen.

Certainly, there have been cautions in the past on other bills related to constitutionality. Remember in the 1990s I believe it was where the federal Justice Minister at the time was looking at impounding vehicles for those who were caught with impaired driving. There were members opposite who raised the flag about constitutionality and stomped on the

desks and banged their hands and said, "This will never," and the Member for Selkirk is kind of repeating the show by banging on the desk, and said, "This will never stand a constitutional challenge," because under the Constitution the federal government has the right for criminality. It is under their purview, under their scope.

Yet, Mr. Speaker, we saw that in fact the Supreme Court and the Justices wrote in favour of our particular position, that the impounding of those vehicles was a matter of property which is certainly the right of provincial governments under the Constitution. We are certainly pleased that our Government had a hand in bringing forward that initiative and to the extent that the current government wants to get onboard and kind of saddle up with the initiatives that we brought forward in government. I think that is good. They recognized that we were doing the right thing in this particular issue and they have been trying to build upon that. I think that is commendable. I think that would find some degree of support.

So, Mr. Speaker, with those few words, I want to conclude my comments. I appreciate the Member for Burrows (Mr. Martindale) giving me a good hand and thanking me for my comments. I particularly think that the Member for Burrows would be concerned and is probably clapping because I raised the issue about Mr. Layton and the federal NDP, the federal NDP's decision to support the legalization of marijuana. So I see that he is on his laptop right now. I am sure that he is going to go to the federal NDP Web site, e-mail Mr. Layton even as I am speaking, and say, "Back away from this silly plan, back away from this position." So, when he is out there door knocking with his NDP colleagues in a few weeks, he can do so with a clean conscience and not with a dark cloud hanging over his head. Thank you very much.

Mr. Speaker: Are you standing to speak? Are there any other speakers?

Okay, the question before the House is Bill 15, The Highway Traffic Amendment Act (Police Powers Respecting Unsafe Drivers and Miscellaneous Amendments).

Is it the will of the House to adopt the motion?
[Agreed]

* (17:10)

House Business

Mr. Speaker: The honourable Minister of Energy, Science and Technology, on House business. Okay, the honourable minister.

Hon. Tim Sale (Minister of Energy, Science and Technology): Mr. Speaker, would you please call Bill 20, The University College of the North Act; Loi sur le Collège universités de Nord, standing in the name of Mr. Derkach.

Mr. Speaker: The honourable Minister for Water Stewardship, on House business.

Hon. Steve Ashton (Minister of Water Stewardship): Mr. Speaker, in the great tradition of this House following full consultation with the Opposition, I am wondering if we could call Bill 6 for report stage proceedings.

Mr. Speaker: Is there agreement of the House to call Bill 6, report stage amendment? Is there agreement? [*Agreed*]

REPORT STAGE—AMENDMENT

Bill 6—The Cross-Border Policing Act

Mr. Speaker: Okay, report stage amendment on Bill 6, The Cross-Border Policing Act, standing in the name of the honourable Member for Lac du Bonnet.

Mr. Gerald Hawranik (Lac du Bonnet): Mr. Speaker, I have introduced an amendment to Bill 6, provided notice to the House with regard to The Cross-Border Policing Act. I think it is an important amendment, it is an important bill, and I have mentioned to the Minister of Justice (Mr. Mackintosh) that this bill we could support the principle of, basically because crimes know no borders.

It is important, I think that the—

Mr. Speaker: Order. The honourable member has to move the motion first before he speaks to it: I move, seconded by—

Mr. Hawranik: Thank you, Mr. Speaker.

I move, seconded by the Member for Pembina (Mr. Dyck),

THAT clause 7, subsection 1, be replaced with the following:

Decision on request

7(1)The appointing official may make the requested appointment only if he or she is satisfied that

(a) it is appropriate in the circumstances for the extra-provincial police officer to be appointed as a police officer in Manitoba; and

(b) the extra-provincial police officer is from a jurisdiction that has an investigative and disciplinary process similar in nature to that established under *The Law Enforcement Review Act* respecting disciplinary defaults that may be alleged against the officer while he or she is within Manitoba.

Mr. Speaker: It has been moved by the honourable Member for Lac du Bonnet, seconded by the honourable Member for Pembina (Mr. Dyck), that the appointing official may make the requested appointment only if he or she is satisfied that (a) it is appropriate in the circumstances for the extra-provincial—

An Honourable Member: Dispense.

Mr. Speaker: Dispense.

Mr. Hawranik: Mr. Speaker, as I mentioned earlier, we on this side of the House support the principle of the bill. We have in fact supported the principle of the bill in second reading and during committee last month.

We would like to, of course, improve the bill in the sense that we have given this amendment for consideration by the House. We certainly would encourage all honourable members on the other side, the members opposite, to support this amendment as well.

We support the principle of the bill itself, Mr. Speaker, because crimes know no boundaries. Crimes are committed in different jurisdictions and often criminals cross boundaries, provincial boundaries, federal boundaries, to other jurisdictions. I think it is important that we pass legislation such as this to enable police officers from other jurisdictions to come into Manitoba, if necessary, on certain conditions. The bill clearly states what conditions

those are before they can enter the jurisdiction to allow them to continue their investigation to ensure that crimes are investigated properly.

After all, Mr. Speaker, if we depended entirely upon Manitoba law enforcement officers to investigate a particular crime, let us say, that was committed in Saskatchewan or Alberta or Ontario, certainly a lot of time would be lost, because our police enforcement officials would have to consult with the other jurisdiction's officers and get up to speed, per se, with that particular file, and determine exactly what the investigation entails, what the evidence is, and so on.

What this bill does is it permits officers from other jurisdictions to come in and have the benefit of the knowledge that they had while they were investigating crimes in other jurisdictions and to apply that knowledge of that particular crime and the facts and circumstances here in Manitoba to speed up the process to ensure that criminals are in fact brought to justice in a speedy and effective manner.

This bill allows that continuity in the investigation, Mr. Speaker. It also allows the greater likelihood that criminals will be brought to justice.

The bill itself allows, as I said, officers from other jurisdictions within the country to come into Manitoba. The interesting thing about this bill is the fact that there is a provision in the bill which allows police officers to come in, but they are also subject to disciplinary action. They are not subject to disciplinary action by any body within Manitoba. They are subject to disciplinary action in the jurisdiction from which they came.

So, Mr. Speaker, if a Saskatchewan officer came into Manitoba and committed a particular wrongdoing in Manitoba while they were investigating the crime, they could go back to Saskatchewan, for instance, because there is a law enforcement review agency, as there is in Manitoba, in Saskatchewan and most other provinces. If the wrongdoing occurred by the officer in Manitoba, they would be disciplined in their home jurisdiction.

I think that is an important principle in the bill. It specifies very clearly that officers from outside the province are actually disciplined within the province from which they came.

My concern, Mr. Speaker, is that there are a number of jurisdictions in this country in which there is no law enforcement review agency and there is no equivalent agency. I will name a few of them. Prince Edward Island does not have a law enforcement review agency. The territory of Nunavut, Yukon Territory and the Northwest Territories also do not have a public body to which people can complain about the actions of a police officer. There is no public body looking at the discipline, and they cannot be disciplined in a public way.

For that very reason there are four jurisdictions within the country in which there is no law enforcement review agency. There is no equivalent agency to what we have here in Manitoba. Therefore, if an officer comes in from those jurisdictions, does something incorrect or untoward here in Manitoba, we cannot complain to those jurisdictions. We can complain to the jurisdictions, but there is no public body to enforce disciplinary action against that officer.

* (17:20)

I know the minister might say, well, in Prince Edward Island there is the RCMP, and Nunavut there is the RCMP. In the Yukon and the Northwest Territories there is only RCMP. Well, that is correct today, but that does not mean that will be there in the future.

First of all, Mr. Speaker, the bill allows Aboriginal police to come into Manitoba. There are Aboriginal police forces in all of those territories and in Prince Edward Island. They do not have a public body to which complaints can be made. I think it is important to have that public body. I would suggest that the bill ought to be amended and the amendment in fact reflect that concern. It ought to be amended to ensure that, as one of the conditions for coming into Manitoba, to receive jurisdiction in Manitoba to investigate crimes in Manitoba, in fact, you have to first have an extra-provincial agency like the Law Enforcement Review Agency in Manitoba.

I think that is only fair. That is there for the protection of the public. Without that amendment there is no protection.

Mr. Speaker, I think the minister may argue, or others may argue, that section 7.1.(a) already provides that. Well, all it does is say it gives authority,

in fact, to whoever is reviewing the application by the police officer from outside the province to come in. All it does is it allows them, it says it is appropriate in the circumstances—the appointment has to be made as appropriate in the circumstances. How does the individual who is making the decision know what is appropriate and what is not appropriate? I think, definitely, with respect to the amendment, it addresses that issue. If you do not have a law enforcement review agency or an equivalent agency in Manitoba or from the other province, certainly you should not be allowed to come within the province to do the investigation.

For that very reason, Mr. Speaker, I hope that members opposite all support this amendment, including the Minister of Justice (Mr. Mackintosh). Without this support, I think, we are doing a disservice to Manitobans. Thank you.

Mr. David Faurshou (Portage la Prairie): Mr. Speaker, I rise to participate in debate in support of the amendment as proposed by the honourable Member for Lac du Bonnet (Mr. Hawranik). I believe it is an amendment which enhances the act, Bill 6, The Cross-Border Policing Act. I believe it should be recognized as such by the government side of the House.

Mr. Speaker, this particular amendment stems from committee discussion on this very point. I believe it enhances Bill 6, and I would like to see all honourable members from the government side of the House in support for this amendment as it has been explained by the honourable Member for Lac du Bonnet.

Mr. Speaker, there is concern in these four jurisdictions that there is not a body for review of law enforcement officers' conduct should there be concern or complaint raised. Although there are internal investigative units, the various divisions within the RCMP, clearly one wants to see that the public has an independent body that is able to review.

I would like to encourage the minister responsible for proposing this act to look with favour upon this amendment. I believe that in discussion at the committee, as I previously mentioned, the minister recognized that there are jurisdictions that do not have public bodies for review of police officer conduct. However, he did state at the committee

level that he was comfortable with the internal review process that the RCMP affords those jurisdictions that have the RCMP police services as mentioned by the honourable Member for Lac du Bonnet.

I would like to say, though, that this minister has stood in this House and spoke very supportively of the Law Enforcement Review Agency that is in place here in Manitoba. I believe that he would like to be consistent in showing support for that, and not having this area within Bill 6 as opportunity to say that he did not go the extra mile in which to make certain that this legislation was consistent with his remarks and consistent with what is, in fact, in place here in Manitoba.

Mr. Speaker, I do believe that The Cross-Border Policing Act has full support of all of the law agencies, services here in Manitoba, as it has been thoroughly discussed and brought to public attention for input through our hearing process. It does afford the consistency of investigation that spans provincial boundaries. This is, in fact, an enhancement to make certain that the most qualified, the most well-versed police officers continue with their investigation and are afforded all opportunity to do so with the rights and freedoms afforded police officers, peace officers in the efforts to make certain that justice prevails.

Having said that, the police associations themselves, police services, are supporting this bill. I believe that the minister will look favourably upon this amendment to make certain that it is as complete as it can be and does afford complete coverage. That is not to say that we, here in the province of Manitoba, will not extend the afforded opportunity to continue with their investigation under Bill 6 from those jurisdictions named by the Lac du Bonnet member. It was suggested in Prince Edward Island and the territories that we will not look to extending those courtesies and the responsibilities under the act to those law officers when they attend to our jurisdiction.

Mr. Speaker, it is to look to this amendment to make certain that we look at all other jurisdictions equally and fairly. I believe the Minister of Justice (Mr. Mackintosh) and members of the government side of the House will effectively look with support on it. I thank you for the opportunity to participate in the debate on this amendment.

Mr. Kelvin Goertzen (Steinbach): It is a pleasure to speak to the amendment that has been put forward by the Member for Lac du Bonnet (Mr. Hawranik). I want to give the Member for Lac du Bonnet a lot of credit, because I know in preparing this amendment and researching the bill he went to great lengths to look at the various jurisdictions that the bill covers through the provinces, through the territories, and really looked at every system of how the policing happens in different systems.

Mr. Speaker, I know that the Minister of Justice has been listening today to the Member for Lac du Bonnet (Mr. Hawranik) and now the Member for Portage la Prairie (Mr. Faurschou). Certainly, I am hopeful that the Minister of Justice will look further into this. I think we do ourselves justice as legislators, not to use a pun, but certainly justice as legislators to look at all of these ideas that are brought forward in a bipartisan way and to pick some of the best ideas from different members, no matter what party they are in.

Certainly, Mr. Speaker, that applies to the Member for Lac du Bonnet, who has brought forward a very thoughtful amendment, one that is reflective, I think, of the spirit of the bill. I understand that there is general consensus on the intention of the bill.

Mr. Speaker: Order. When this matter is again before the House, the honourable Member for Steinbach (Mr. Goertzen) will have 14 minutes remaining.

COMMITTEE OF SUPPLY

FINANCE

* (14:50)

Mr. Chairperson (Harry Schellenberg): Will the Committee of Supply please come to order. This section of the Committee of Supply meeting in Room 254 will now resume consideration of the Estimates for the Department of Finance.

When these Estimates were last considered in the Chamber on Friday, April 30, it was agreed that when the department was considered in a committee room, the debate would proceed in a global manner. The floor is now open for questions.

Mr. John Loewen (Fort Whyte): We were talking about scenarios with the interest costs, I think, when we finished up on Friday, and I was asking the minister, there was some information that he had indicated would get delivered to the Estimates committee. I wonder if he has any of that today.

Hon. Greg Selinger (Minister of Finance): As I recall, I think the Member for Fort Whyte was asking me about the average term to maturity of our debt both for the government entity, as well as specifically for Hydro. That was correct?

Mr. Loewen: Correct question, but I was excluding Hydro, but if you have Hydro information that would be fine too.

Mr. Selinger: Well, the average term to maturity right now in fiscal '03-04 is about 7.56 years and for Hydro, it is about 10.2 years.

Mr. Loewen: I thank the minister for that. We were having a discussion, I believe, at the time we ended on Friday regarding interest rate scenarios and the minister had indicated that an average 1% rate increase would cost the Province somewhere in the neighbourhood of \$17 million or \$18 million a year.

I was looking at a more general scenario in that I believe he said the average rate was around 6.6 percent at the present time. If over the course of the next three years we see the rates go back up to what would be a more normative level given our last 40 years of history with interest rates, and say the average rate went back up to the eight and a half to nine range over the course of a period of time, could the minister indicate what impact that would have on the debt-servicing cost to the Province?

Mr. Selinger: Yes, Mr. Chair, bearing in mind that nobody can predict for certain what the rates will be as we go forward, and if they could, none of them would probably be here today. They would probably be sitting on their millions somewhere else.

The way our Treasury officials do projections is they look at sort of five-year averages. The five-year average on a three-month banker's acceptance or short-term borrowing floating debt is about 4.15. So we have projected out that in future years it could rise, by the year 2007-2008, back to that five-year average of 4.15, bearing in mind right now in our 2004-2005 Budget we estimated that the costs of

short-term money would be about 2.25 percent. Speaking to a 10-year bond, our five-year average is about 5.8 percent and in our Budget for 2004-2005, we had it pegged at around 5 percent. That gives you some idea of the sensitivity analysis that our officials are using for mid-term projections on what the cost will be. In the 10-year bond, it rises by .8 percent or 80 basis points. On the three-year BAs or the short-term floating money, it rises by 1.9, 190 basis points over three years.

Mr. Loewen: I thank the minister for that. I want to assure him, I am not asking the department or himself to forecast where interest rates are going but that is probably, maybe, an average-case scenario. What I am interested in is if the department does any analysis based on what, possibly, could be considered a worst-case scenario where interest rates get back to a more normal level, as we would define normal over the course of the last 40 years. I think the minister would have to admit we are at a bit of an abnormal period right now and there is no indication, in the short term, that there are going to be large increases but, certainly, over the next three or four years depending on economic situations we could see that. I am wondering what kind of cost would be associated with that.

Mr. Selinger: The way the officials project going out is on the basis of five- and ten-year averages. They tend to use the five-year one for, say, a three-year forward projection. They also have a ten-year average. Just for example, on short-term money the five-year average is about 4.15 percent; on a ten-year average it is 4.62 percent. On longer term money, say a ten-year bond, the five-year average is 5.8 percent; a ten-year average is 6.63 percent. That gives you some idea.

They do not actually go to what they consider to be the worst-case scenario because we roll over this money on an ongoing basis every year. We enter the market when we see the best opportunities and lock it down. We do not leave it in one big lump and try to get hit.

Now, if there was a dramatic increase in interest rates, probably driven by the United States, the largest player in the international economy, there would be very serious repercussions all over the world. All of our economies would probably suffer. Canada probably would not follow them up as dramatically as they would go up because we are

already well ahead of them by about 200 basis points, as I understand it. So we would not have to follow them up that much. We might, actually, see a competitive advantage occur to our economy with a dramatic rise in American interest rates that we did not have to follow because we would become relatively more competitive. There is just a heck of a lot of variables here.

Mr. Chair, the member will also know that right now the American economy is running massive deficits and who is buying those American deficits and financing them? China is one of the huge purchasers of American bonds right now. They are keeping the American dollar healthy with their purchases of that money for a whole bunch of reasons. One of them is that they are selling a heck of a lot of products to the United States right now. Japan is in on that, too. Japan's economy is coming back a little bit. There have been some very positive signs there. India is also buying a heck of a lot of American debt right now. So, when you look at the international marketplace, it is a very unique situation right now where the Americans, through their deficit financing, are actually keeping a fair amount of buoyancy in the global economy that is being financed by the huge amount of surpluses being generated out of China buying American bonds. It is kind of an interesting relationship that is going on right now.

Mr. Loewen: I will tell you from the answer that the minister either does not have the answer or he does not want to answer the question.

Mr. Selinger: I answered the question with a ten-year average and a five-year average. I tried to discuss the worst-case scenario in terms of the global situation right now. Plus, I gave you, in the previous session, that for every point that the interest rates go up, it would cost us about \$18 million. If there is anything that I did not answer, I would like the member to be clear about that.

Mr. Loewen: Well, specifically, what I asked was, if interest rates went back to the 8.5% to 9% range, what would be the cost? I am talking about the average cost as it is rolled over in the course of the next two or three years. I asked what the cost would be to the Province of Manitoba. I do not want to care about the rest of the world right now. I am just looking at Manitoba.

Mr. Selinger: Again, Mr. Chair, 18 million for every percentage point gives you a rule of thumb that you can use to make calculations, and that is an across-the-board rule of thumb for both short and long money.

* (15:00)

Mr. Loewen: Thanks, I appreciate that. I guess using the same numbers, rates, the minister indicated last Friday that the rates have fallen on average about 3 percent. That would mean that the interest costs to the Province of Manitoba presumably would fall in the neighbourhood of \$51 million to \$54 million. The minister's own budget this year indicates that they are going to fall significantly more than that. I am just trying to get a handle on what the variables are and so, obviously, there is more to it than just \$17 million or \$18 million per 1 percent.

Again, I remind the minister we are in a bit of an abnormal situation in terms of the last four or five years when you compare that to the 40-year history. So I am just looking for what other anomalies might be in there that have led to, particularly this year, the dramatic decline in public debt costs.

Mr. Selinger: In the budget book, I am assuming the member is working off page B11 in the budget book. B11? Okay, which page are you working off?

Mr. Loewen: B13.

Mr. Selinger: So, if you work off B13, it is the same with rounding. We are going from 256 to 239. So we are gaining 17 million in savings. That is equivalent on global terms to about a 1% reduction in interest. Then, you can see going forward, looking on page B13, that we estimate the exposure might climb us back up from 239 to, say, 275 the following year. Are you with me there, the third line in? public debt costs. So that gives the mid-term forecast on what the public debt costs could be under the scenarios that I have described earlier, based on five-year averages, et cetera.

Mr. Loewen: Thank you, Mr. Chair, I appreciate that clarification. I was just trying to ensure that the rest of the decline in there was basically attributed to—well if you go to B26 on note 4 regarding the interest carrying costs, which are going to be moved out.

Mr. Selinger: Mr. Chair, I think the more accurate numbers for the member are the numbers on page B13 because when you look on page B26 under public debt costs, you see this year we are projecting 239 versus 350 in last year, and that is before the infrastructure accounting change was made. So, when you look on the mid-term forecast on B13, that is after the accounting change was made, and is, I think, a more accurate comparable.

Mr. Loewen: Well, the difficulty of course is, with any of these financial statements, when the Government decides to make and the minister decides to make a change in accounting policy part way through the year, it makes it very difficult to translate that back into previous years.

The question would be, is there a department plan on restating the public debt cost in the 10-year forecast that is on page B26 and B27 to reflect the new accounting policy that the minister has adopted?

Mr. Selinger: Mr. Chair, it is restated in the Operating Expenditure Estimates on B11 as well as on B13 which we have just looked at. The department has not proposed to restate it back 10 years, just given the enormous amount of work and doing all those recalculations and going through all that material, but last year compared to this year, they have done it on B11 and B13.

Mr. Loewen: Does the department plan to restate it in the March 31 audited financial statements, the two-year comparison?

* (15:10)

Mr. Selinger: We will bring up our Comptroller. Right now the Comptroller is informing me that they do not normally restate previous years. They would note it and note the change in accounting policy and show how it would vary as we presented it in the Budget here for transparency reasons.

Mr. Loewen: So, from what I understand from the minister's budget statement, he is adopting what he considers to be a policy that will take him one step closer to generally accepted accounting principles, and yet he is refusing to follow generally accepted accounting principles which would dictate that significant changes in accounting policy should be reflected in prior years' statements. Is that what I am to believe?

Mr. Selinger: For comparison purposes, Mr. Chair, the restatement is done here so that there is no doubt about how you are comparing apples to apples, but my Comptroller informs me it is a long-standing practice in Finance, from prior to when we were here, not to restate prior years in the financial statements, but to do it on a go-forward basis.

Mr. Loewen: I thank the minister for that. I just would ask for a little clarification here. I wanted to deal with all the issues revolving around the debt while we had the Treasury folks at the table, but we are going to have a pretty extensive discussion, I think, about GAAP, which I gather you would rather have with the Comptroller's department at the table.

Maybe, for the time being, we will get back to some strictly Treasury issues and come back to this whole issue on debt when we get to the Comptroller's office. Does that make more sense for the staff?

Mr. Selinger: We have a lot of people here. We said we would go global, which is why all these people are here. So, I mean, I made that agreement in the House when we started. You have a free shot on any question you want, on any topic and we will try and answer it.

Mr. Loewen: Well, Mr. Chair, with regard to Treasury and banking operations, I believe the Treasury department usually does some estimates for where they feel the Canadian dollar will be at and where interest rates will be at. Could we get an update on that?

Mr. Selinger: The projection right now is \$1.30. That is the assumption used in the 2004-2005 Estimates. But to be clear to the member, there is no sensitivity there because we do not have any debt in American dollars. So there is just no risk there for us at all.

Mr. Loewen: I would also ask about the interest rate assumption.

Mr. Selinger: As I indicated earlier, on the three-month banker's acceptance or the short-term money, it is 2.25, on the Treasury bills, Manitoba Treasury bills, it is 2.2 percent. As I indicated earlier, on a 10-year Manitoba bond, it is 5 percent for 2004-2005.

Mr. Loewen: I thank the minister for that. Mr. Chair, has there been any change to the, I am

assuming the department still calls it the syndicate, or the ensemble, I guess, to be up-to-date?

Mr. Selinger: Yes, Mr. Chair, it is fairly stable. It used to be called the syndicate. We prefer the more contemporary term "the ensemble." The three leads are CIBC, RBC and Nesbitt or BMO. We rotate a fourth lead among some of the other participants in the group.

Mr. Loewen: In Estimates in the fall, I believe, the minister indicated that the last time the banking services were tendered was 1995. Has there been any change to that?

Mr. Selinger: The situation has not changed much. There is a renewal coming up in the next short while, say the next month to six weeks. My officials, again, actually think that tendering might wind up costing us more because there are a very limited number of suppliers of the range of services we require. I recall just reading a note on this last week that was in front of me where in other jurisdictions tendering has wound-up cranking up the cost quite a bit higher than extending the existing agreement on a renegotiated basis. So they are reviewing that very topic right now and trying to get the best value for the money for the Government.

Mr. Loewen: RBC, I would assume then, is still the lead banker through which most of the function—can the minister indicate what the total fees would be from RBC during a given year?

Mr. Selinger: The current fees for the banking services provided by RBC are about \$321,000 a year.

Mr. Loewen: Is the department able to compare the fees and charges with other comparable provinces to get a feel for where Manitoba fits in the scheme of things?

Mr. Selinger: In the public finance world, Mr. Chair, our officials get together at least once a year at a conference to compare notes but also have fairly regular contact with each other throughout the year. Banking charges, fees have been escalating quite dramatically in all jurisdictions. It has put governments in a bit of a dilemma.

As I explained earlier, Mr. Chair, those provinces that have felt that by going to a tender they could get a better deal have actually had a perverse

outcome. They have actually had costs that have escalated more rapidly than some form of negotiated renewal, one of the dilemmas we are facing right now. One other jurisdiction contiguous to us, to give you a hint, who uses the same lead banker, is facing 80% increase in fees phased in over three years. They decided not to take that 80 percent phased in over three years. They tendered, and the same company won in the tendering process and cranked up the fees 100 percent to 120 percent in one year. So that is the dilemma.

The tendering process is generating higher, more immediate costs than a re-negotiated deal spread over three years, Mr. Chair. It is basically a little cartel of people that are providing these services. There is not a heck of a lot of competition here, so however you—

An Honourable Member: Oh, the Finance Minister calling banks "cartels."

Mr. Selinger: Well, it is a legislated cartel actually in terms of the federal government, but the cartel really sort of gets you one way or the other, and our objective is to make it as inexpensive as possible as we go forward. We are looking at the best methodology to do that right now.

Mr. Loewen: I am not so sure the Canadian Bankers Association would necessarily agree, but in any event, I would just ask the minister if they are having discussions with other major financial institutions or credit unions with regard to the possibility of lowering some of the fees?

* (15:20)

Mr. Selinger: Yes, and the very question the member asked me is a question I have asked my officials every year as well, about what alternatives we have, including using the credit union movement.

The dilemma is this. Right now, Mr. Chair, we have a bundle of services that we acquire in total. We could unbundle those services, and some of them could be acquired more cheaply, but then those that were not in the bundle would wind up being more expensive, with a net result that the total package would wind up being more expensive because some of the potential vendors to us for the services would cream off the ones where they could offer them cost-effectively, make a good return and leave the

remainder out there dangling by themselves, whereupon we would have to pay more for them.

The credit unions are not, at this stage, able to provide us with the full bundle of services we require. We have explored that, Mr. Chair. They could provide some of those services but not all of them, and that is a dilemma.

Mr. Loewen: Could the minister indicate how much of the Province's revenue comes in, in the terms of U.S. dollars? I would be looking for a breakdown between Hydro and Government in that case, and a total.

Mr. Selinger: On the Hydro question, Mr. Chair, Hydro has a foreign exchange management program where they match their revenues that they get from foreign sales against their international or foreign debt obligations. They have a careful matching program there that hedges against itself, in effect, revenues versus expenses, for debt, revenues from sales and expenses for debt. So they manage it that way. That is reviewed every year by them.

Mr. Chair, we do not believe we actually have any significant American revenues outside of Hydro coming into government.

Mr. Loewen: Mr. Chair, does Treasury Branch still provide Treasury management services for Hydro with regard to the matching of U.S. debt versus U.S. revenue?

Mr. Selinger: When it comes to the hedging strategy and the management of the hedging strategy, Hydro looks after that themselves for the most part. We work with them on their sinking fund investments as well as their bond issues. That is handled through Finance, or Treasury, specifically. There is a joint management committee where they collaborate on broader issues: bond issues, sinking fund investments, Treasury Division of Finance, the foreign exposure management program handled by Manitoba Hydro itself.

Mr. Loewen: Can the minister give me an update on the Builder Bonds?

Mr. Selinger: The Builder Bond issue for this year will start May 25. Sales of those bonds will be available to the public until June 8. The rate will be announced on May 21. Basically, it is on the same

basis as last year. It is a market benchmark program in terms of the money we raise through that Builder Bond issue. We make sure that it is comparable in value for us as a government as opposed to other forms of raising capital through other types of bond issues.

Mr. Loewen: Does the minister have a ballpark estimate on what the expectations are in terms of sales of Builder Bonds?

Mr. Selinger: Finance officials try not to put a line in the sand of what they are trying to raise through that on any year. Last year we raised 320. We look for a range of raising between \$200 million to \$300 million a year through the Builder Bond program. There are different variables that come into play there, how much money is rolling over in the bond market within Manitoba and how much money is available to purchase new issues of bonds and then of course competition from other vendors of similar products.

Mr. Loewen: I thank the minister for that. Just one final question I think for the Treasury and banking operations. There seem to be more and more provinces putting more detailed information on the Web in terms of their borrowing, what currencies they are in, maturities. Does the current government have plans to get a more in-depth Web site in terms of publishing these figures?

Mr. Selinger: On the Web site is the document we file with the securities commission in the United States. It is cryptically called the 18-K and within that it has all the debt maturities as they roll over. All the information is there. As well, we have on the Web site the Euro MTN, which is our exposure outside of the American marketplace. It is the prospectus that allows us to borrow in the European marketplace. So all of the information is there, and it shows all the maturities and rollover dates, et cetera.

Mr. Loewen: Okay, so no plans to expand that or update it or make it a little more readable.

Mr. Selinger: In addition, all the Builder Bond rates and experiences in previous years, all that data is on the Web site as well.

* (15:30)

Mr. Loewen: I thank the minister for that. The department, over the course of last year or over the

course of this year, is contracting basically from two departments to one. I gather that is an efficiency objective. Is there going to be a reduction in staff requirements as a result of combining?

Mr. Selinger: In the Treasury Division, Mr. Chair, there is a reduction of branches from three to two and a reduction of one director and an addition of an assistant director, and staff generally feel it is working better, that it sort of allowed work to proceed and be processed a little more efficiently.

Mr. Loewen: I thank the minister and the staff for those answers. I would be prepared to move on to 7.3. Comptroller.

Just a couple of personnel issues. I noticed that Lloyd Schreyer has been seconded. I am not sure if that is a new addition or if that secondment was just renewed. Could the minister give me the information on Mr. Schreyer's secondment, his salary and what his duties and job description are?

Mr. Selinger: I am happy to give that to the member now. That is actually Treasury Board.

An Honourable Member: Treasury Board?

Mr. Selinger: Yes. If you want to come back to it. We will come back to it? *[interjection]* Okay. We will have it ready for you when we get to that section then.

Mr. Loewen: There was one other employee, and again I am not sure what division they are actually in, but I believe it is Jean-Guy Bourgeois that was transferred from the Department of Health and Treasury Board as well. So we will come back to those in Treasury Board then.

With regard to the Comptroller's Division, when we talked last there was an indication that the SAP contract, I think an upgrade was going to have to be negotiated for April 1. Can the minister indicate or give an update on what has happened with that contract extension and include what is going on with upgrades and what the costs are?

Mr. Selinger: That whole issue of renewing the SAP licensing agreement has now been lodged within the Department of Energy, Science and Technology in their MICT Division. But, for the benefit of the

member because I know we have discussed this here before, there is an option now to extend for one year that is being considered versus buying the upgrade. So that is being looked at on a business-case basis which is the best way to go on that.

Mr. Loewen: If I understand it, the Comptroller's department is still involved a bit in that negotiation. Is there a time frame around that negotiation?

Mr. Selinger: The Comptroller's department is no longer involved in the negotiation of the extension or the acquisition of new software. That has been lodged within that new department.

Mr. Loewen: Maybe a better description of the Comptroller's role in terms of—and it indicates in the Estimates book that they are still maintaining and providing business analysis and support for the SAP system. Is that something that is going to be phased out this year?

Mr. Selinger: The role the Comptroller's Division plays is to look at and analyze how the SAP system works and then to work with line departments on achieving its full functionality for financial and payroll purposes.

Mr. Loewen: Does the Comptroller's Division still rely on outside support with regard to that function, or has that all been moved over to Energy, Science and Technology as well?

Mr. Selinger: Currently all the support is being provided by in-house staff.

Mr. Loewen: There was a contract with external consultants which had moved from Deloitte & Touche directly to SAP personnel. Is that over and done with now? Is there no reliance on external consultants at all?

Mr. Selinger: That external support was part of the last upgrade process and it has terminated. It is no longer in place.

Mr. Loewen: I appreciate that, Mr. Chair. Is there any indication that those services will be required in the future with regard to the extension or upgrades?

Mr. Selinger: We do not anticipate any external support if we proceed with the year extension, Mr. Speaker, because it is a stable system right now. If

there is an upgrade, once there is a sort of look at what that upgrade entails, there may be a requirement for some external consulting support to help put it in place and achieve its functionality. That would be within the EST budget as part of the capital expenditure requirements.

Mr. Loewen: I thank the minister for that. With regard to sub-appropriation 7.3.(a), could the minister indicate if there have been new hires in that area?

Mr. Selinger: No, there have been no new hires.

Mr. Loewen: I thank the minister for that. With regard to sub-appropriation 7.3.(b), could the minister indicate if there have been new hires in that area?

* (15:40)

Mr. Selinger: No change. Stable workforce.

Mr. Loewen: Any vacancies?

Mr. Selinger: The ADM reluctantly admits to me that there is a vacancy and he is attempting to fill it on a term basis.

Mr. Loewen: I thank the minister for that information, Mr. Chair. We talked last Friday about some of the upgrades in terms of hardware and software within the division. Are some of these applications applicable in this particular area?

Mr. Selinger: There is a desktop upgrade unfolding across the entire government, and the Comptroller's branch is part of that. There have been about 19 new work stations installed in the Comptroller's branch, and the ADM anticipates some more to flow as well into the branch.

Mr. Loewen: Can I get a number attached to that in terms of capital cost?

Mr. Selinger: It is part of the EST budget but if you want us to try to determine what the capital cost is for Comptroller's branch, we will try to get that for you.

Mr. Loewen: Well, I asked the other day for a more detailed accounting for the Desktop to GenTax software and hardware. I would be satisfied with a global number for Finance, but I just want to make

sure I get that number. So I am not sure if you have that number available for the whole department.

Mr. Selinger: If we go to page 118 in the purple book, 119, sorry, you can see there the Costs Related to Capital Assets, \$4.2 million and change. It is broken down by Amortization Expense and Software Licences for the Desktop and other Amortization Expenses and Interest Expenses. So that is the global number for the whole department.

Page 131 also has further information, Capital Investment, it has to be after that, 133. The development costs required to support the implementation of the departmental IT systems, and 135, specific explanation about what that \$700,000 is composed of.

The \$700,000 is for the Residential Tenancies Branch, the re-engineering of their system to allow existing staff to deal with the increasing volume of demand they have.

Mr. Loewen: I appreciate that information but, just to clarify, I was looking for the total capital costs of those three projects in particular that we had identified on Friday, not just the amortized costs for this year.

Mr. Selinger: Just to clarify, the assets for Desktop reside in the Department of Energy, Science and Technology. That is where they are recorded because it is an enterprise-wide investment in government.

The only capital assets we are showing in Finance is \$2.25 million for the Residential Tenancies Branch re-engineering project and that is over the life of the project which started in '03-04 at \$480,000 and this year at \$700,000 and next year at \$721,000.

So that gives you \$1.85 million and then there are a few other items in terms of completing that project which bring it to \$2.25 million. So the Desktop is in the EST, and the GenTax initiative is also lodged within the BSI initiative. I know we are using a lot of acronyms here, but that is all housed in EST as assets under that department.

Mr. Loewen: Mr. Chair, would it be possible to get the capital costs for those, or is the minister suggesting I would have to go to the other Estimates to get that information?

An Honourable Member: Sure. We will try and get them from the other department for you.

Mr. Loewen: Thank you.

Mr. Chair, with regard to the generally accepted accounting principle issue that we were discussing a little while ago, the minister is indicating that there will be no change to the policy the Government has of not applying the generally accepted accounting principles and not restating prior years' financial statements to reflect significant accounting policy changes?

Mr. Selinger: The policy of Finance officials has been to state the financial information within the policies in place during that specific fiscal year and that is the methodology that is used to report under balanced budget legislation. They have not gone back and done restatements. The restatements might change the outcomes in terms of balanced budget legislation. There has been a view that that might generate confusion. That would actually not increase transparency necessarily, but might make it worse for people.

* (15:50)

So in the Budget we have done last year versus this year for comparable purposes. When a GAAP policy is adopted it is on a go-forward basis. That is the way we have done. This year, in terms of the infrastructure assets, there had been quite a long review done by the Public Sector Accounting Board on how to deal with infrastructure assets. Once they finally resolved that, then my officials recommended it to me for treatment in this Budget as another measure to comply with GAAP.

Mr. Loewen: So, what the minister is saying, in essence, is that the exception to GAAP that is noted in last year's financial statements is note 1, that material adjustments will not result in prior years' balances being restated?

Mr. Selinger: Prior years' financial results are stated in the policies in place at the time that that fiscal year was unfolding. So policy in place for 2003-2004 is the policy used to express the financial results. Policy in place for 2004-2005 is the policy used to express the financial results that year. To use the 2004-2005 policies and restate back, say, 10 years, first of all it is an enormous amount of work on the

part of officials to do that, and, secondly, there is a view that that might confuse the reporting requirements under balanced budget legislation.

Mr. Loewen: Well, the minister's logic, I think, does not really carry water on this one. Even the Auditor is recommending that generally accepted accounting principles be used, particularly when recording the summary statements. Is the minister saying that this is the advice he gets from his department and he weighs that against the advice he gets from the Auditor General, or is it political policy?

Mr. Selinger: My officials inform me that the practice of not restating financial statements has been in place as long as they can recall. They did use the number 1870, but I think that might be stretching it a bit. It has been a continuous practice, and the advice to ministers, regardless of the political party or the Minister of Finance in place, has been the same, and it has been consistent.

Mr. Loewen: So, Mr. Chair, is the minister saying he can never foresee a day when the Province will adopt generally accepted accounting principles? We will just continue on our merry way, following historic tradition?

Mr. Selinger: No, we are not saying that. We are saying that every year we increase the transparency measures that we implement within our financial statements and our budget reporting requirements. We have reported on them every year. For this year, if the member would turn to page B32 in the budget book, this one, the budget papers B32, we indicate all the things we have done to improve reporting under the title Transparency and Accountability Improvements, including capital acquisitions, infrastructure capitalization, pension accounting, et cetera.

We have done the same thing in every budget since I have been in office. We can compile a list of that for the member. They are available in every budget, a set of papers. Over the five years I have been here, there have been an extensive number of improvements made to bring our statements more in accordance with GAAP. I think if you pile them all together, there are pages of them. This year's improvements are stated here.

Mr. Loewen: Well, I thank the minister for that. Again, though, he is not really answering the

question. I can appreciate that there have been improvements made by this Government. There were improvements made by the previous government. It has been an ongoing process for a long, long time. What I am trying to understand is why the minister is so insistent upon refusing to take the Auditor General's advice and follow generally accepted accounting principles.

He has indicated to a response a couple of questions ago that they are going to restate last year's financial statements to include the change in how they are handling the amortization of interest expenses in terms of putting it back to the departments and showing a true cost, I guess a truer cost of the debt servicing, and yet at the same time he is saying that he will not go back and restate prior years' earnings. It seems the two statements are certainly at odds.

I would just again ask him if he could clarify. He did say in this year's March 31 financial statements that there would be a restatement of how the debt costs are shown. I think I understood that correctly.

Mr. Selinger: Just to clarify, Mr. Chair, my officials' advice to me is apparently advice that has been consistent since as long as they can remember. It is to not restate prior years. However, in the budget treatment that I presented to you today earlier on pages B13 and B11, they have restated for purposes of comparison so there was no misleading information of how last year compared to this year. That was done deliberately to make sure that anybody reading the document would have a clear understanding of how debt costs have been reduced vis a vis last year compared to this year.

With the financial statements, they do not restate. They do adopt new GAAP measures every year, once they have been sorted out and clarified and understood and there is a consensus achieved through the Public Sector Accounting Board. Those new GAAP measures are reported, as I have indicated on page B, whatever the number was, 20 something, B32. The sum total of that is you have a cumulative body of improvements over the last five years which has significantly improved public sector accountability and PSAB compliance.

As I understand it, Mr. Chair, we have had clean audits in the last five years. We have had clean audits every year for the last five years. The suggested recommendations for the future are ones that we are

always willing to consider, but we have had five stellar years of clean audits from the provincial auditor.

As I recall, when I came into government there was not a clean audit in the year prior to us arriving because—is that correct? We will check on that. I know we made some changes in the balanced budget legislation to reflect transfers in and out of the Fiscal Stabilization Fund, not to be counted as income twice. That was the reason before we came into government there was not a clean audit. My Comptroller is confirming that now.

We try to address all the issues that would prevent us from getting a clean audit, and we have done that every year for five years. We hope to be able to do it in the future.

Mr. Loewen: So, if I understand the minister correctly, he and his department have restated the numbers for the Budget to clarify the situation and make it clearer to individuals, and yet he sees no problem in the audited financial statements of the Province of not restating those figures, even though obviously he knows them.

He is going to fall back on his exception to GAAP that he is simply not going to restate the previous years' financial statements even though he knows and will know exactly what the numbers are. So he wants to be clear and transparent in the budget document, but he is refusing to be transparent in the presentation of his annual financial statements. Is that what he is telling Manitobans?

Mr. Selinger: No, I am not. I have said that the Comptroller and the deputy minister, all those sage individuals which have occupied the august positions inside the Department of Finance for years and years, have a policy of not restating, but for transparency purposes and disclosure purposes, we will have notes that indicate the differences from last year to this year and how that stacks up compared to how we have reported it in the budget papers that I have indicated to the member in front of us.

Ms. Kerri Irvin-Ross, Acting Chairperson, in the Chair

There will be no attempt to try and mislead anybody or to confuse them, either going backwards or forwards, and the notes will cover off the

transitional issues that are involved in going from an old treatment of infrastructure to the new PSAB-compliant treatment that includes amortization and interest costs being shown in different ways within departments as we go forward.

* (16:00)

Mr. Loewen: So the minister has the numbers, he is prepared to share those numbers with Manitobans in the form of his budget analysis, and yet he is at the same time telling Manitobans that he is prepared to show different information in the audited financial statements that he gives to the people of Manitoba and, somehow, try to qualify his intent of confusing the books by saying he is going to publish a note.

Does the minister not believe that it would just be more transparent, more accountable, more clear to the citizens of Manitoba if he just followed generally accepted accounting principles and restated the numbers that he already has in his possession, that he has used for the Budget? Would that not be the right thing to do for clarification to all Manitobans of the finances of the Province?

Mr. Selinger: All I can say to the member, Madam Chair, is that in the budget papers we have tried to show accurate apples-to-apples comparisons in the year-end statements.

It has been a long-standing practice before we came to Government, before I occupied this post, not to restate prior years, but there will be notes explaining the changes year over year so that people are not confused about the different treatments, for example, infrastructure assets 2003-2004 versus 2004-2005.

We will make it fully transparent so that the public can understand what the shift has been in the accounting treatment.

Mr. Loewen: Well, you may think you are making it fully transparent by putting it in a note, but certainly the minister should understand that the way to make it transparent and the way to be accountable for it is to follow generally accepted accounting principles.

It is beyond me, other than I guess that he is afraid of setting a precedent. Is that the reason why he would refuse to print the numbers he has, that follow generally accepted accounting principles, in

the annual report that will be published as of March 31, 2004?

Mr. Selinger: Madam Chair, on the 2003-2004 financial statements, they will be put forward to the public with the policies in place at the time that Budget unfolded and that fiscal year occurred. There will be notes explaining that in the next budget, 2004-2005, there will be a transition to a new PSAB-approved policy and that will give the public a heads-up that when the 2004-2005 statement comes out there will be a new treatment of infrastructure assets and at that point, the Comptroller and Finance officials can again explain the change.

As we have done in the Budget in the 2004-2005 financial statements, they can sort of do an apples-to-apples comparison with previous years in the notes. The 2003-2004 statements will be done using the policies in place in 2003-2004.

It is a value judgment, my Comptroller explains to me, to try and be consistent with the policies in place at the time. This kind of discussion is a difficult one, because if you go back and start restating and redoing financial statements retrospectively based on policies that have come in subsequent to those years' experiences, there is a view that that could create certain kinds of confusion out there, particularly when it comes to compliance issues under laws that were in place at that time.

Madam Chair, it is simply an attempt to make sure that going forward GAAP policies are implemented and PSAB consensus positions are adopted and financial accountability and transparency are improved without going back and confusing the historical record.

Mr. Loewen: Well, I can see the officials are obviously very uncomfortable with the minister's response. I can only assume that it is not really a value decision, but it is a political decision. Obviously, the minister has some real worries with regard to adopting generally accepted accounting principles.

I guess, just for clarification, I would ask the minister if generally accepted accounting principles, particularly the requirement to restate prior years' earnings, had been adopted earlier, which we had called for and which they should have been, could the minister indicate what type of impact that would

have had on the so-called balance he has remaining in the rainy day fund?

Mr. Selinger: Well, first of all, I just want to read into the record what the Auditor General said on September 22, '03, in his Auditor's report. He said, "In my opinion, these summary financial statements,"—and I remind the member that summary financial statements were never done until we came to government. This is the third one, second one, summary financial statements—"for the government reporting entity present fairly in all material respects the financial position of the Province of Manitoba as of March 31, 2003, and the results of its operation and its cash flow for the year then ended in accordance,"—and this is important. I hope the members just will give me a little bit of his attention, because he asked the question—"in accordance with the accounting policies disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year."

The advice I have received from my officials, and it is advice based on what they think is the most transparent way to show information, is that the financial statements should be displayed consistent with how the Budget was presented in that year. So you have your '02-03 Budget; you have your '02-03 financial statements. They are handled on a consistent basis relative to each other and on a go-forward basis for subsequent budgets. If policies change, they are presented in the Budget as we did this year. The financial statements at the end of this year will be consistent with how we made the presentation in the Budget this year for comparability purposes. That has been the way they have handled it for many, many, many years.

Madam Chair, I want to add just an additional point there that my deputy minister has made to me. He says if you change between the Budget and the financial statements, you do not then have comparability between what the Budget said and what the financial statements said. Then the member might correctly say, "How can I understand this, because the treatment has changed in-year?"

That is why I said it was a value judgment. It is not a political judgment. I followed the advice of my officials. They have been giving that advice consistently to ministers of Finance since before I occupied this post.

Mr. Loewen: Did I hear the minister right in his diatribe that he is claiming that his Government was the only one that has ever produced summary financial statements in the history of the Province of Manitoba?

Mr. Selinger: I thank the member for that question. The clarification is as follows: We are the first government to make the summary financial statement, the main statement of presentation of the annual financial experience of the Government. Prior to that, the summary financial statement was presented in Volume 3, buried in Volume 3, and only the operating statement was reported on as the primary statement of the year's experience.

Mr. Loewen: I appreciate the minister clarifying that. I would not want him to be on record as claiming to be the only Finance Minister to present summary financial statements for the Province of Manitoba.

* (16:10)

If he wants to talk about audited financial statements, I think in the history of the province there has only been one time I am aware of that the Auditor has refused to sign the books of the Province of Manitoba, and that was, as far as my recollection, under a New Democratic government. I believe it was Vic Schroeder at the time was the Minister of Finance. I think it is important to have this information on the record.

The question being asked to the minister is very straightforward. It is obvious that it is more of a political decision to choose to not follow generally accepted accounting principles. Again, the minister in his previous statement, in his attempt to read in the letter from the Auditor, was he attempting to say that the Auditor is in agreement with him and that the Auditor has not requested in the strongest of terms that the Government move to adopt generally accepted accounting principles as soon as possible, in fact, immediately?

Mr. Selinger: No, I was not saying that. I was simply putting on the record the specific wording that I put on the record that said it was done consistent with previous years' experience. The point I was making earlier is that this Government is the first government to make a summary financial statement its primary presentation format for the

financial experience of that year. Prior to that, it was not done that way, it was buried in Volume 3. Take that for what it is worth. It was an improvement in transparency and accountability. It was acknowledged by the Auditor General, as I recall, as being an improvement. I think he said so in writing.

As to the member's question, Madam Chair, certainly we want to take seriously the advice given to us by the Auditor General every year. We can demonstrate, over the last five budgets, improvements we have made that have brought financial reporting into greater compliance with GAAP policies as discussed and worked out by the Public Sector Accounting Board. We have had clean audits for the last five years.

Mr. Loewen: Just for clarification, Madam Chair, would the minister then also agree with the Auditor that in 2002, based on summary statements, the Government ran a \$10-million deficit, in 2003 they ran a \$184-million deficit, and this year they are projected to run a \$531-million deficit? In fact, next year in their so-called balanced budget they are predicting a \$58-million deficit.

Is the minister arguing those figures with the Auditor General?

Mr. Selinger: I think the point I would like to make for the member here is that on page B19, he may be referring to that in the budget papers, we present the summary budget forecast for '03-04, as well as for '04-05 and for the first time ever for the three years after that. This information was never presented when the member's political party was in power. They did not do it, period. They just did not do it. The member might want to think about that when he thinks about who is improving transparency and accountability. This number would not be available, none of this information would be available to the Auditor General unless we published it in our budget papers.

So we are the first government to make summary budget information available in our budget papers. I believe this is the third year we have done that, as I recall, the third or fourth, at least the third year. We are happy to provide that information as well as the information that shows we are in compliance with balanced budget legislation, the legislation the members opposite brought into place in this province.

Mr. Loewen: Is the Finance Minister saying it would be impossible to use normally accepted, generally accepted accounting principles and still be able to function under the balanced budget law? Is that what he is claiming?

Mr. Selinger: My deputy minister was once again trying to give me advice, but I am not sure what the advice was.

The last three budgets are the only budgets in the history of the Province that have been presented on a summary basis and have complied with balanced budget legislation. When the previous government was here, they presented budgets only on an operating basis under the balanced budget legislation. They provided zero information on a summary basis.

We listened to the Auditor when we came into office. He asked us to provide more summary budget information in our budget papers. We have done that. We have done it for the year in question. We have done it on a forecast basis for the first time ever this year. One of the issues that emerged from looking at the budgets on a summary basis was that there had not been any policy in place to address the pension liability.

So, in our first budget, we put in place a long-term policy to address the pension liability. It had grown from 1.8 billion in 1988-1989 to approximately 3 billion in 1999-2000. Projections showed it growing to over 8 billion if left unaddressed. We put in place a policy to start addressing that. We started showing all that information, explaining what the policy was, and we started publishing summary budgets as the Auditor requested.

Mr. Loewen: For the record, I concede the Finance Minister not only is a wonderful man and brilliant scholar and would have made a wonderful mayor, but that is not really the point. That all happened back a long, long time ago. The issue today is that he is the Finance Minister in charge of the books of the Province of Manitoba. A simple question is does he believe that the summary financial statements, as published by the Province of Manitoba every year, should be understandable.

Mr. Selinger: Madam Chair, I thank the member for acknowledging that we do publish summary budget financial statements. That is a big improvement in his understanding of what we do.

Yes, they should be understandable by the public and we believe they are.

* (16:20)

Mr. Loewen: Would the minister not also agree that those statements as published on an annual basis should be comparable, year over year?

Mr. Selinger: The information we have in this Budget, presented information that shows comparables this year versus last year, yes, and that is why we did it.

Mr. Loewen: Does the minister not believe that those statements should reflect reality?

Mr. Selinger: Yes, we do think those statements should reflect reality, and I would just once again remind the member we have had five clean audits.

Mr. Loewen: Just for the minister's clarification, those are the words that the Auditor General uses in describing the reasons to use generally accepted accounting principles. So, if the minister believes, fundamentally, that those are the principles that should govern the publishing of the summary financial statements of the Province of Manitoba, and it is irrelevant whether it is Volume 1 or Volume 3, as long as it is published, I fail to understand why the minister would not simply adopt generally accepted accounting principles, and do the right thing, make them comparable by restating information that he has. The argument, again, does not hold water. If that is what he is interested in, if that is what he believes, there seems absolutely no reason why he would not take the next step and publish those financial statements according to generally accepted accounting principles, which the Auditor has requested repeatedly.

Mr. Selinger: It seems to me again, at the point of repeating myself, when you get five clean audits that that would tell you the Auditor General felt the information we provided in the financial statements was accurate, reflected reality, and met the tests of GAAP.

Mr. Loewen: So what the minister is saying is that in this year going forward, he has once again going to refuse the Auditor's request to adopt generally accepted accounting principles as the fundamental underlying the presentation of the Province's summary financial statements.

Mr. Selinger: As we have done in the past, our objective is to provide financial statements for the Province of Manitoba that get a clean audit opinion from the Auditor General.

Mr. Loewen: Will the minister adopt generally accepted accounting principles?

Mr. Selinger: I have done that every year, Madam Chair. We have improved our transparency and accountability looking at which GAAP accounting principles we could implement in the Budget. Where there were some areas of uncertainty that needed to be cleaned up, such as an infrastructure accounting, we have allowed for the deliberations of the Public Sector Accounting Board to bring those discussions to a conclusion. When there has been clarity on how those policies could be applied in the public sector we have implemented them.

Mr. Loewen: Is the minister indicating that he has met the conditions the Auditor General has given to him to indicate that the Auditor General would be satisfied with the minister's comment that he is using generally accepted accounting principles to present the financial statements of the Province of Manitoba?

Mr. Selinger: Just for the information of the member it has been pointed out to me that when the Auditor signs off on our financial statements, on our annual report, he has in his second paragraph: "I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement."

He then has given us clean audits. So, obviously, Madam Chair, we want to improve the transparency and accountability of the way we present financial information. I think we have made tremendous strides in the last four years and I look forward to making further progress as we go forward.

Mr. Loewen: Well, there is a very simple way to complete the circle and finish off the progress and that is to adopt generally accepted accounting principles. Does the minister have a time frame in which he will meet the Auditor's request and present summary financial statements that comply fully with generally accepted accounting principles? It is obvious he is not going to do it this year. Does he

have a time frame to meet that request from the Auditor General?

Mr. Selinger: I do not know if I can add a lot to it at this stage of the game. Every year we have improved transparency and accountability. We have adopted GAAP policies where clarity has been achieved and how those would apply to specific areas of public sector budgets, such as infrastructure this year, such as information, technology, just a whole variety of things such as vacation credits. All of these things we take a look at as they are raised to our attention.

We also try to comply with balanced budget legislation. Balanced budget legislation has some reporting requirements and some mechanisms within that are not necessarily completely synchronized with GAAP policies. It remains the law of the province. If the member thinks that GAAP is the gold standard of accounting reporting, I guess I need to know from him whether he is ready to change balanced budget legislation.

Mr. Chairperson in the Chair

Mr. Loewen: Mr. Chairperson, if the minister is indicating that he will follow GAAP I could assure him that, at least from an individual position, that I would be willing to walk down the road with him and adopt GAAP and develop a better and more refined balanced budget legislation. That is, I think, in the interest of all Manitobans.

If he is suggesting to me that it is going to take me to say yes before he is willing to move on accepting generally accepted accounting principles as his standard for reporting the summary financial statements then the answer today is as it has been for a couple of years, a very clear yes. So having said that, I guess I would ask the minister again, Mr. Chairperson, are you now prepared to indicate that in the presentation of the '03-04 summary financial statements of the Province of Manitoba you will use generally accepted accounting principles.

Mr. Selinger: Well, first of all, I appreciate the member's personal commitment to walking down this road with me but you know we are talking something a little different here. We are talking about political parties, official oppositions, governments. The member and I may wish to hold hands and walk through all kinds of gardens together, although I am not sure either one of us would want to admit to that

today. It is a little bit more than that. If the member, as the official critic for the Conservative Party of Manitoba—is it the Progressive Conservative Party or the Conservative Party? I would just like to know. So the member cannot tell me what political party he represents.

If the member, who is the critic of the Official Opposition, sometimes known as the Progressive Conservative Party, otherwise sometimes known as the Conservative Party, is saying that his political party is now ready to reform, improve, change, get rid of, otherwise modify balanced budget legislation to go to a more GAAP-compliant approach, we would certainly be prepared to entertain the suggestions they would make.

Mr. Loewen: These are not new suggestions, Mr. Chair. I can go back to Hansard two years ago when I asked the minister to adopt generally accepted accounting principles, as the Auditor recommended at that point and has continued to recommend. Obviously, the minister is not the least bit interested and is, I guess, more concerned with the politics of presentation than the reality of presentation.

That is his choice. He is the Finance Minister. Having said that, I guess it is probably time to draw this discussion to a close. Again, just for clarification, from what the minister is saying, we can once again expect this year that we will have—the Auditor General can certainly speak for himself, but when he signs his signature to the letter that the minister wrote into the record, he is not saying he agrees with everything the Province does. What he is saying is that the statements, as they are presented, and that includes the notes that identified the exceptions to generally accepted accounting principles, are in fact being complied with. It does not say that he agrees with everything the way it has been presented, in fact quite the opposite. He said quite vocally in public for a number of years that he disagrees.

* (16:30)

What I would ask the minister, just to confirm again, that once again this year we will have summary financial statements presented that will identify the exceptions that this Government has taken to generally accepted accounting principles that are recommended by the Canadian Institute of Chartered Accountants.

Mr. Selinger: I think the important point that is made in the Auditor General's letter is that the financial statements are free of material misstatement. I think that is the important phrase. GAAP policies evolve and change. Some of them are withdrawn. Some of them are amended. Some of them are reframed to address new issues. It is not a pure science; it is professional applied discipline.

Within that discipline, Mr. Chair, there is wide-ranging debate among the practitioners of accounting in the public sector. Comptrollers often have different views than auditors general across the country and often do not agree on the direction that GAAP policies should take under the public sector application of them. The debate is constructive. We enter into that as politicians. Without putting my Comptroller on the spot, I think if I asked him do you see some GAAP policies which in your view are not helpful to increasing transparency and accountability in the public sector, I think he could identify some. If I went to the provincial auditor and I said, "Do you see some current GAAP policies that in your view are not helpful and could be improved?" I think he would say that too.

There is a Public Sector Accounting Board that has mostly accountants on it, but also some other senior officials in the public sector that are not accountants. They have a vigorous debate on these things. The Auditor makes recommendations and then the Comptroller and other Finance officials look at those recommendations and say, "How can we apply those in a sensible way that the public will not be confused, that there would be greater transparency and accountability?" They bring their recommendations to myself as minister. We have another discussion, vigorous debate on it.

Every year, Mr. Chair, it has been my objective and the objective of our Government to improve transparency and accountability. That commitment will remain. We will continue to try and do that. I think we have shown very significant progress in the last five budgets. It is my intention to continue to make progress as we go forward.

Mr. Chair, I do again, though, say to the member that if he is no longer happy with balanced budget legislation being the law of this province, even though that law is not fully compliant with GAAP as applied to the public sector, and he thinks that balanced budget legislation should be changed so

that fiscal stabilization funds, for example, are washed out, so that we are not just reporting on the operating fund, that we report on a broader government enterprise basis, a summary basis in the language we use here, I am open to that discussion with him. I do not have a closed mind about that.

But, you know, the kind of discussions we have at this level, the kind of discussions we might have outside of this building, what happens in question period, what statements members make to the media, what the political party's position is, those things all have some slippage between them in terms of how they are presented to the public, and until we can bring all those elements together into a coherent policy that will improve the public's understanding of public finances and not just be a political football, I think we are going to have a little more public discussion.

Mr. Loewen: I find it interesting that the minister continually tries to push responsibility elsewhere. He is the Finance Minister. It is his decision and I think he hit the nail on the head when he said that politicians do get involved in this discussion. That is probably the unfortunate part, not only for the accountants in the room who want to do their profession justice, but many times for the taxpayers and the citizens of the province, as well.

I want to make it clear to the minister that what we are asking, what we have been asking, what I have been asking consistently, what the Progressive Conservative Party of Manitoba has been asking consistently, is for the minister to take the Auditor General's recommendations and follow generally accepted accounting principles. If, for some reason, the minister, in his wisdom and in the wisdom of his department, feels that that would put him at odds with balanced budget legislation then it is his job to bring amended legislation before the Legislature of Manitoba. As I have said before, we will be glad to enter into that debate if he wants to bring that legislation forward, and we will be glad to go through whatever process he, as government, determines should be gone through. But that is his responsibility and he should take that very, very seriously.

Mr. Chair, the point at hand and the question under issue is when will this Government, when will this Finance Minister, commit to using generally accepted accounting principles? I fully understand

that officials in his department may argue within the institute, they may argue within the Public Service Accounting Board that there are changes needed to the rules. That is their prerogative and that is their right, and that is where that debate should be held, not at this table. The debate at this table is very simple. Should we or should we not follow generally accepted accounting principles? I am on one side of that debate. I am saying we should take the Auditor's advice and follow generally accepted accounting principles. Obviously, the minister is on the other side of that debate and thinks that somehow he knows better. Neither of us, as far as I understand, have accounting designations behind our names so that is more, in my mind, of a political discourse than a true accounting discourse.

So, again, Mr. Chair, I am just asking the minister for a fairly simple confirmation and then we can move on. Can we expect, when the summary financial statements are published for the 2003-2004 period ending March 31, that we once again will be faced with a list of exceptions to generally accepted accounting principles which are identified in the financial statements?

Mr. Selinger: A couple of comments. The member makes the point that he thinks it is unfortunate that at some point politicians get involved in this discussion about budget presentations. It was, as I understand it—[*interjection*]. As I was saying, and we will check the Hansard on this, the member seemed to indicate, and I will give him a chance to clarify when I am finished, that he thought it was unfortunate that at some point politicians got involved in this discussion about public sector accounting standards and how budgets should be presented. All I can say to him is that that is an essential and necessary part of the process.

I mean, Mr. Chair, legislation is brought forward by politicians. Changes in legislation are brought forward by politicians. That is why they are elected. The balanced budget legislation was an initiative of the former government which they took great pride in, and it was brought forward at a time with a number of features in it that turned out to be not compliant with GAAP. Some of those things were changed by us when we came into government. We changed the treatment of revenue in and out of the Fiscal Stabilization Fund so as not to count it as income twice, and that was a recommendation by the provincial auditor that we make that change and we

did that. We changed that balanced budget legislation.

We also addressed the issue of the pension liability, which had been something that had not been recognized in a visible way by the previous government. We brought it into the summary budget treatment that we presented to the Legislature. We put a plan in place to deal with that. The credit rating agencies took great comfort from that, which was a partial explanation for our credit rating improvements.

You can go back into our budgets every year on transparency and accountability, Mr. Chair. We have had that theme in our Budget every single year that we have been in power. Every year we have made improvements in terms of transparency and accountability that have brought us into greater compliance with GAAP policies as worked out for the public sector by the Public Sector Accounting Board. We look for ways to do that as we go forward.

* (16:40)

I think the member has to ask himself: "Does he agree with every GAAP policy because it is a GAAP policy? Is there anything that he might disagree with in GAAP policies? Are all of them sacrosanct. Are all of them holy and unchallengeable? If it is put out there then would it be his position that every time a GAAP policy comes out the Government should automatically accept it uncritically without looking at it to see how it applies?"

If that is his position, I would caution him not to rush to judgment on that. There are things that require government reflection. There are things that require government time to figure out how they can be adapted to public sector in a way that not only provides transparency and accountability, but the ability to continue to deliver services in a sensible way, to provide the best benefits for Manitobans.

We have acted in good faith every year on these accounting measures, accounting policies, and I think if you put how budgets were done in '99-2000 versus how budgets are done now, I think you can see very significant improvements, qualitative, quantitative improvements, that have been commented on every year by the Auditor General as being improvements. We look forward to ways we can make improvements in the future.

Mr. Loewen: Let me clarify a couple of things, Mr. Chairperson. I have already answered the minister's question, but he wanted to twist the words in Hansard. The position I have taken, and the position that I am taking consistently, is that it is up to the bodies that are in existence, the Institute of Chartered Accountants and PSAB, to set accounting rules. That is what they do. What I was saying quite simply was, not that politicians should not be involved in the discussion, but politicians should not be involved in the setting of the rules. That is clearly a debate that needs to be had at the professional bodies level. Once the professional body, having all the input from everywhere, makes those rules, it should be the Government's responsibility, as the Auditor suggests, to abide by those rules.

Now, the issue quite clearly is that the minister has decided from a political perspective that he is not going to abide by the rules. We all understand that those rules change from time to time. I think if he is saying that the Institute of Chartered Accountants and PSAB are so removed from the process that they do not take those difficulties that he mentioned into allowance when they set the rules, then I think he is sadly mistaken. I think he not only underestimates the officials at the table, but he underestimates the length of the session that goes on, particularly at the Institute of Chartered Accountants, before rules are changed. I have some first-hand knowledge, having sat as a lay member on that board. There are very extensive discussions and consultations before any changes are made to generally accepted accounting principles.

The answer is, quite simply, yes to his question, "Do I think that governments and businesses should abide by the rules as set up by the governing body of the Institute of Chartered Accounts?" Yes, I do. "Would I recommend to him that he live by those rules, every single one of them?" Yes, I would, clearly, without doubt. I think it is unfortunate for the people of Manitoba that this minister is trying to justify why he refuses to, because it is pretty transparent that the only reason he does not is because it would cause him some difficulty in terms of having to tell the people of Manitoba the real numbers.

Quite frankly, Mr. Chairperson, the Auditor is very clear on the numbers: 1996, operating surplus, \$157 million; 1996, summary results, \$119-million surplus; 1997, summary results, \$263-million surplus; 1998, summary results, surplus of \$173 million;

1999, summary surplus of \$18 million; 2000, \$132-million summary surplus; 2001, \$431-million surplus on the summary results.

The danger becomes in 2002, where there is a \$10-million deficit; 2003 there is a \$184-million deficit; projected deficit of 2004 is \$531 million; and a projected deficit in 2005 of \$58 million.

These are the numbers the minister has a responsibility to take forward to the people of Manitoba and enter the discussion based on that, not on some issues where he wants to set the number first and then rationalize the discussion later. He is taking a backwards step to it. Again, I have said it in years before. I will say it again. I do give the minister and his officials credit for having taken some significant steps.

I think it is wrong for the minister to somehow assume that he is the only one that would have taken those steps. There was, obviously, the intention of the former government to deal with the pension obligation as he is dealing with it, maybe in a little different fashion. The minister knows from his work that that would have been taken care of.

The other issue, quite frankly, is when you pay off debt, you pay off debt. The minister can try and carve it up one way or another, but he is making a \$96-million payment. In the grand scheme of things, how much he applies to debt and how much he applies to pension, debt is debt is debt. He may want to fool himself by thinking he has taken some great step. It is being dealt with, it was going to be dealt with. Unfortunately, it is still growing at far too rapid a rate, and a 40-year oversight has got Manitobans paying a pretty steep price. So let us just get on with dealing it.

But, again, Mr. Chair, the simple point comes down to the Auditor's request, and that is all I am trying to get at here. Will the minister agree, will he give me a time frame in which he will commit, to adopting generally accepted accounting principles in the presentation of the summary statements as the Auditor has requested?

Again, Mr. Chairperson, I understand clearly that he is not going to commit to it this year. Does he have a plan to commit to using generally accepted accounting principles within the next two years of office?

Mr. Selinger: First of all, I think the member might be engaging in some revisionist history. If he can show me a scrap of evidence where the previous government ever expressed an intention to deal with the pension liability, I would be delighted to see it. I have never been able to find a shred of evidence anywhere in any written document that I have seen in the public domain. I challenge the member to come up with some written expression, during the time that his political party was in office, that they had any intention of ever dealing with the pension liability. I have just never seen any information to indicate that. I ask him to provide the evidence to support his contention there.

Secondly, Mr. Chair, the previous government presented their budgets on an operating basis, not on a GAAP-compliant basis. They refused to publish a summary budget. They never published a summary budget ever. The member opposite should recall that. We did publish a summary budget and we have made it fully available to Manitobans. We have addressed the principal issue that troubled some folks under a summary budget, which is the pension liability issue. We continue to look for ways to improve our transparency and accountability with respect to that.

The other thing the member, I think, forgets is that even the accounting profession, regardless of whether he sat on the panels or not, recognizes that their advice only is in the form of recommendations. They have never tried to suggest that their advice should trump the sovereign right of elected officials or governments to set their own policies. Governments have their own balanced budget legislation, and just about every jurisdiction other than Manitoba that has balanced budget legislation in Canada, they have to balance over an economic cycle of say, four years, or some other number of years that reflects roughly the economic cycle. They are not required to balance every year on a summary basis or an operating basis. They recognize, under their balanced budget legislation, there are going to be years that are more challenging than others financially and that governments are going to have to find ways to respond to public needs and, at the same time, over the economic cycle, balance the budget.

The legislation across the country is not what the member would call GAAP-compliant. It reflects other realities, realities of governing, realities of responding to varying economic social, geographic, weather conditions and all kinds of events that occur

in the life of a government throughout a fiscal year that cannot be anticipated. So I ask him to think about that.

* (16:50)

The other thing I would like him to do is look at page B2 in the budget papers. He seems to think that we should strictly follow anything that is put out there by the Public Sector Accounting Board, and there is a statement in that document that says summary financial statements include the position and results of all organizations the government controls. Because they are summary documents, they cannot be expected to fulfil all of the users' needs served by a government's financial reporting system. To do that, governments produce many kinds of other financial reports in addition to the financial statements.

For example, individual entities prepare reports to comply with certain legislation. There are reports to measure and report on the performance of individual programs and activities, and there are special purpose reports designed to meet particular needs of specific users.

In addition, governments set out their own fiscal plan and budgets and estimates of expenses or expenditures. Certain information is better provided, or can only be provided, by financial reports other than summary financial statements.

That is from PSAB itself and if the member thinks we should follow every piece of advice that PSAB gives us, this would be one piece of advice that would suggest that we would present more than summary financial information to people. We could include operating information to people, as per the law of Manitoba, and other special purpose financial statements.

So, there are lots of things that we could consider that are recommended by PSAB and I think they appropriately understand their role as providing professional advice and recommendations, but in no way do they intend that those should be automatically adopted by government without reflection or consideration to their governing role in any jurisdiction where they are sovereign.

Mr. Loewen: So I take it from the minister's non-answer that he has no plan to adopt generally

accepted accounting principles, as recommended by the Auditor, in the foreseeable future.

Mr. Selinger: Five clean audits, improvements every year and a desire to continue to find ways to improve things and continue to get clean audits.

Mr. Loewen: Stacks up good with five years of deficits.

Mr. Selinger: Once again, just the information you read into the record shows surpluses in several of those years, so I wish the member would at least be accurate on the information he himself is using to criticize the Government.

Mr. Loewen: He should read the Auditor's report.

Mr. Selinger: I am ready to take other questions.

Hon. Jon Gerrard (River Heights): My question, Mr. Chairperson, concerns the Budget which the minister brought in which increases the retail sales tax level on a variety of professional services from the current level of zero percent up to a level of 7 percent, that is on services provided by lawyers, accountants, engineers, architects, as examples.

What I would ask the minister to indicate where he sees the similarities and differences in the nature of this 7% tax on services to the GST, that is, in terms of, for example, coverage of different services. Are they the same? Are they different?

The fact that with the GST there is a rebate provided on GST on input costs and so on. Can the minister just provide a summary of the similarities and differences with the GST as he see it?

Mr. Selinger: Just before I start that, in previous years, Mr. Chairperson, the Member for River Heights has asked that we start, in our budget papers, show tax expenditures.

I am going to come back to your question, but I wanted to indicate to the member that starting on page D14 in the budget papers, we have for the first time in, I believe, over a decade published tax expenditure information for the Province with a brief discussion of the limitations of that type of treatment.

It is available to him and I thought he would be interested to know that was brought forward, as I

indicated last year that I would do that. So I did bring that information into the public domain this year through the budget papers.

Now, Mr. Chairperson, on the question about similarities and differences between PST application and GST application to the services in question, the first difference in the application of the PST to the range of services we are talking about is that it is a much narrower application than the GST. We are not applying the tax to as broad a range of services as the GST is applied to.

Just to illustrate the point I made, on legal services, for example, the GST, as I understand it, only exempts legal aid services. The exemptions under the PST treatment exempt not only legal aid services but legal services related to a liability insurance policy; legal services related to collective agreement or collective bargaining relationship; services provided by a notary public or a public officer; services provided by a person to their employer in the course of their employment; services performed by a person preparing a document for his own use or acting on his own behalf in an action or a proceeding; services provided to a status Indian or Indian band if the service is related to property, a business or activity on a reserve—services provided to corporations owned by a status Indian or Indian band are taxable; services provided to a status Indian or Indian band relating to Aboriginal treaty or land claims issues; and services provided to the federal government on condition an RST number is provided; legal services provided to the federal Crown corporations and provincial government departments; agencies and Crown corporations are taxable.

It is a narrower band of services that are covered by the PST than is covered by the GST. That is just an illustrative example.

The following services provided by lawyers and law firms are not subject to the RST when segregated from taxable legal services on the client's invoice. Those are providing advice related to investments, financial planning or estate planning; acting as a trustee, executor, director or administrator of an estate; acting as a commissioner of oaths; providing mediation services; acting as a member of a tribunal; providing immigration or emigration services; teaching or providing courses or seminars; acting as

an officer or director of a corporation; and maintaining the records of a corporation.

Just to put it in a nutshell, Mr. Chair, it is really modelled after the Saskatchewan experience, which implemented it prior to us. It followed their template in terms of our start-up.

Mr. Gerrard: But there are other differences, as I understand it. That is, with the GST you get a refund on the GST on inputs, whereas what happens with this RST?

Mr. Selinger: The first thing I have to say is, from the point of view of the consumer, there is absolutely no difference. They pay the tax. It is on their bill or included in the cost of their services. The federal GST regime has an input credit scheme to the providers of those services. Our services do not follow that scheme, but these types of services are tax-deductible against their corporate taxes.

Mr. Gerrard: We have covered the areas of coverage, the input costs. Are there other differences between the GST?

* (17:00)

Mr. Selinger: My officials inform me there are also some differences in terms of how disbursements are treated, Mr. Chair. GST is applied to disbursements, some disbursements. It is the intention of our officials not to apply the RST to disbursements.

Mr. Gerrard: With respect to the comparison which you have already made between the tax which you have brought in and the Saskatchewan tax, can you indicate whether these are precisely identical, what the similarities and what the differences are?

Mr. Selinger: I think the way it is rolling out is that we are modelling it after the Saskatchewan treatment, Mr. Chairperson, but we have also initiated consultation with the professional associations that will be applying the tax. Where there are recommendations or suggestions received that would allow those people applying the tax to be more comfortable with its application, they will be considered. So it is not a rigid modelling. It is one that leaves open room for some discussion on how improvements can be made. That is all I can say at this stage.

Mr. Gerrard: In terms of, for example, the criteria that you have laid out, what is covered and what is not covered, are those criteria precisely the same as the Saskatchewan tax, or are they different?

Mr. Selinger: In short form, the draft bulletin parallels Saskatchewan, but it is a draft bulletin. As my officials meet with the various professional groups, they are going to listen to the feedback and the ideas they have and the concerns they have. The final bulletin has not been published yet, because we wanted that opportunity for interaction and dialogue. When the final bulletin has been worked out it will be published and become standard treatment. There is the possibility that some of the elements of the final bulletin may be different than the Saskatchewan model based on the kind of feedback we get from our consultation process.

Mr. Gerrard: When you say it parallels, does that mean it is precisely the same as Saskatchewan, or it is in just general terms but there are some differences?

Mr. Selinger: My officials inform me that the draft bulletin is the same as Saskatchewan, but it is a draft. There could be modifications as we go forward.

Mr. Gerrard: In the treatment of services which are provided, whether they are legal, accounting, engineering, architects, private investigators and so on, security services, there is a jurisdictional issue that I just want some clarity on. That is, sometimes a service is provided solely in Manitoba, a service provided in Manitoba but delivered to another province. Sometimes you have a company operating in both, for example, Saskatchewan and Manitoba or Manitoba and Ontario, and the issue would be the application of this tax relative to jurisdiction.

Mr. Selinger: The member raises, I think, a good question. In the draft bulletin, it reads as follows, and I am just trying to answer his question precisely: All legal services that relate to Manitoba are subject to RST, including those provided by a non-resident lawyer or provided to a non-resident client. Legal services relate to Manitoba if the service relates to a physical, legal or contemplated presence in Manitoba, or an activity, or contemplated activity in Manitoba, or a transaction or contemplated transaction in Manitoba.

So the idea is to try and have a level playing field, that Manitoba providers of service would not be at any disadvantage with an external provider in our jurisdiction or at a disadvantage external to our jurisdiction. So the idea is to keep it on a level playing field in both situations.

Mr. Gerrard: In the discussions that I have had to date, the concept may be reasonable in theory, but, in practice, when activities cross jurisdictions or apply in different ways in different jurisdictions and given that there are going to be, clearly, interpretations, there are going to be circumstances where there are firms from outside the province who may be doing legal work and not aware of this tax and so on and so forth, particularly if they are dealing with somebody who is a non-resident and a non-resident lawyer, and yet the tax somehow applies, the transaction, in some way, Mr. Chair, affects something that is happening in Manitoba.

So the questions that I would have really are what auditing system is the minister setting up and how will it be arranged and what is going to be the cost and so on.

Mr. Selinger: A two-part answer. First of all, Finance officials will be working with professional associations to implement this practice. Those professional associations will be informing their counterpart associations in other provinces about the rules and laws that apply in Manitoba if they plan to do work here. So that will help.

Secondly, we do audits. That practice will not change. When there is, for example, an external firm that would be doing work here, they are subject to an audit for their activities in this province.

The member should know that we already have other types of services that are taxable. They are provided by external companies or agents inside of Manitoba. We audit them. They also are required to comply with our retail sales tax laws in this province. From time to time there could be some issues that arise out of that.

There have, from time to time, been companies that have entered our jurisdiction without being fully aware of the tax laws in this province. We work with them to understand that and to collect the appropriate taxes and remit them to the Government. This is an ongoing activity that our officials undertake. They do

not anticipate that their behaviour will have to change. I mean, they do this with existing providers of different types of services.

The other thing is that our tax system works on a self-assessment requirement. Agents that provide services here or related to activities that are present here are required to self-assess. Information is on the Internet. It is easier to access that information now. Those people who are preparing the taxes for those firms that provide services here are usually advised and usually take the initiative to find out what the rules are in our jurisdiction and have ready access to them, so that they can provide the proper treatment for taxation purposes.

Mr. Gerrard: Just clarification on the application, you mentioned that it does not apply to services in a First Nations community, where it is organized as a structured reserve. Where you have a community like The Pas, for example, where there are First Nations communities immediately adjacent to OCN, and you may have somebody living in OCN wanting to purchase, for instance, a land, a business, a house, or something which is not in the First Nations community, could you clarify how and where the distinction of where the tax will apply and where it will not apply?

Mr. Selinger: In this case with respect to the circumstances the member mentioned, First Nations people, RST and GST are levied in the same way. The purchase has to relate to property on the territory of the reserve. Off-territory acquisitions are taxable.

Mr. Gerrard: In many circumstances, one staying with personal services, help with child support and things like that, will there be a clear list of what is covered and what is not covered, and how the distinction is made?

Mr. Selinger: That is the purpose of the draft bulletin, the consultations and the finalization of the bulletin, to make those issues clear so that people know how to apply them properly.

* (17:10)

Mr. Gerrard: I think part of the concern here is that, particularly for, say, a lawyer in The Pas who is working in this environment where there are going to be items which are taxable, items which are not taxable, and there is going to be a whole array of

things that it is going to, potentially, have its own accounting system quite clearly separate from the accounting for the GST, there is a significant amount of administrative work in terms of the collection of the tax. I just make the point that one of the things that this comes with is more requirement for accounting services and more, of course, taxes on the accounting for providing those services.

Mr. Selinger: All I can say is that the exact type of treatment they will have to apply to this, they already have to apply to the GST, on or off reserves. So they have had to sort this out already. We do not anticipate that there will be any additional complexity because the RST will be applied in exactly the same way that the GST is currently applied. So it is not like they are starting from complete scratch. They have the experience of having to learn to work with the GST in the circumstances you have described, and the RST should parallel that.

Mr. Gerrard: I thought that there was an exception there related to the GST, Mr. Chairperson, but when you had first described the similarities and differences with the GST and the RST, the only exception that you mentioned for the GST was legal aid. Clearly, there are a variety of others as well under these circumstances.

Mr. Selinger: There has always been a distinction between on-reserve and off-reserve provision of goods and services. Yes.

Mr. Gerrard: Now, I asked in Question Period the estimate of the \$17.2 million and whether the minister would provide a breakdown of the estimate from lawyers, accountants, engineers, architects, private investigators and security services. He said, "Can you wait until Estimates?" So I have waited till Estimates and I am now asking you. Can you provide that?

Mr. Selinger: I am going to take a little bit of a long way to explain this to the member because there is a bit of an issue here. Some of the numbers we got from another jurisdiction, Saskatchewan, and we do not have their permission to release them, specific to the types of services that they were collected on. So I am reluctant to put that on the record.

What we did was, there are these codes, North American industrial codes, that are used as a way of standardizing the types of services provided in

various jurisdictions, and being able to quantify the taxes those services yield, based on the tax laws in place in those specific jurisdictions. What my officials did is they took those codes and identified what kind of revenue those services generated in Saskatchewan where the tax was applicable, then calibrated the level of services that would be provided in Manitoba using their own internal estimates based on the last two years' actuals, and came up with a global number that we have provided you in the Budget. It is a bit of a long and tortured way of getting there.

Once we get actuals, as we implemented, we will report them. Then you will have real-time data, but for me to break it out right now my officials inform me would start disclosing what the break-outs are for Saskatchewan, and they have not given us permission to provide that break-out information for you.

Mr. Gerrard: So the minister is saying that he cannot provide, even on a percentage basis, the relative amounts coming from different groups. I mean, surely, there must be some differences in the sizes of the groups in Manitoba and various other things, which mean that disclosing the numbers for Manitoba is not going to—

Mr. Selinger: My officials are somewhat reluctant to go down the road of specific amounts for specific services, because they are based on estimates of what they generate in Saskatchewan. We have an exchange of information agreement on tax matters with that government, which prevents disclosure of that kind of detail in their jurisdiction. We are going to have to continue to dialogue on this for a little while, because right now I am getting an enormous reluctance by my officials to go too far beyond the aggregate number that has been provided in the Budget, till we have our own experience.

The other thing that is probably an inhibiting factor right now is that we have not actually finalized the final bulletin as we go through these consultations, but we gave a global number based on a sort of proportionate relationship. They are trying to avoid giving the proportions for each specific service area.

Mr. Gerrard: I am trying to understand whether you are presuming that there is precisely the same number of lawyers and engineers, and they are doing

precisely the same thing in Manitoba as in Saskatchewan. Surely, by the time that the numbers are filtered through the various combinations and permutations, they do not bear a lot of resemblance to Saskatchewan.

You should be able to provide some general basis for getting at this number of \$17.2 million for this year, for example.

Mr. Selinger: In the budget document on page D1 we show a partial-year implementation of—I am just going to go to page D1 for the members so we are, so to speak, on the same page. We show retail sales tax of 17.2 for '04-05 and a full-year annualization of 23.9. It is based on Saskatchewan's application, and then it is proportionately adjusted for the volume of services that are provided in Manitoba under those codes.

If I gave you the number here, they are afraid that somebody who wished to pursue it, and I am not saying you would, or anybody in this room necessarily, could go back and figure out what the revenue produced in Saskatchewan was for those specific areas of services. Because of the exchange of information agreement, they are taking a fairly firm position at this stage on going beyond the aggregate number.

I am trying to think of some way I could give you more information without getting them in the hopper. It is quite important that jurisdictions are able to share this experience with each other on this information. We would not want to be in a position where they would be offended by us putting a number out here. That would stop us from getting this information-sharing in the future. Perhaps, they are being very cautious and, perhaps, as a result of that, I am not able to give you as much information as you want. I will turn it back over to you to try again.

Mr. Gerrard: I am, quite frankly, very disappointed in the minister who has talked about transparency, but he has completely failed in this area.

* (17:20)

Let me attack it from a different approach here. In page 5 of the revenue, and I think it can be found elsewhere, there is an estimate of the total revenue brought in by the sales tax of \$1.057 billion in the

fiscal year just passed, and \$1.154 billion in the fiscal year in which we are now at the beginning of. That is an increase of \$92 million estimated. I have looked at the increments for the last several years, and the increments for the last several years are in the range of \$40 million to \$46 million, no greater than that. So, clearly, even if you took the largest increment of the last three years, which is \$46 million, and you added the \$17 million which you have put in D1, that gives you, at the very best scenario, 46 plus 17, which is \$63 million, which is still \$29 million short of your \$92 million. Can you tell me where the \$29 million is coming from?

Mr. Selinger: That is a good question, Mr. Chair. I acknowledge that the member has done some homework there. In order to answer that question, I have to switch to another branch. I am now going to the Federal-Provincial Relations who do some of the estimates for the Budget, based on their analysis. They have several speaking points they wish me to put on the record to answer your question.

Mr. Chair, the first one is that forecasters expect the Manitoba economy to rebound strongly this year. That was indicated in the Budget when we said real growth would be about 2.9 percent, which was at least a full percentage higher than projected growth of last year of 1.9 percent, which the Member for Fort Whyte (Mr. Loewen) has some dispute about, based on some StatsCan numbers which I tried to explain to him in Question Period. But we are assuming about a percentage point increase based on last year's Estimates and Manitoba Bureau of Statistics' numbers.

The economy is forecast to grow almost 3 percent this year, 50 percent higher than last year's growth, roughly. The nominal economy is forecast to grow at almost 5 percent according to the Conference Board, reflecting several major projects underway or about to begin. Public and private investment is forecast by the Conference Board to increase by 7 percent. Business purchases are almost one half of the PST base. Continuing low interest rates, along with Manitobans' high savings and low debt levels, are continuing to support strong growth in housing construction, renovation and other "big-ticket," in quotes, consumer purchases. All of these factors indicate that PST growth will exceed nominal growth in the economy. I must tell the member that I asked the same question myself, which is why they have prepared this response.

Year-to-date retail trade has been strong. February's retail trade data show a jump in Manitoba's seasonally adjusted retail sales of 7 percent versus February 2003, the second highest in Canada. In the first two months of '04, Manitoba retail sales increased 5.7 percent versus February of '03, also second best among the provinces. Last year, despite the impact of a series of extraordinary disasters, the economy grew 4 percent in nominal terms.

PST, reflecting the effect of low interest rates, strong growth in personal disposable income, of which I have made the point in Question Period several times, has been over 5 percent over the last four years. Solid investment in employment performance grew by over 5 percent in 2003. Retail trade, on the other hand, grew by only 2.3 percent in 2003. The current PST estimate for '03-04 is 5 million above the revenue forecast in Budget '03, the forecast, not the budgeted. Combined with the base adjustments announced in this Budget, the PST revenue is attainable under the current economic outlook.

So that is a long explanation for your, I think, good question.

Mr. Gerrard: I would, first of all, ask the minister to table that document. The second question—

An Honourable Member: It is on the record. I read it into the record. I would be happy to table a copy.

Mr. Gerrard: Thank you. The year ago budget estimate, you said 1.9 was the actual number in terms of growth. What was the budget estimate a year ago?

Mr. Selinger: The budget estimate a year ago was 2.8. At the Budget, when we dropped the spring budget, we were projecting growth, I think, in the order of 2.8, and it declined to 1.9 with all the events that came subsequent to that.

Mr. Gerrard: The minister says that the tax on business inputs represents almost half. Can he give me a more precise number in terms of the RST on business inputs?

Mr. Selinger: Mr. Chair, my officials inform me they think 45 to 50 percent would be PST applied to business inputs, business purchases. They are basing this on some extensive work they did around the GST issue several years ago and updated for

consumer expenditure growth. I think, also, time to take into account some of the current known activity levels in our economy right now, business investment intentions and experience in the last few years, so that is the basis upon which they do their estimate.

Mr. Gerrard: The minister referred to, I think it was a 7% increase in business investments input costs, what have you. Where does that number come from?

Can he give us some more precise details of the origin of that number? Maybe you can check that I actually have the right number from your document.

Mr. Selinger: That number is 7 percent, and that is the number forecast by the Conference Board of Canada for Manitoba.

Mr. Gerrard: Is there any internal input within Manitoba, or is it just a straight Conference Board of Canada?

Mr. Selinger: The information is based upon the Conference Board of Canada, who do a survey. They do a local survey, as well. They check with several

sources about what activities are going to be occurring in the province, before they put their numbers out. They do have a discussion with our officials, but then they draw their own conclusions based on all the different factors they survey for collecting their information.

Mr. Gerrard: Is that based on any presupposition that the start of construction on Wuskwatim or the floodway may be occurring?

Mr. Selinger: It is not based on any specific projects. It is sort of a macro-analysis of what the expected demand will be. They do it on that basis. It is not affected by the specific start date for a project, say, like the floodway.

Mr. Chairperson: The hour being 5:30 p.m., committee rise.

IN SESSION

Mr. Speaker: The hour being 5:30 p.m., this House is adjourned and stands adjourned until 10 a.m. tomorrow (Thursday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, May 5, 2004

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