

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

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The Honourable George Hickes
Speaker*

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Ninth Legislature

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, October 25, 2007

The House met at 1:30 p.m.

ROUTINE PROCEEDINGS

PETITIONS

Neepawa, Minnedosa and Areas—Local Hospitals

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

These are the reasons for this petition:

Residents of Neepawa, Minnedosa, and the surrounding areas are concerned about the long-term viability of their respective local hospitals. Impending retirements, physician shortages, and the closure of many other rural emergency rooms have caused residents to fear that their health-care facilities may also face closure in the future.

Local physicians and many residents have expressed their support for a proposed regional health-care centre to service both communities.

It is believed that a new regional health-care centre would help secure and maintain physicians and would therefore better serve the health-care needs of the region.

The success of other regional hospitals, such as Boundary Trails Health Centre, has set the precedent for the viability and success of a similar health centre for the Neepawa and Minnedosa area.

We petition the Legislative Assembly of Manitoba as follows:

To request the Minister of Health (Ms. Oswald), to consider the feasibility of a joint health-care centre, including an emergency room, to service Neepawa and Minnedosa and the surrounding area.

To urge the Minister of Health to consider sustaining health-care services in this area by working with local physicians and the Assiniboine Regional Health Authority on this initiative.

This petition is signed by Wendy Reiner, Stacey Ferguson, M. E. Manko and many, many others.

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

Public Meeting—Premier's Attendance

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 Premier (Mr. Doer) has been silent on the issue related to serious allegations with respect to his office.

The Premier is not answering questions related to the said issue in the Legislature.

There is no indication that the Premier is enforcing Manitoba's code of ethics for all political parties.

Based on the 1999 Monnin report inquiry, leaders of political parties are obligated to enforce the code of ethics.

We petition the Legislative Assembly of Manitoba as follows:

To urge the Premier to consider attending the November 5 public meeting at the Munroe public library, which is located in his constituency.

This is signed by V. Vitug, S. Artuz, E. Cantada and many other fine Manitobans.

TABLING OF REPORTS

Hon. Kerri Irvin-Ross (Minister of Healthy Living): Mr. Speaker, on behalf of the honourable Minister of Health (Ms. Oswald), I am pleased to table the 2006-2007 Annual Report for the Addictions Foundation of Manitoba.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, I'd like to draw the attention of honourable members to the Speaker's Gallery where we have with us today Kristal McKay from Pine Creek, Manitoba, and we have Vestal Tikanie from Whitedog Reserve from northern Ontario.

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

ORAL QUESTIONS

Crocus Investment Fund Release of Receiver's Report

Mr. Hugh McFadyen (Leader of the Official Opposition): We've been advised, Mr. Speaker, that the receiver of the Crocus Investment Fund, Mr. Holmes, has prepared a report which he has indicated to the court this morning he would like to distribute to a certain number of parties, including the parties to the Crocus lawsuit, the \$200-million Crocus lawsuit, and to the RCMP.

Now, eight days ago, the Premier was asked on CJOB in the media whether he had any concerns about the public release of that report and at the time he said that he did not. That very day, the Member for Brandon West (Mr. Borotsik) put a question to the Minister of Finance (Mr. Selinger) asking the Minister of Finance whether he would instruct government's counsel when they appeared at the hearing to support the public release of the receiver's report into Crocus. That was eight days ago.

In response to the member's question, the Minister of Finance provided a flippant response saying that the member was a day late and a dollar short and that he was in favour of public release of that report. Now, what a difference eight days makes, Mr. Speaker, because this morning in court, counsel to the government of Manitoba made an appearance and after the judge listened to submissions from counsel to the media, CTV and the *Winnipeg Free Press*, who are in favour of public disclosure, as well as lawyers for the plaintiffs who are in favour of public disclosure, the government's lawyer took no position.

Now I wonder if the Premier can indicate why it was that eight days ago they were going to instruct counsel to favour public release of the report. What is it that's in this report that has caused them, eight days later, to go silent on this important issue in court this morning, Mr. Speaker?

Hon. Gary Doer (Premier): Mr. Speaker, the lawyer did not oppose the release of the material today.

Mr. McFadyen: Well, Mr. Speaker, I understand that they are paying their lead counsel \$200 an hour by taxpayers. They're paying counsel who appeared today a sum amount somewhat less than that, but

hundreds of dollars an hour being paid to counsel in order to show up at court and remain silent on a fundamental issue around the public disclosure of information to the biggest financial scandal in Manitoba in the past 40 years.

So, I want to ask the Premier, again, why it is that eight days ago he was in favour of public disclosure. He committed to this House, to this Legislature, Mr. Speaker, his Minister of Finance committed to this Legislature that he would instruct counsel to favour the public release of the report. Now, eight days later, counsel shows up with the meter running at taxpayers' expense and takes no position on the issue. What kind of leadership is that? What is it in this report that has caused him to go from a position eight days ago of favouring public disclosure to today going dead silent?

Mr. Doer: Well, Mr. Speaker, the lawyer for the government hasn't seen the report. The report hasn't been released to legal counsel so, you know, the member just keeps putting inaccurate information on the record over and over and over again.

Mr. Speaker, you know, the bottom line is there were a number of lawyers there. I would point out the lawsuit goes back to 1992. It goes back to the original legislation that was passed in the Legislature by the former members. It deals with directors under both governments. It deals with practices under both governments. We have said that we'll deal with the allegations; first we weren't being sued and then the government was named after different lawyers were appointed.

Mr. Speaker, we have not seen the report. The lawyer has not seen the report so his inaccurate question is inaccurate.

Mr. McFadyen: You know, Mr. Speaker, I understand when he levels allegations that aren't provable, but there were members of the media in court this morning and there's a record of the positions that were taken by lawyers in court this morning. There were lawyers on behalf of CTV and the *Winnipeg Free Press*, and on behalf of the plaintiffs arguing in favour of public release. There were lawyers on behalf of many of the defendants arguing against public release, supporting the position of the receiver, and then there was the lawyer for the government who didn't have an opinion on the issue.

Now, I wonder, given that the government has on various occasions along the way taken a weak

non-position on these issues in court, such as when the Manitoba Securities Commission investigation was knocked off the rails, the government lawyer showed up and took no position when that investigation was knocked off the rails. Now they take no position on the public disclosure of the report, even though eight days ago the smarmy Minister of Finance was attacking the Member for Brandon West—

Mr. Speaker: Order. We'll have a little respect in this Chamber.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. All members in this Chamber are honourable members and they will be treated as such. The honourable Leader of the Official Opposition, withdraw that comment.

* (13:40)

Mr. McFadyen: Thank you, Mr. Speaker. I withdraw the comment.

Mr. Speaker: I thank the honourable member for the withdrawal. We'll continue.

Mr. McFadyen: Mr. Speaker, I would ask, given the government's position last week in favour of public release, whether they will, this afternoon, instruct government's counsel to make a written submission to the court, this afternoon, with copies to all the relevant parties clearly stating that the government favours public release of the receiver's report.

Mr. Doer: Mr. Speaker, the receiver was before the court recommending release of the report subject to the judge's limits. She will deal with that matter. We did not oppose that.

Mr. Speaker, I'm taking strong exception to the cheap shots and personal attacks that this Leader of the Opposition is making. Yesterday—

Some Honourable Members: Oh, oh.

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

Mr. Doer: Yesterday—or today, there was a comment about the Minister of Finance, Mr. Speaker. This is after the member opposite has not yet apologized for statements being made that the Auditor General did not have a report last March. He goes on for a whole week attacking the integrity of the Minister of Finance, then he does not apologize when he's proven wrong.

Yet, today, he's making personal comments about the Finance Minister, a man of great integrity. Yesterday, a person who, arguably, is one of the Young Turks that was going to help bring back the Jets because they actually put their money on the table for the building of the new arena, he went out and slagged them in the hallway. That's the kind of cheap shots we get from the Leader of the Opposition and that's why he's always going to be on that side.

Mr. Speaker: The honourable Leader of the Official Opposition, on a new question.

Mr. McFadyen: I don't know if the Premier heard what was said in the hallway yesterday. I said that I think Mr. Silver is a very good businessperson. I think I understand why he would want to be involved in part of a process that was, in good faith, wanting to promote our province. I can understand why people would buy into a process like that.

What I take issue with is the fact that the Premier attempts to characterize this as a private sector paid initiative, the Spirited Energy campaign, when, clearly, what was happening is the taxpayers were paying the bills.

Members of the private sector were providing input, people who I respect greatly, Mr. Speaker. I respect them greatly. They came to the table. Mr Silver's newspaper, the *Winnipeg Free Press*, received almost \$50,000 in advertising from the government. I respect him for wanting to get advertising for his newspaper. I respect that he's a savvy businessperson. I honestly believe that Mr. Silver has eaten the Premier's lunch in terms of taking a leadership role on this campaign while having the Premier put taxpayer dollars into the campaign. It's a smart move, and I respect him for doing that. I respect his motives for wanting to position our province well.

I would also indicate that I respect the view of David Asper whose opinion is that we should go back to Friendly Manitoba as a slogan for Manitoba. We believe in David Asper. I think David Asper is right that we should scrap Spirited Energy and go back to Friendly Manitoba. There are lots of other business leaders that are saying the same thing, Mr. Speaker.

So I just want to ask the Premier: Rather than playing these games of attempting to deflect attention away from the question, why it is, again, that last week he was in favour of public release,

today his lawyer goes—being paid hundreds of dollars, in excess of a hundred dollars an hour, by taxpayers—and takes no position.

Mr. Doer: Mr. Speaker, last week the Minister of Finance (Mr. Selinger) and I both stated that we were not opposed to the release of the material. That was the recommendation in the court. That's the decision being considered by the judge. Our lawyer didn't join other lawyers, some lawyers, and oppose the release so it's clearly consistent.

Mr. Speaker, I would also say that Mr. Asper was one of the ones that commented on the lack of judgment by the member opposite when he went out and guaranteed the return of the Jets. If the member opposite wants to talk about the judgment of Mr. Asper, he and many other business leaders that he was invoking as the Young Turks to bring back the Jets, he was absolutely flabbergasted that the member opposite would do that. And I would point out that Mr. Silver, the person he attacked in the hallways yesterday, was one of the people that stepped up and helped build the new arena which the Tories voted against.

Spirited Energy Campaign Return to Friendly Manitoba

Mr. Hugh McFadyen (Leader of the Official Opposition): Mr. Speaker, I'm very comfortable and confident that I can say today that under the leadership of this Premier, I can absolutely guarantee that there will not be NHL hockey in Winnipeg any time in the next four years, because he is not creating an environment that private sector people want to invest in. At the same time as he throws \$3 million down the drain on Spirited Energy—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I'd like to remind members that I need to be able to hear the questions and the answers in case there is a breach of a rule. I know if there is a breach of a rule, you would expect me to make a ruling, but I can't do that unless I hear if there is a breach. So I am asking the co-operation of all honourable members.

Mr. McFadyen: Thank you, Mr. Speaker. I know, given his track record of failed leadership on a variety of investments, we are very confident, albeit discouraged, that we won't have NHL hockey in Winnipeg anytime while he remains Premier of Manitoba; notwithstanding the fact that he said in this House back in April, and it's in *Hansard*, that he was involved in discussions with potential owners in

order to bring NHL hockey back to Winnipeg. He said it in the House he was involved in discussions.

If he is saying today that he failed on that file, then I guess let's put it next to the Ainsworth Lumber failed deal. Let's put it next to the other failures that he's had while he throws \$3 million in tax dollars, not a single investment to show for it, and I think it's a sad record. I think it's unfortunate that he doesn't have the wherewithal to bring a deal together on NHL hockey.

I would just ask him today if he would take the advice of Mr. Asper. Scrap the Spirited Energy logo and go back to Friendly Manitoba.

Hon. Gary Doer (Premier): Well, Mr. Speaker, that's what the election campaign was all about. Do you want to go backwards with the Tories, or do you want to go forward with our government? That is what it was all about.

And, you know, I'm going to go forward with Gail Asper. There's more than one Asper, and she was very, very involved in the campaign, going forward, Mr. Speaker, supported the Spirited Energy campaign. In fact, I think CanWest Global building actually has a mural on the wall, and what does it say? Oh, it says, Spirited Energy.

Speaking of cost-effective leadership, when Stu Murray was leader of the Conservative Party, they spent \$8,900 on advertising for every seat they won. When the Leader of the Opposition is leader, they spent \$35,000 on every seat they won, because they went down in seats and up in advertising. Bring back Stu Murray, I say, Mr. Speaker.

* (13:50)

Manitoba Hydro Power Line Reasons for East Side Location

Mr. Hugh McFadyen (Leader of the Official Opposition): Mr. Speaker, I can understand why the Leader of the NDP would endorse a desire for leadership change in our party. I can certainly understand why he would want to take that position.

Now, the triumphalism—triumph, whatever it is, on that side of the House—the arrogance that we see coming today on that side of the House where the Premier says that he has a mandate. He believes he has a mandate to govern, to throw away hundreds of millions of dollars on a power line, when in the election campaign—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. Go ahead.

Mr. McFadyen: Thank you, Mr. Speaker. I know it was a remarkable feat for this Premier to take his party from 29 to 12 seats in his first election, three losses in a row. I can assure you and I can assure this House it will not take three elections—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. McFadyen: Thank you, Mr. Speaker. I know the government has indicated that they don't want tapes from Question Period to be placed on YouTube any more, because performances like that—The arrogance that's displayed in a performance like that, I think the Premier realizes, plays well to the 34 clapping seals behind him, but plays very badly to a wider audience of Manitobans who are concerned about the fact that he has wasted \$3 million on a failed branding campaign.

He doesn't have the wherewithal to bring NHL hockey back to Manitoba, but he's about to throw away hundreds of millions of dollars on a power line. So I want to ask the Premier: Given that he feels that he has a mandate to do whatever he wants as a result of the election campaign, he feels he has a mandate to do whatever he wants, I want to ask the Premier—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. McFadyen: I just want to ask the Premier—he feels he has a mandate to do whatever he wants—why it is that he is now telling Manitobans that he had a mandate to build the power line on the west side of Manitoba, when he said during the CBC debate and on one other occasion during the campaign, we will not build the line on the west side. We'll build it through the north. Why has he flip-flopped on his campaign promise to not build on the west side and why is he trying to peddle to Manitobans the idea that he has a mandate to throw away hundreds of millions of dollars?

Mr. Speaker: Order. I want to caution all honourable members when making reference to other members, I did not appreciate the comment about honourable members as seals. I don't think that's very appropriate. That is very inappropriate to use that reference to honourable members. All members in this Chamber are honourable members and I throw a caution to all members: Pick and choose your words carefully.

Hon. Gary Doer (Premier): Mr. Speaker, I was going to pick up again on another pattern that we're seeing. I want to say to the member opposite because I had a number of members, people in the business community, talk to me today because they were just astounded by his comments yesterday in the media. If he thinks for a moment attacking some of the community leaders is going to get him support, he may get a short-term clip but he's going to have long-term pain in terms of political responsibility in Manitoba.

To attack any member of this House, to actually imitate the Member for Inkster (Mr. Lamoureux) in the comments about members of this Legislature, I think shows that the member opposite—every member in this House is elected by constituents. Every member in this House deserves the respect.

You can disagree with people in this House, but to call any member in this House a trained seal, he should resign.

Mr. Speaker: Order.

Point of Order

Mr. Speaker: The honourable Member for Inkster, on a point of order.

Mr. Kevin Lamoureux (Inkster): Yes, Mr. Speaker, the Premier was reflecting on your ruling in terms of the inappropriateness of calling an MLA a seal, and I would like to remind the Premier that I have heard him in his place before calling MLAs seals.

Hon. Dave Chomiak (Government House Leader): I wonder, Mr. Speaker, you made a ruling. We're in Question Period. I'm not sure interruptions or points of order or matters of that kind are helpful to the discourse today, and I wonder if we can just get on with Question Period.

Mr. Speaker: On the point of order raised by the honourable Member for Inkster, he does not have a point of order. It's a dispute over the facts. I did not hear the First Minister dispute my ruling or, in any way, challenge my ruling. I heard him make similar to, but he did not dispute my ruling, so the honourable member does not have a point of order.

Mr. Speaker: Let's continue on with Question Period.

Nursing Shortage Increase

Mrs. Myrna Driedger (Charleswood): A few days ago, Jan Currie, the vice-president of nursing at the WRHA, said that the nursing shortage is getting worse. She said that they are short 755 nurses, well above the normal vacancy rate.

I'd like to ask the Minister of Health to explain why the nursing shortage in Winnipeg is growing so high.

Hon. Theresa Oswald (Minister of Health): There's no question that we have to continue in our efforts to ensure that we are bringing more nurses to the front lines, the front lines in acute care, in intensive care, in personal care homes. That's why we've committed to do just that.

We committed, in the last election, to bring 700 more nurses to the complement of human resources in Manitoba. We've committed to do that in a variety of ways including increasing our training seats by 100. That's exactly what we need to do. Members opposite are in a rather precarious position, I would suggest, when it comes to talking about nurses and not having enough of them.

Mrs. Driedger: Mr. Speaker, this Minister of Health is all talk and no action. These numbers speak for themselves.

Jan Currie also said that the nursing shortage in critical care areas is worse than elsewhere. The latest Freedom of Information document that we have shows that the ICU nursing shortage at Health Sciences Centre is 40 nurses and at St. Boniface it is 37 nurses. These numbers are staggering, Mr. Speaker, and I say that as a former ICU nursing supervisor.

I'd like to ask the Minister of Health to explain why the nursing shortage in our ICUs is so dangerously high.

Ms. Oswald: Again, we do rely on our regional health authorities and the experts therein. We rely on hospital administrations to work very diligently to ensure that the complement of human resources on the front line is exactly what it needs to be. The way we do that, Mr. Speaker, is by ensuring that we increase that complement of nurses.

We have more work to do. We've never said any different. We knew that when we came into government in 1999 and we saw the net loss in

Manitoba of 1,573 nurses that we had an incredible task. We know that the most recent numbers of the colleges of nurses show us that we have gained 1,589. That's a big number, but it's a lot of work to do to recover from people that fired a thousand of them.

Mrs. Driedger: Mr. Speaker, I would remind this Minister of Health that it was her Premier (Mr. Doer) that said he was going to totally fix the nursing shortage in Manitoba, and these numbers are growing under their watch.

According to the Freedom of Information document, Winnipeg's ERs are not only critically short of doctors, according to this document they are also short 43 nurses, 16 of them from the ER at the Health Sciences Centre.

I would like to ask the Minister of Health to explain how patient safety in our ERs is being impacted by, again, this dangerously high nursing shortage in our ERs.

* (14:00)

Ms. Oswald: Mr. Speaker, and I will reiterate for the member that while we have had very good success, in fact, according to CIHI, Manitoba had the biggest jump in nursing employment in Canada between 2004 and 2005, while that is an excellent bit of encouraging news, we know that we have more work to do. And that's why we committed to bring more nurses to the front lines; 700, in fact.

How many did the members opposite promise? A handful, perhaps. No plan whatsoever to replace the thousand nurses that they fired under Connie Curran's advice. Shame on them, Mr. Speaker.

School Vaccine Program Gardasil

Mrs. Heather Stefanson (Tuxedo): Mr. Speaker, this week is Pap Test Week in Manitoba and every Manitoban should know how important a Pap Test is for early detection of cervical cancer. Most kinds of cervical cancer are caused by HPV which is the world's most prevalent sexually transmitted infection. Gardasil has been available in Canada since July 2006 and protects women against most strains of HPV. Four other provinces have school-based HPV vaccination programs already underway. Combined with regular Pap tests, Gardasil could be a critical part of an overall strategy to fight cervical cancer.

Can the Minister of Health (Ms. Oswald) today explain why she has dragged her feet on this potentially life-saving initiative?

Hon. Kerri Irvin-Ross (Minister of Healthy Living): Mr. Speaker, I want to assure the member opposite we haven't dragged our feet. We were the first province to come out and say that we support HPV vaccinations. What we are doing right now—

Some Honourable Members: Oh, oh.

Ms. Irvin-Ross: What we're doing at this moment is we're waiting for the Canadian immunization council to come forward with their recommendations to tell us the specific strategy in which we need to go forward to ensure that we continue to protect our young people. Thank you.

Mrs. Stefanson: Well, they are supporting it, Mr. Speaker, yet they are waiting. Well, that shows real leadership in this area. Newfoundland, P.E.I., Nova Scotia, and Ontario all began school-based vaccination programs for Gardasil. Federal money has already flowed to Manitoba to kick-start this initiative. Cervical cancer is the second-most common cancer in women aged 20 through 44 and, as usual, Manitoba is lagging behind other provinces.

What is this minister doing with the federal dollars if it's not going towards providing vaccinations right now?

Ms. Irvin-Ross: Mr. Speaker, what I've said before in my previous answer is we were the first province to go out and say that we support HPV immunizations. We are continuing to work with all of our partners. We have established a council, a committee of people, stakeholders involved with CancerCare at Klinik, and we are coming up with a strategy that will be specific to Manitoba. But what's very important is we have to go very carefully and use our due diligence, and make sure that when we do implement our strategy, that it is a strategy that will be effective and will maximize that resource.

Mrs. Stefanson: Mr. Speaker, actions speak louder than words. If they already are in favour of it then why are the vaccinations not being done now? They are being done in four other provinces. Why does Manitoba have to be one of the last ones out there doing this? They've already agreed to it. When is this going to happen?

Ms. Irvin-Ross: As I have stated before, Mr. Speaker, we are working on this. We have a strategy that we are developing with community members.

What's important is that Gardasil is one component of a prevention strategy for cervical cancer. We need to continue to promote messages around cancer prevention, around physical activity, eating well and make sure that we do due diligence before we implement this strategy.

Economy—Manitoba Provincial Debt

Mr. Rick Borotsik (Brandon West): Mr. Speaker, first of all, I would like to thank my leader for delivering Brandon West from an NDP-held seat to a Conservative seat on this side of the House. There is no such thing as a safe seat as these people will certainly find out.

Mr. Speaker, the Minister of Finance is great at political spin. I wish he was as good at reducing debt. More bad news for working Manitoba taxpayers: In the Manitoba Chartered Accountants final report, they state, and I quote: The net financial liabilities debt as a percentage of GDP declined in all provinces but Manitoba.

Why is it that in the past eight years of unprecedented economic growth the minister continues to squander our financial resources and place a debt albatross around the necks of Manitobans?

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, the facts are clear. The debt-to-GDP ratio was 32 percent in '99; it's 24 percent now. It's gone down by a quarter. Every single year we have improved the ratio. Every single year we have paid down debt and pension liabilities to the tune of \$800 million. Every single year we have reduced in the budget the amount of money dedicated towards debt repayments. It was over 13.2 cents when we came in; it's now down to about 7.2 percent. We've had five credit-rating upgrades. What is the member talking about?

Mr. Borotsik: Obviously the minister didn't read the report, Mr. Speaker. I'm talking about the report from the Manitoba Chartered Accountants. It just came out. I wish he would get a copy of the report.

Mr. Speaker, when is he going to wake up? We have too much debt. We have no plan, and we have debt burden for the next fiscal year. Every other jurisdiction is reducing debt. Every other jurisdiction is passing the savings in tax cuts. In 2001, our debt-to-GDP was lower than Saskatchewan, Ontario and the Canadian average. Now we are the highest. Even Saskatchewan is eating our lunch. Manitoba,

30 percent debt-to-GDP and rising; Saskatchewan, 22 percent debt-to-GDP and falling. Why can't we compete? Is it just stubborn political ideology, or is it incompetence?

Mr. Selinger: The accurate numbers are a decline from 32 percent to 24 percent. That has been consistently demonstrated. Those are the GAAP principles. The credit-rating agencies have verified that what've we done with the debt, the credit-rating agencies have been very pleased with us being the first government in 40 years to tackle the pension liability.

Just last week, Mr. Speaker, I was in Brandon, and I said we were very interested in what we could do on improving social housing in the community. The member came out and supported that. He wants to debt finance social housing in Brandon. If he's really concerned about reducing the debt, tell me which projects in Brandon he would not debt finance to make improvements to the people of Brandon.

Mr. Borotsik: Mr. Speaker, obviously this Finance Minister doesn't realize that you can actually fund projects through cash flow. You don't have to debt finance every project that you put. All they have to do, they're raising substantially more money on an annual basis by overtaxing Manitobans. They're raising more money by taking equalization and transfer payments from the federal government. They can use that money to finance those projects. They don't have to debt finance. They can reduce the debt. They should have a plan to reduce the debt, and they don't have anything in place.

As for the credit-rating increases, we've had one, Mr. Speaker, from each of three different agencies, not five that I can see, but one from three different agencies. That amounts to one credit-rating increase, not five, as the minister has suggested.

Mr. Selinger: Mr. Speaker, according to the generally accepted accounting principles, the debt-to-GDP ratio has declined every single year that we've been in office. If he wants to use another standard other than GAAP, that's entirely up to him. But his predecessor was very keen on us going to GAAP principles. I hope he supports the position of the official opposition that we should follow GAAP principles when we use accounting. If he's taking another road, if he's going to be a rogue over there, perhaps he would consult with his leader about why he's diverging from him on that.

The reality is when he wanted to do cash financing of the new hospital in Brandon, it never got done. They announced it seven times, but they never put one nickel towards it. We've built it, Mr. Speaker. We've built it, and Brandon knows it.

Garden Valley School Division Students Lack of Classrooms

Mr. Peter Dyck (Pembina): I want to ask the question: What is the Minister of Education doing to address the fact that 950 students in Garden Valley School Division are receiving their education in huts?

Hon. Peter Bjornson (Minister of Education, Citizenship and Youth): Certainly we've been taking a lot of measures since we've been in office with respect to a very ambitious capital plan. In fact, we've more than doubled the amount of money invested in capital since we've been in office, compared to members opposite.

The member was there to open the new school that we built just a year ago, actually, Mr. Speaker. Certainly school divisions submit their capital plans, and we work with the school divisions to address their capital needs.

Growth is a good problem to have. Yes, it is a good problem to have, and we'll work with our partners to manage that growth. When members opposite were in office, 75 percent of the schools that they built were in Tory ridings when population was declining, Mr. Speaker. We build for all Manitobans.

Access to Washrooms

Mr. Peter Dyck (Pembina): Is the Minister of Education aggressively lobbying the Premier (Mr. Doer) and the chair of the Public Schools Finance Board, who incidentally is the Deputy Minister of Education, to ensure that 27 percent of the Garden Valley students will have timely access to washrooms?

* (14:10)

Hon. Peter Bjornson (Minister of Education, Citizenship and Youth): I've had this conversation with the member before with respect to the process. The process has been the same. Where school divisions submit their five-year capital plans, we identify the need, and certainly there is need. It has been demonstrated. The Garden Valley School Division will be working very closely with the Public Schools Finance Board to address that need.

But, as I said, Mr. Speaker, we have increased the funding in capital, and we've been building schools throughout this province. We've got a lot of infrastructure issues that we've addressed, whether it's been based on safety, health issues and demonstrated need. Certainly, the school division has demonstrated the need. We'll work with them to build new schools.

Garden Valley Collegiate Access to Gymnasium

Mr. Peter Dyck (Pembina): Timely access is five years.

Could this Minister of Education please explain how all students in Garden Valley Collegiate, which has a dozen huts, will have access to gymnasium facilities when physical education becomes mandatory for grades 11 and 12 next September?

Hon. Peter Bjornson (Minister of Education, Citizenship and Youth): Well, Mr. Speaker, actually the mandatory component to physical education is not all about gym space. It's about partnerships where they can use community facilities, and there's a flexibility for those students to take their program up to 75 percent outside of the building, whether it's in community facilities for skating or other recreation programs that might be available.

The flexibility of that program was designed to address the individual needs of the schools or the school divisions, but we continue to work diligently to ensure that the resources are there to support this initiative. Manitobans told us with the Healthy Kids, Healthy Futures task force that we needed more phys ed for students, and we delivered on that, Mr. Speaker.

Spirited Energy Campaign Auditor's Report Untendered Contracts

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, the Doer government is no friend to transparency or accountability. The Manitoba Auditor General's report states, and I quote: In support of public accountability, an electronic data base of untendered contracts valued in excess of \$1,000 is to be maintained for public viewing in the Reading Room.

Mr. Speaker, the audited report in regard to the Spirited Energy campaign clearly shows that untendered contracts were, in fact, not listed in the Reading Room in the Legislative Library.

Mr. Speaker, the question is: How many other departments are not doing what they're supposed to be doing by ensuring all untendered contracts over \$1,000 are, in fact, being listed in the Library in the Legislative Building so that Manitobans can see who is getting those untendered contracts?

Hon. Greg Selinger (Minister of Finance): I actually thank the member for the question. The Auditor General in the report indicated that all the proper procedures were followed under the *General Manual of Administration* but that some of those procedures could be improved upon. We have responded that we agree with that, and those procedures will be improved upon.

Where there could be increased transparency made possible through the *General Manual of Administration*, it will be acted upon, and the member can be assured that we've take all the recommendations from the Auditor General very seriously.

Mr. Lamoureux: Mr. Speaker, it's a very serious issue. We have a multitude of departments that we believe are not making publicly available untendered contracts. This is something which the provincial auditor has found out in one area. Is it going to take the provincial auditor to investigate each and every department to find out which department is in compliance with what they're supposed to be doing? You should be able to walk into the Reading Room and find out who is receiving untendered contracts.

Why is this government not ensuring that every untendered contract over \$1,000 is not listed in the reading Library?

Mr. Selinger: As I said, Mr. Speaker, the Auditor General, in the report, confirmed that the proper procedures were followed in this case, including for untendered contracts. Rationales were put in place, pre-authorizations were in place. However, if the *General Manual of Administration* can be improved and transparency can be increased upon we will certainly do that, and we will follow through on that. I can assure the member that his question has been taken seriously, as have the recommendations by the Auditor General.

Mr. Lamoureux: Mr. Speaker, we're talking 85 percent in this one example where untendered contracts were not listed, and they were supposed to be listed in the Library. The Minister of Finance can say whatever it is that he wants to say, but at the end of the day the public has a right to know who is

receiving untendered contracts. This government has a responsibility; it's not living up to that responsibility.

The question put very simple to the Minister of Finance: What percentage of untendered contracts—we know in this case it's 85 percent. What percentage of contracts that are going untendered are not being put on the library data bank that are supposed to be being put on this library data bank? So much for transparency with this government, or accountability.

Mr. Selinger: Mr. Speaker, I think the member may be somewhat inaccurate in what he said. The Auditor General was very clear that this was a unique relationship, a partnership with the private sector, and that that unique relationship created some challenges in terms of how things were done.

The Auditor General also said the proper procedures were followed. The member is suggesting that other departments haven't properly been reporting contracts. He hasn't given one specific example. He hasn't given one ounce of evidence to support his contention.

Our follow-up is going to be the following. Our follow-up is going to ensure that if further transparency can be made possible through the *General Manual of Administration* that will be done. We will do that. The member opposite if he wants to make broad-based allegations, he should have a scintilla of evidence to support it.

Mr. Speaker: Time for Oral Question has expired.

MEMBERS' STATEMENTS

Art on the Avenue Sculpture Walk

Ms. Marilyn Brick (St. Norbert): Mr. Speaker, if you walk down Portage and Graham avenues this month, you'll find nine statues belonging to a new public art installation towering above these downtown streets.

These sculptures are the second instalment of the Downtown Winnipeg BIZ Improvement Zone's Art on the Avenue: Sculpture Walk. They're products of a multifaceted partnership between the Downtown BIZ and private sponsors, both of which provided the needed funding, the University of Manitoba's fine arts program which donated the materials, and the City of Winnipeg who provided sites for the artwork.

The sculptures were created by the University of Manitoba fine arts students under the direction of their professor, Gordon Reeve. In its endeavour to

improve the visual quality of downtown, the Downtown BIZ embarked on the Art on the Avenue: Sculpture Walk program in 2006, showcasing 10 large sculptures created by the University of Manitoba students.

This year nine new sculptures demonstrate the success of this program in downtown Winnipeg. They were created by Justin Muzyka, Jon Armistead, Kate Loewen, Erin Brown, Erica Swendrowski, Cullen Bingeman, Curtis Wiebe, Jackie Traverse and Catherine Toews.

Winnipeg's Business Improvement Zones contribute greatly to this city's vibrant culture. This is particularly true of Winnipeg's Downtown BIZ which is dedicated to making downtown Winnipeg an appealing place to work, do business, shop, live and enjoy. Through the work of the Downtown BIZ and unique programs like Art on the Avenue, our downtown is experiencing a renewal like never before.

I congratulate the University of Manitoba fine arts department and its students, the Downtown BIZ and all private sponsors who have supported this project for the contribution they have made to the beautification of our city's downtown. Mr. Speaker, I hope everyone will take the opportunity to go and enjoy the sculptures. Thank you.

Manitoba Home Builders Association

Mrs. Mavis Taillieu (Morris): Mr. Speaker, today I would like to recognize the Manitoba Home Builders Association for 70 years of building homes and neighbourhoods in this province. With over 300 members consisting of homebuilders, developers, renovators and suppliers, this nonprofit trade association acts as the voice of the residential construction industry in Manitoba.

Formed in 1937, during a meeting in the basement of an office building, the Manitoba Home Builders Association is the oldest association of its kind in the country, and there is no doubt that it has witnessed numerous changes in residential construction practices during its 70 years of existence.

For instance, during the 1960s the popularity of prefab shops meant walls were built away from the site of the future home. They would later be transported to their final destination where carpenters would do the installation. In addition, often homes were constructed without a buyer in line to purchase it, whereas new homes are built from scratch on-site

and the homeowners' personal touches are found in the design as they agree to buy often before the concrete is even poured.

Another change for the Manitoba Home Builders Association occurred in 2000, when the organization began to include renovators among its numerous members. The renovation market became a growing segment of the residential construction industry, and the association created the Renovators Council to facilitate increased awareness of this particular industry and profession.

However, even with the changes in price and methods in the industry, Manitoba Home Builders Association remains committed to enduring principles and objectives for the association. The members continue to strive for quality services in their dealings, and it acts as a forum for ongoing education about the practices of the industry for its members, level of government and all Manitobans.

To recognize the important achievement for the association, a book is being produced highlighting the organization's important role in building Winnipeg and other communities throughout Manitoba.

Mr. Speaker, I would like the House to join me in congratulating the Manitoba Home Builders Association for 70 years of commitment to the residential construction industry in the province. Thank you.

*(14:20)

Community Seniors Health Day

Mr. Rob Altemeyer (Wolseley): Mr. Speaker, I was very pleased to recently attend the Community Seniors Health Day at Lions Place in my constituency of Wolseley. Making sure there is quality health care available to all residents, especially in their golden years, is imperative, and ensuring that seniors are aware of the services and programs available to them is key in ensuring their ongoing well-being.

There were excellent presentations at Health Day on emergency medical services, additional services available through the Winnipeg Regional Health Authority and the Emergency Response Information Kit, or ERIK.

It is through excellent programs like ERIK that we can make sure that the health needs of individual seniors are met. All area emergency groups have endorsed this program, and once completed the

ERIK kit provides the necessary information for emergency personnel to respond quickly to individual situations. It was also a very good pleasure to me to be able to provide some healthy living door prizes to the event and to contribute to the overall success of this remarkable organization.

With an aging population, Mr. Speaker, we must all make efforts to ensure that our seniors have the most current information on health services. Seniors are one of the fastest-growing age groups in Canada with approximately 13 percent of the population now over the age of 65. Manitoba has one of the highest per capita populations of seniors in the country, and I'm proud to be part of a government that has shown its support for seniors by proclaiming October as Seniors and Elders Month. Through funding announced this month to organizations like the Aboriginal Seniors Resource Centre, Creative Retirement, which is located in Wolseley, and the Manitoba Society of Seniors, we are continuing our commitment to improving the lives of our senior citizens.

Mr. Speaker, I want to thank all of the organizers, presenters and health agencies for providing the Community Seniors Health Day at Lions Place. The information presented was not only important to seniors but also to their friends and families. The Health Day provided a wonderful opportunity to share essential information for ensuring a healthy lifestyle among seniors and their families. Thank you.

Hagan Family Ranch

Mr. Larry Maguire (Arthur-Virden): Mr. Speaker, on behalf of the constituency of Arthur-Virden, I would like to express our appreciation for the Hagan family of Virden. This family has chosen to pursue conservation practices on their ranch operation without the fanfare of awards or publicity. These practices go far beyond the ordinary.

Shawn and Jocelyn Hagan, along with their sons and daughters-in-law, Alistair and Erin, as well as Thomas and Felicity, run a large cow-calf operation, break and train horses and are heavily involved in competitive rodeo. An important element to the Hagan family is an appreciation for nature that is central to their ranching lifestyle. It is this lifestyle that has fueled their emphasis on conservation which characterizes all elements of the family ranch. The family has found ways to practise conservation, without paying a steep economic penalty.

They have recognized that a proactive conservation plan is a healthy, long-term economic strategy. The conservation of the natural habitat serves to provide a multi-generational family with the space to enjoy the outdoors on their horses and also functions as a fertile ground for hunting.

Mr. Speaker, the Hagan ranch occupies a unique ecosystem which is home to numerous endangered species. The Hagan family has recognized not only the profound beauty of this landscape but also the importance of its preservation. The Hagan family has worked closely with Manitoba Habitat Heritage Corporation to develop their effective and economical conservation practices. These include preservation of vast stretches of bush and tree-lined sloughs through their property that can be utilized for cattle grazing and shelter, environmentally conscious grazing strategies, riparian fencing and cattle-watering systems that reduce contamination of local water supplies.

The Hagan family ranch is an outstanding example of what genuine commitment to conservation and a sustainable agricultural operation can look like. For both their dedication to conservation and also for their sincerity, I thank the entire Hagan family for continuing to set a successful example of integrating practical conservation practices in the rural economy. Thank you, Mr. Speaker.

National UNICEF Day

Ms. Erna Braun (Rossmere): Mr. Speaker, as a teacher, I know the important role that quality education plays in the development of a child. I am pleased to rise today to note National UNICEF Day.

Children around the world deserve quality education. UNICEF's work makes a real and positive impact on the lives of children, but there is more work to be done. According to some estimates, around 115 million children are out of school. Globally, more than 53 percent of the children out of primary school are girls, meaning that for every hundred boys out of school, 115 girls are in the same situation. Educating girls is the key to ensuring the next generation receives an education.

Some 75 percent of children out of primary school in developing countries have mothers who did not go to school.

Mr. Speaker, countries that have abolished school fees have seen tremendous surge in school enrolments. According to UNICEF, Kenya's

enrolment in 2003 grew from 5.9 million to 7.2 million in a matter of weeks. Uganda, Tanzania, and Malawi all had similar experience following school fee abolition.

Quality public education is the most popular part to ending the cycle of poverty for the world's children.

I know I am proud to be part of a government that has made addressing child poverty a priority. Since this government came to office in 1999, Manitoba's child poverty rates have been reduced by 25 percent.

As the MLA for Rossmere and as a teacher, I am committed to continuing to reduce child poverty in our province. Every child has the right to an education and a right to access Manitoba's prosperity.

Mr. Speaker, I would like to call on all my honourable colleagues to mark this year's National UNICEF Day by supporting the work done by UNICEF around the world. Indeed, all Manitobans have a vested interest in seeing the world's children educated. Breaking the cycle of poverty starts with a good education regardless of where one lives.

Thank you, Mr. Speaker.

ORDERS OF THE DAY (Continued)

GOVERNMENT BUSINESS

Hon. Dave Chomiak (Government House Leader): Mr. Speaker, can we go to Concurrence, please?

Mr. Speaker: Okay. The House will now move on into Concurrence.

Madam Deputy Speaker, please take the Chair.

COMMITTEE OF SUPPLY

Concurrence Motion

Madam Chairperson (Bonnie Korzeniowski): Will the Committee of Supply please come to order.

The committee has before it for consideration the motion concurring in all Supply resolutions relating to the Estimates of Expenditure for the fiscal year ending March 31, 2008. On October 24, the Official Opposition House Leader (Mr. Hawranik) tabled a list of ministers of the Crown who may be

called for questioning and debate on the Concurrence Motion.

The ministers listed are as follow: Water Stewardship (Ms. Melnick), Health (Ms. Oswald), Conservation (Mr. Struthers), Justice (Mr. Chomiak). All ministers listed will be questioned concurrently.

The floor is now open for questions.

*(14:30)

Mr. Kevin Lamoureux (Inkster): I do have a number of questions that I'd like to ask for the Minister of Justice. One of the issues that came to my attention was in regard to the Human Rights Commission. There was a feeling in terms of how decisions are actually being made at the commission level to the extent that, once you hit the appeal board, you'll get a decision, but the decision itself is not necessarily substantiated, or the rationale or the reasoning behind favouring one over the other isn't really expanded upon.

I wonder if the minister could just comment on that, why that would be the case.

Hon. Dave Chomiak (Minister of Justice and Attorney General): So I understand correctly, is the member saying that reasons for decisions are not provided? The member's nodding his head in the affirmative. Insofar as it's a quasi-judicial—in fact, qualified as more than a quasi-judicial body. I'll have to check into and get back to the member directly in terms of the rationale to why reasons are not provided.

Mr. Lamoureux: Does the minister have any of his own personal thoughts or what the government's positioning on things of that nature would be?

Mr. Chomiak: It's an interesting discussion in terms of legal or judicial decision-making process and that is, is a decision arrived at consensually, is a decision arrived at with a form of dissent, is a decision arrived at through a particular precedent-making process that commits the decision or subsequent decisions to that process? The fact that human rights legislation per se is generally that at the forefront in groundbreaking, one would think that the process is undertaken vigorously and when a decision or a consensus is arrived at it's determined that that is sufficient in an area that's largely groundbreaking and/or controversial to constitute a direction or to constitute a position in that particular area. That would be my own particular viewpoint.

I draw the parallel to the ancient practice of common law versus equitable law, and the distinction that was made between falling precedent in practice of common law and equitable law arose as a consequence because of its reliance on what was termed equity or fairness differed in its reasonings for decisions which thus allowed the law to move forward from what one would term an equitable fashion to apply to all of the people as opposed to the common law that was mostly based on economic law and precedent based determined on economic interests versus, for example, the common good of the average population. So I'm not trying to be overly legalistic, but I'm just trying to find and determine for the member a rationale for why reasons may not be good necessarily or providing the rationale behind a decision in human rights, as, for example, you do in case law or in common law.

Mr. Lamoureux: I want to bring in something I heard sometime in the last 24 hours. I think it's Vic Grant has that program in which he states, I think it's a minute long, and he was commenting on the judicial system, in that he talked about how judges will make a decision and they don't necessarily have to substantiate it publicly. They don't have to give the rationale as to why. You know, I listened to that, as I'm sure many other Manitobans kind of listened to Mr. Grant's viewpoint on it, and I reflected on this individual that had brought forward the complaint about the Human Rights Commission. They just provided a decision, no explanation. What comes to my mind is the issue of public interest, and not only that we have the perception of a fair justice system, but in reality that there is that. One would think that if you're going to these quasi-judicial or judicial bodies, and a decision is made, that there would be some sort of an explanation as to what allowed them to reach that decision.

I'm wondering if the minister could indicate why that should not be the case. Could he give like a specific example that someone such as myself would be able to really understand and convey to constituents?

Mr. Chomiak: In cases before the courts, judges are generally or exclusively bound by precedent. That is, they are bound by the previous cases, and they rely upon the previous cases in order to determine their opinions. That is, they take, just by way of example, the seven most cases that are on all fours, as they say in law, most accurately reflect the circumstances of a particular case, and they generally, in common law, make their decision based on those precedents. And

the reasons almost always are cited, almost all cases they're cited, and if they're not cited I believe the council can ask that they be cited in terms of why you made that decision.

Earlier on, I mentioned to the member that part of the problem with that kind of law is that it doesn't allow for evolution. If you think about it, if you're making all of your court decisions based on precedent, when you're faced with a new situation, it doesn't fit. How do you advance the law? There is a lot of difficulty in that regard in terms of English common law. So a court of equity, a new court, was developed, called equitable law, which wasn't based on precedent but was based on fairness, and that test, together with the common-law principles, was applied to how you make decisions in the law.

Now, I suspect, but I don't know, and I've said to the member I'd check. I suspect that when you come to human rights law, when it's law of the minority rights generally versus the majority rights, you're making new law, and you're making new practices. Whether or not it would be appropriate to outline those decisions, I'll have to check as to why. But I'm not sure that citing all of the rationales by the Human Rights Commission, other than we want to protect the rights of the minority who want to be fair; we want to advance human individualistic rights in the face of opposition from the majority, would suggest that citing reasons and rationale might make it a little more difficult to advance the cause of human rights. Much like the common law couldn't advance until they developed a new court of equity that allowed you to look at a multiple of factors when making your decision, not just precedent. So it's a way of developing new law and going in new areas and not being held to the tyranny of the past or the tyranny of the majority. That's just my own thinking on it. But I'll double-check as to why. But, from a straight legalistic or common-sense viewpoint, that makes sense to me.

*(14:40)

Mr. Lamoureux: Yes, just to wind up this area. If you take an example of let's say someone that would have been discriminated against at work, and then you get a group that would say, look, we're going to get behind you. We're going to take it to the commission and it goes ultimately to the appeal board. A decision comes down that says there was no discrimination, as an example. Now, the advocacy group, the individual in question, would be saying, well, on what basis was there no discrimination?

I would think that the public interest would be best served if they were provided some outline of what ultimately led to the decision. Could the minister look into that and then provide me comment on that at some point, maybe before the end of the year in writing a letter or something of that nature, if he can't answer it now? Thank you.

Mr. Chomiak: Yes, I'll undertake to do that, but the distinction, of course, to the member, if you're in the civil court you have to prove a case beyond a balance of probabilities. So, if I'm suing you or you're suing me, you have to prove your case. The judge will decide in your favour or in my favour on a balance of probabilities. That is roughly a 50-50 proposition.

If it's a criminal case, you have to prove it beyond a reasonable doubt, and a reasonable doubt is a pretty high standard. When it comes to discrimination, the factor of proof and at what level the mark goes is a much more difficult—and I'm actually enjoying this because I'm thinking this through. I will get back to the member, but if you think about it in terms of advancing human rights law, what is the threshold that has to be achieved to achieve either a finding of discrimination or a development of law in a new area; that is, expanding the law.

If it's a balance of probabilities or if it's beyond a reasonable doubt, the law wouldn't advance very far, I would suspect, but I'll get back to the member on specifics.

Mr. Lamoureux: Madam Chair, I appreciate the response from the minister and I'll wait for the official response and, again, thank you.

I do have a question. I've always been, over the last number of years, strongly advocating that we need to incorporate electronic monitoring in the province, better known as ankle bracelets or whatever it is that you want to call them.

The government did make a commitment to bringing them in. Can the Minister of Justice give any indication as to when we can anticipate that that will be in place?

Mr. Chomiak: Madam Chairperson, when I made the announcement and paired with Nova Scotia to undertake this project, I indicated that the fall would be the time line for that.

We're working on it. Nova Scotia's just changed their Minister of Justice which is a bit of a surprise to me. I'll be dealing with a different Minister of Justice

there. I haven't had occasion to talk to him or her yet, but we kind of hitched ourselves to Nova Scotia because of the need to not reinvent the wheel, in this case reinvent the bracelet.

So we're still working on it. I'm not sure. I consider the fall a very long period. It runs, you know, in a variety of periods. So we're still working on it.

Mr. Lamoureux: Madam Chairperson, the other issue related to this, as I'm sure the minister is aware, there are different types of monitoring devices that one could have. The one that the government has been talking about I believe is strictly the GPS bracelet. Is any other consideration being given to the—the proper terminology escapes me right now, but it's a radio frequency where—I know it as the Martha Stewart special, where you can't go more than 25 feet or you set how much distance you can leave from wherever that radio frequency beacon is, if I can put it that way. Is the government giving that one any consideration?

Mr. Chomiak: At this juncture, when I asked the question, the advice given to me was a lot of the individuals who would be qualified for this kind of process may not have access themselves to a phone to be monitored, and that was one of the reasons for discouraging it. I don't think that we discourage any kind of technology.

There is a problem, you know, I keep getting sent cases from Britain where the convicted killer reconvicted while on an ankle bracelet, which causes a lot of difficulty. Now we know people escape from jail and recommit. So the issue of technology and its relative development is not a be-all and end-all, particularly in this area, insofar as you still have to utilize the person power to monitor the person. If there's a breach, you still have to get the person power out to re-arrest the individual.

But we're not opposed to any type of technology. The problem with the radio or telephone frequency that the member mentioned earlier when I asked was the issue of access and accessibility. You will see people in certain parts of Winnipeg go to the phone booth or go to their mother's place to report to the probation officer. I mean, I know that. You know, to go to a phone booth or go to their mother's to phone, in order to do that, so I think that was one of the factors taken into consideration.

Mr. Lamoureux: Finally, to the minister, is that I do believe that there is a role for those radio frequency

ankle bracelets here in the province of Manitoba, and I would like to make it fairly clear these bracelets, even the GPS bracelets, are not necessarily designed to prevent a crime from happening as much knowing where the people are, seeing if they're adhering to curfews and things of this nature. If it does become a problem on those two fronts, then it's up to government to take further action.

I thank the minister for answering the questions.

Mr. Gerald Hawranik (Lac du Bonnet): Two questions of the Justice minister, and I know we've been through this discussion before, particularly during Supply, and that's with regard to the bait car program. I know that he indicated that there are currently no bait cars operating in the province. Is there any particular reason, in terms of the equipment itself, is he concerned about the equipment failing or is it some other matter? Is it a failure to perhaps dedicate sufficient resources to it? I'd like just to have a sense as to why the Justice Minister would have allowed the bait car program to lapse the way it did.

Mr. Chomiak: When approaching the issue of auto theft, the department sat down with MPI, the City of Winnipeg police, social workers, community activists, probation officers, and said: How do we address an issue where it's been out of control for over a decade? A variety of solutions were canvassed, and bait cars was one of the options, and bait cars was one of the resources provided. What seems to have been most effective in Winnipeg, insofar as the rates are now down 25 percent, statistically, year over year. Where there seems to be the impact has been the approach basically that was applied in Regina, which was an intensive police, probation officer follow-up, individualized repeat offenders approach, that focussed resources on that.

* (14:50)

When you assess the auto theft problem, I've been told by police officials that there are different means to deal with it and there are different types of problems. In certain jurisdictions in British Columbia, the issue is not, quote, kids joyriding; it's chop shops. The situation in Winnipeg, Regina and Nova Scotia is more a case of lifestyle issues of kids who steal cars, and they get a high from stealing cars. They'll steal, six, seven, eight, nine cars a night if they can do it. It becomes a dangerous game. That, therefore, means there's a certain randomness with respect to the choosing of the vehicle. If one looks at the auto theft statistics, and if you look at the map,

it's plotted. If you look at the resources that are applied, it seems like it's a city-wide problem.

I'll just deal with the city in this instance. The application of the bait car as an option was, as I understand it, tried and it didn't work. Essentially, a lot of kids just walked by and recognized it as a bait car, and if one thinks about it, and I said this in the House and people may criticize it, but I went to a 19-year-old. I know kids who know every single red-light vehicle in the city of Winnipeg and can tell you where it is, and I know kids that can tell you exactly what car can be stolen, when, where and why. It would therefore mean you're changing the technology in your bait car on a consistent basis, et cetera.

The approach that was taken was an intensive approach. We did not, as a government, abandon the bait car program. Resources are there, and I also don't believe in, quote, blaming the police. Police, we give them the resources, they make the determination, and we proceed from there.

The determination is to put in place a very effective auto-theft strategy that seems to have had an impact. That, together with the immobilizer program and other programs, has resulted in a decrease. If decreases continue at those levels, then the program will probably continue.

If there are difficulties, maybe different methodologies will be applied. But right now, having over a dozen police officers and officials monitoring kids and keeping kids under supervision and immobilizing vehicles seems to be having an impact.

Mr. Hawranik: The minister knows that nine months doesn't make a year, doesn't make a trend. Basically, he's quoting the first nine months of this year compared to the first nine months of last year, and while it's in the right direction, and I acknowledge there is a reduction within the first nine months compared to the first nine months of the previous year in terms of auto theft, but the number of attempts of auto theft has skyrocketed at the same time, so, as a result, I guess the jury is still out in terms of what's going to happen in terms of auto theft in Manitoba.

But my question to the minister is: At the height of the bait car program when it existed in Manitoba, how many bait cars were operational at any given time? What was the maximum number of bait cars that were operational at any given time?

Mr. Chomiak: I'll have to get the City of Winnipeg police to provide that information. I don't have it in front of me.

Mr. Hawranik: I thank the minister for that and look forward to the information.

Under the gun amnesty program, we have a massive problem in Manitoba in terms of criminals getting their hands on firearms, and I know we just went through in Manitoba the gun amnesty program for about a month. I know that the minister seems very excited and happy about the results of that program. It was tried for a month a few years ago, as I recall, and in fact it was even tried, I believe, by then-Justice Minister Vic Toews in the '90s as well.

I know the minister has indicated that I'm not in favour of the gun amnesty program, and he is incorrect in that assertion because I am in favour of the program. The point is I don't believe the minister can point to one criminal who's turned in their gun. I acknowledge that there's a valid reason for the program in the sense that it does take more guns out of the hands of Manitobans and what it does is it's less guns then for criminals to steal.

I guess there is a point to be made in terms of the gun amnesty program, and that is that if it's successful over a one-month period, why wouldn't the minister extend it over, say, a year or perhaps continue it on a continuous basis in Manitoba?

Mr. Chomiak: I'm really not aware of any program where someone will voluntarily give up a life of crime, whether it's an amnesty for gun or the police or the priest in the confessional saying we will forgive you for your criminal acts, therefore you're going to stop doing it. Unfortunately, that's not the way human reality is.

The member suggests we cannot point to a criminal giving up a gun. I will quote what the police official said. The police official said at the press conference, not me, the police official said, guns circulate and re-circulate. We have no idea, on the gun, for example, that we found in a couple's home between the walls when they moved in, how long that gun—I think it had gone back to the '50s—how long and how often that gun had been used in offences. But not only have we got a gun out of circulation, we have a gun out of potential circulation.

To the point at hand, we've discussed the amnesty issue. There's some question as to whether or not it will have the same impact on a year-round

basis as it would on a periodic basis. I'm open to suggestion and advice on that matter. It seems to me, just logically, that having a program on a semi-regular basis allows for more intense public acknowledgement and scrutiny than a year-round program that people will quickly forget about. It will not have the same impact as, say, having a yearly program where you get the publicity, you get the buy-in, you get the attention focussed on it, and then going back to some other kind of program.

But I'm open to suggestion on that. Again, this was at the recommendation of the police services who got together and said, minister, maybe we should do another gun amnesty. By all means, we were really happy with this one. We were very happy to see some of the guns come in.

Mrs. Heather Stefanson (Tuxedo): My question right now is for the Minister of Conservation. I'm wondering if the minister has considered at all giving the Keystone Agricultural Producers a seat on the board of the Tire Stewardship Board.

Hon. Stan Struthers (Minister of Conservation): I have met with the Keystone Agricultural Producers. They have made that request to me. They are one of the groups that have been consulted along the way in terms of setting up the Stewardship Board. They do have a role to play, as it stands right now, with an advisory committee that advises members of the industry.

We want to make sure that the farm community, through its representatives, has a say in the future of the Tire Stewardship Board, and they will have through that advisory committee.

No decision has been made definitively about the group that she talks about, though, Madam Chairperson.

Mrs. Stefanson: I wonder if the minister can indicate when he last spoke with the Keystone Agricultural Producers with respect to this issue.

Mr. Struthers: That would be within the last two weeks.

* (15:00)

Mrs. Stefanson: Is the minister saying that he is not considering necessarily having a representation from Keystone Agricultural Producers, or a member of their organization, as part of the Tire Stewardship Board, or is he entertaining the idea? When will a decision be made about this?

Mr. Struthers: First and foremost, they do have a role to play on the advisory committee that advises Tire Stewardship Manitoba, which is where this is heading. What we have stated all along is that Tire Stewardship Manitoba would be made up of the industry representatives who are in the best position to make these decisions and making those decisions with the good advice of Keystone Agricultural Producers. I didn't rule it out when I met with KAP, but I did explain very carefully that we wanted to keep the Tire Stewardship Manitoba model intact because that, we think, is the best direction to go in this.

Mrs. Stefanson: I think, given the significance of members that KAP represents in the province and given the fact that this is a very serious issue when it comes to many producers, many farmers, that it's incumbent upon this minister to take this situation, or this request, very seriously.

We happen to be in favour of and in support of them having a seat at the board level. We believe this is a significant enough issue that affects enough people in Manitoba and enough people that KAP represents, and we would like to, at this point, encourage the minister to seriously take this into consideration and give them a seat at the board. We're very in favour of that. It just makes sense, and I think when it comes to things that just make common sense and representation, it's kind of a no-brainer. It should just be done.

So I wonder if the minister could just indicate when he will make his final decision with respect to this issue.

Mr. Struthers: Well, our approach has been very clear. We want the members of industry to be in the best possible position to make these decisions. We want to have a role for Keystone Agricultural Producers, the Association of Manitoba Municipalities, a whole number of other groups that will be—the Trucking Association—a whole number of other groups that will be impacted by decisions that are made by the industry group, to be in a position to advise as to what those impacts would be. And not just advise them what the impacts would be, but to suggest a number of different options and maybe some other ways of approaching a problem that the industry has indicated they're having in terms of tire recycling.

As a matter of fact, the Keystone Agricultural Producers, at that meeting that I had with them, already suggested that they were quite pleased that

they had an opportunity to influence the decisions that the industry was looking at in terms of levies. I don't want a situation to exist where the industry moves forward in an extreme way when it comes to levying levies on farm tires that would not be fair. That would be out of step with other jurisdictions that farmers compete with, all those sorts of things. At the very least, as one of the members of an advisory committee, KAP would be in that position to do so.

We are very committed to maintaining the industry partners as the decision makers in terms of tire recycling in Manitoba.

Mr. Blaine Pedersen (Carman): Madam Chairperson, the question is for the Minister of Water Stewardship. I passed her on a letter yesterday from the community of Lavenham. They're having some community well issues here over testing, looking at rates going from somewhere up in the range of \$1,800 a year per household to have their water tested.

There was a conversation on CJOB this morning between an official from the Office of Drinking Water and one of the community members. The community is not disputing the fact that the well has to be chlorinated. They realize that. They've done it, and they're willing to do that. Right now, what they have been doing is sending in biweekly tests on the water. It has been coming back cleared or good.

The question for the minister is: if the community meets the minimum chlorination requirements for drinking water, can Lavenham continue to submit biweekly samples for testing to your department, or will they be required to use a certified operator in conjunction with the R.M. of South Norfolk?

Hon. Christine Melnick (Minister of Water Stewardship): Yes, thank you for the question. The minimum requirement for this system under legislation is the installation of a chlorinator, as well as its ongoing operation and maintenance and the related testing, which you've recognized, as well as record-keeping. So those are the minimum requirements according to The Drinking Water Safety Act.

I think that the individual you were referring to was Don Rocan who was on CJOB this morning who is the director of the Office of Drinking Water. The department is and continues to be working co-operatively with both the utility as well as the

municipality. The really important aspect here is to ensure that public health is adequately protected. So, this system, because it is a system from more than 15 connections, would fall under the regulations under The Drinking Water Safety Act. Again, that would require the installation of a chlorinator, the ongoing operation, et cetera.

We are working with the community. There are several options on the table right now that they are looking at. They will determine what the preferred option will be for the community and the municipality, but again, I do have to go back to public health and safety and the laws that we brought in. The Drinking Water Safety Act was brought in, I believe, in 2005. So there will be several communities that will be going through this and we will work with them ensuring that their drinking water is safe.

The other requirement for a drinking water system of this kind actually falls under the purview of my colleague, the Minister of Conservation (Mr. Struthers), under The Environment Act and its regulations. That is the requirement for a certified operator.

So, again, there have been really good improvements for drinking water safety in the province of Manitoba. We have worked with this community. We will continue to work with this community. We'll also work with our colleagues in Conservation to make sure that proper drinking water and safe drinking water is available for all Manitobans.

Mr. Pedersen: I guess really the question is: Will they be required to have daily samples done by a certified technician?

Ms. Melnick: The testing regime, I don't have in front of me right now. I know it is regular testing for—my understanding of the regulations is for systems that are semi-public, which means that they would have 15 or more households or businesses or schools or child-care centres, more than 15 hook-ups, that there would be testing at least on a 24-hour period. Certainly, if there were any concerns, there would be more testing that would occur until the system would be stabilized again.

*(15:10)

I think we have to look at this from the perspective of public health. We have to look at this from the perspective that people will be using this water for drinking, for cooking, for bathing, for

washing their clothes, for all the different usages that we have in our daily lives for water. So we have to make sure that the proper due diligence is respected here and that testing is carried out as is outlined under The Drinking Water Safety Act.

Mrs. Stefanson: Madam Chair, I was wondering if the Minister of Water Stewardship could update the House with respect to the Devils Lake outlet, whether or not the outlet is currently still running.

Ms. Melnick: The outlet did experience some problems over the last couple of weeks. It is my understanding that it is not running today.

Mrs. Stefanson: When was it stopped?

Ms. Melnick: I believe it was several weeks ago now that the outlet stopped flowing; however, there is daily monitoring that would occur on the sulphate level.

Mrs. Stefanson: Can the minister update the House as to what is happening with the existing court case?

Ms. Melnick: There was a day of hearing, I believe it was last Thursday, Thursday of last week. The case is still ongoing.

Mrs. Stefanson: Can the minister indicate what came out as a result of that hearing last week?

Ms. Melnick: It was a day of hearing. There hasn't been a result. There hasn't been a judgment.

Mrs. Stefanson: With respect to the Lake Manitoba Water Stewardship Board, could the minister update the House as to whether or not this board has met yet and what the plan is with respect to Lake Manitoba and the phosphorus situation? If she could just update the House where we're at with that.

Ms. Melnick: The Lake Manitoba Stewardship Board was formed on February 27, 2007. It consists of 14 members. Gordon Goldsborough is the chair of the board, and he is an assistant professor of botany at the University of Manitoba. He is also the director at the Delta Marsh Field Station.

Allan Gaudry, who is the provincial fisheries coordinator from the Manitoba Métis Federation from the Interlake region and a licensed commercial fisher, is also a member on the board.

Gary Morlock a vice-president of angling with the Manitoba Wildlife Federation is also a member.

Rae Trimble-Olson is a grain and special crops producer. She is a district 6 representative from the Keystone Agricultural Producers.

Dan Coyle is a retired civil servant. He has a cottage in the area of Laurentia Beach.

Norman Traverse is a commercial fisher. He is the president of the Dauphin River Fisherman's Advisory Board, past chief of the Lake St. Martin board, and has been a member of the board of directors of the Manitoba Inland Fisheries Federation.

Randy Helgason is another member. He is a councillor for the Municipality of Siglunes and serves on many Lake Manitoba committees relating to fisheries as well as wildlife, farming and hunting.

Don Smith is a councillor for the municipality of Lakeview. He also farms and is a commercial fisher.

Bill Finney is a cattle rancher and commercial fisher. He sits on the board of the Alonsa Conservation District and was a member of the Lake Manitoba regulation review advisory committee.

Harold Fleming is also a member of the board. He is a cattle rancher, commercial fisher and member of the Meadow Portage community council. He also serves as a member for NACC, the Northern Association of Community Councils. He's the secretary treasurer for the western region.

Linda Schroedter is a holistic farmer and owns both agricultural and recreational property adjacent to Lake Manitoba.

Tracy Fillion is a cattle rancher, a commercial fisher, operator of a small business adjacent to Lake Manitoba and is the former chair of the municipality of Grahamdale's community development corporation.

David Milani is a fisheries biologist with the Department of Fisheries and Oceans, the federal department. He has extensive knowledge of Lake Manitoba.

The board has been meeting. I'm very, very pleased that all these individuals whom we approached to be members of the board have accepted. Their first meeting was in, I believe, late September of 2007, and I'm not aware of any serious algal problems on Lake Manitoba at this time.

Mr. Hawranik: Yes, I have just one question, I guess, of the Minister of Water Stewardship, and that relates to the fishing regulations in the province. I can tell you that I have a lot of friends who fish and a lot of acquaintances who fish. I think it's the most

popular sport in Manitoba, actually, fishing, probably by far, recreational fishing, and one of the concerns that people keep bringing up to me time and time again is the slot-size limit for walleye. There seems to be way too many regulations in terms of slot sizes throughout the province. In some lakes you can't keep any. In some lakes there's no size limit at all. In other lakes, for walleye it's 16 inches, some 15, 17, 18 inches. It all depends on the lake in Manitoba, and I simply point to the experience in the Lake of the Prairies where they had a slot-size limit of 18 inches and under, and it has worked wonders for that lake.

I'm wondering if the minister can tell me whether or not there's been any discussions province-wide or with other groups about standardizing the slot-size limit for walleye, once and for all, no matter what lake it is. It's made a difference to the Lake of the Prairies.

I've heard a number of concerns from fishers who have told me that, basically, whenever they go out fishing they have to take a half an hour or an hour or two just to check the regulations, to see what the regulations are for each lake that they're at. It's really confusing in the regulations. I would have to agree with them, and I'm wondering whether there is any discussions about standardizing slot-size limits throughout the province?

Ms. Melnick: This is an issue that has not been raised to me, but certainly I'll go back to the department, and I can take that under advisement.

Hon. Jon Gerrard (River Heights): Yes, my question to the Minister of Water Stewardship, and the first question is just to get clarity on the goal that she has in terms of reducing the phosphorous load in Lake Winnipeg. What's the objective?

Ms. Melnick: Well, the objective is to reduce the phosphorous level. Are you asking about steps that we're taking? Is that your question?

Mr. Gerrard: I'm asking what percentage reduction in the phosphorous load is the minister trying to achieve?

Ms. Melnick: When we brought forward our water protection plan in 2003, we put forward two specific goals. The first was the reduction of phosphorus and nitrogen to pre-1970s levels.

Although algal blooms are not a particularly new phenomenon, or blue-green algae in Lake Winnipeg is not a particularly new phenomenon, there have been studies going back as far as 1929 on this issue.

We have noticed, all Manitobans have noticed that within the last decade there has certainly been an increase. And when we look at what the causes are of the blue-green algae, we know that there are two. There's phosphorus and nitrogen, the ratio being 15 to 1, phosphorus to nitrogen, to create blue-green algae.

* (15:20)

So we have taken a multi-pronged approach. One of the areas that we started with was we looked at run-off from the agricultural sector. We looked at the manure mortality management regulation. We brought that into force. This talks about what was formerly known, well, what is known as winter spreading. We've taken moves to make sure that it is reduced and eventually will be ending.

We looked at the water quality management zones. There were hearings around the province. We wanted to make sure that Manitobans have their say on the water quality management zones. The philosophy behind the water quality management zone regulation will be the closer that you are to a living body of water, particularly a body of water that is used for the purpose of drinking, the stricter we will be around the application of any nutrients.

We have established five zones, if you will. The first zone would be the land that is best used for agricultural production in terms of crops. We've worked with the producers around application of nutrient on land like that. Then we've gone to land not as good for crops, to grazing land, and then land that may not even be as useful for even the grazing of crops.

We also are establishing buffer zones along living bodies of water. Again, more strict enforcement for those bodies of water that are being used as a drinking source and making sure that the closer you get to such a riparian area the stricter the application, and, in fact, at times not allowing application of nutrients at all. But we're doing this in a balanced way. We have established the riparian tax credit where we actually pay producers to create riparian zones, to create the buffer zones.

In great partnership with MAFRI, the Department of Agriculture worked on environmental plans for farms, and we offer what's called the best management practices top-up, where we are providing loans and monies to producers to make sure that they're trying different ways of making sure that run-off doesn't go into the waters. One is a solar

heated watering trough. In fact, when I was out with the CD tour out around the Shellmouth area, I was very pleased to see one of our pilot projects working. There was a beautiful stream running by. There were several cattle in a field, about 30 of them, and about 10 of them, there weren't any in the water drinking from the stream, but they were rather at their drinking trough which was solar powered. It pumps the water into the trough and makes sure the water moves through the trough and is always available to the animals so they don't have to go along the river's edge there.

We recently held several open houses around household cleaning products. There was a very good response there. The message that we got was let's all be part of reducing phosphates going into Lake Winnipeg through the use of household cleaning products that have a reduced level of phosphates in them, and we've taken that to heart. We will be bringing legislation in this fall.

I was hopeful that the federal government would bring in legislation of their own. I'm not sure that that's going to be happening. What we really need here is a national strategy.

I was very, very pleased when we received the press release from the Canadian Consumer Specialty Products Association which said that they voluntarily are wanting to reduce the phosphate level in the dishwashing detergents that they are producing. These are the big hitters. These are 3M, Palmolive, all the really big name brands are voluntarily wanting to do this.

We're also working with and learning about the legislation that is appearing in several states; some legislation has been passed, some has been tabled, and some is still in the preparatory phase. Minnesota just passed their legislation yesterday. So congratulations to them. We're looking at the components of their legislation for our own legislation.

We've also been working, again, I'll refer to my colleague the Minister of Conservation (Mr. Struthers) and the good work he's been doing around The Environment Act and the environmental licensing, working with the City of Winnipeg, the City of Brandon around the reduction of phosphorus and nitrogen in the waste water treatment plants. Because of the good work he's been doing, we will see in the city of Winnipeg by the year 2014 a reduction of phosphorus going, leaving the waste water management plants. We will see a reduction of

some 64 percent and a reduction of nitrogen by some 47 percent.

So that's a very high-level, very broad description of what our government has been doing. It touches on the major points. There are several other points that I could go into, if the Member for River Heights would like.

Mr. Gerrard: To the minister, I believe I remember seeing an article written by the minister in which she suggested that she was looking for an approximate 10 percent reduction in the phosphorus load in Lake Winnipeg. Can the minister confirm that that's the percentage she's aiming for?

Ms. Melnick: Yes, it is.

Mr. Gerrard: Is having a stewardship board on Lake Winnipeg and one on Lake Manitoba, is the minister looking at having one for Lake Winnipegosis also?

Ms. Melnick: We're looking at bringing representation onto the Lake Manitoba Stewardship Board from Winnipegosis.

Mr. Gerrard: I have heard concerns about numbers of whitefish being thrown away by fishermen. I wonder if the minister has also heard these concerns and, if so, what she's doing about it.

Ms. Melnick: This is not a new problem. The situation is this. Pickerel, by far, is the fish which brings the higher price. We have heard of bushing of whitefish. We are starting on a process right now of reviewing the quota system on Lake Winnipeg. We're also reviewing the governance model, the fisheries governance model, with input from fishers throughout Manitoba.

We are looking at the new markets. I think the member may have heard there's some interest from China around markets for carp, markets for mullet. We're looking, always, working with the Freshwater Fish Marketing Corporation, which we hope will be around for quite some time—that we need to continually market our fisheries. We need to make sure that we're giving a good representation of the very fine quality of fish that is produced in the rivers, in the streams, in the lakes of Manitoba.

We have a very strong commercial fishery, its annual contribution to the economy in Manitoba of some \$55 million, annually. I think it's a bit of a hidden treasure myself. I think that even Manitobans don't know and recognize how important and vital it

is. It provides employment for some 2,500 fishers and helpers.

Last fall, I was very happy to go to the Inland Fishers AGM, and we created for the first time ever the Minister of Water Stewardship commercial Long Service Fisher Award. I was very, very pleased to see that there was a great response throughout the province, and indeed we handed out—the criterion is not a criterion of competition. It's a criterion of having been in the fishing industry in Manitoba for 50 years or more. I was very, very honoured to present some 99 fishers, men and women, with plaques for their contribution, their service and their dedication to the commercial fishery in Manitoba.

*(15:30)

Mr. Gerrard: Just on the whitefish, one of the comments that I heard was that the government was allowing people to trade their whitefish quota for pickerel quota and that this was part of the problem. Can the minister comment?

Ms. Melnick: There have been no changes in quota. The northern basin has a 10 percent quota tolerance and that is what we are holding to. Again, any changes that would come would come from the review that we have undertaken with the representation from fishers around Lake Winnipeg on the quota system and fishers from around Manitoba on the governance model.

Mr. Ralph Eichler (Lakeside): Still on Water Stewardship, I was wondering if the minister could give the House an update on the fish nets that have been abandoned or left on Lake Manitoba, and the time at which the Lake Manitoba Stewardship Board appointments are going to lapse, I believe here shortly, and if they'll be reappointed at the same time.

Ms. Melnick: Could you repeat the last part of the question?

Mr. Eichler: For water stewardship, it's fish nets, abandoned fish nets on Lake Manitoba, and also the current board members on the Manitoba lake water stewardship board, if those appointments are still into effect or when they will expire.

Ms. Melnick: I just want to ask the Member for Lakeside just to clarify: you're talking about fishing nets which have been abandoned or fishing nets which have been lost, but we're working with the Conservation officers on that, so we're working co-operatively with them.

The Lake Winnipeg Stewardship Board. In February of 2007, I received the final report of the Lake Winnipeg Stewardship Board. That was a board that was set up specifically to review Lake Winnipeg stewardship and make a report to the provincial government here, and specifically to myself as the Minister of Water Stewardship. They presented what I think is a very farsighted and very positive and creative report that gives us a whole new way of looking at water and looking at some existing ways to steward water, but also several new ways to steward water. So I'd like to very publicly thank the board today, as I thanked them on February 6 for all the wonderful work that they've done. I accepted the report in principle. There are some 135 recommendations that cover 38 general areas, but again, it's a very well-written report, well put together.

I was also very pleased to see that our government had taken action on some 84 percent of the recommendations that have been given. Recognizing the good work of the report, we have struck the Lake Winnipeg Stewardship Board, which is now a permanent board, and you were asking about terms that are currently being served. What we decided to do was to—and I'll go through the membership, we decided to give roughly half the members a three-year term and roughly half the members a two-year term, and that they would be available for renewal. What we don't want to do is lose the knowledge that has been attained by the board when they finish their first term and perhaps decide not go on to a second term, but when they complete their second term as well. So we wanted to keep the corporate memory, if you will, or the board memory, alive.

So, again, I was very pleased to have Bill Barlow accept as the chair of the current board. Bill Barlow, of course, is a former mayor of Gimli and a current councillor in the R.M. of Gimli.

Sam Murdock is our vice-chair. He, of course, is the chief of staff for the Southern Chiefs' Organization and he has served on the Lake Winnipeg Advisory Committee, and is the president of the Fisher River McBeth Fisheries.

Rachel Boone is a project manager and a consultant with KBM Forestry Consultants.

Garry Brown farms near Dugald. He's a long time councillor for the R.M. of Springfield and a former chair of Cooks Creek Conservation District.

Heidi Cook has been involved with First Nations Water Protection Council for some time, and was also employed by the Southern Chiefs Organization, and I know that she works for the Grand Rapids First Nation now in the capacity of water management.

Don Flaten is a soil scientist specializing in nutrient management at the Faculty of Agriculture and Food Science at the University of Manitoba.

Robert T. Kristjanson, I'm sure we all know and love Robert T. He is a very fiery and spirited commercial fisher on Lake Winnipeg. He has been fishing for over 50 years and, in fact, was a recipient of the long-service fisher award that I referred to earlier on.

Chris Pawley has served for three terms on Selkirk's city council. He's also a member of the Red River Basin Commission, North Chapter.

Al Kristofferson, of course, very well known for his passion and compassion for Lake Winnipeg. He is a member of the Lake Winnipeg Research Consortium. He recently retired from the Department of Fisheries and Oceans and, of course, is often known as the face of the Namao.

Ed Schreyer, former Premier of Manitoba and former Governor General for the country of Canada, has also been very active on water issues.

Bev Smith is a former councillor for Brokenhead Ojibway Nation. Her commitment to the protection and sustainability of Lake Winnipeg is based on her historical and spiritual connection to the land and the lake through her family and her community.

Norman Stagg is a commercial fisher on Lake Winnipeg and is a former chief of the Dauphin River First Nation.

Nick Szoke is a Senior Engineer and Branch Head of Waste Water Planning for the Water and Waste department in the City of Winnipeg.

Dwight Williamson is Director of Water Science and Management here in the Department of Manitoba Water Stewardship.

I'd like to take the opportunity to again congratulate Dwight Williamson for being the first-ever Manitoban to receive the gold medal from PIPSC his professional association for the commitment and dedication to public service. I was very pleased to attend that with the Member for St. James (Ms. Korzeniowski) as well as the Minister for Intergovernmental Affairs (Mr. Ashton).

Halina Zbigniewicz is Manager of Water Resource Development in the engineering department at Manitoba Hydro.

We are still working on getting members from some of the other organizations in Manitoba, including KAP, the Keystone Agricultural Producers, the Association of Manitoba Municipalities, the Northern Association of Community Councils as well as from the government of Manitoba.

Mrs. Myrna Driedger (Charleswood): I'd like to ask the Minister of Health how many midwives there are currently working in Manitoba. I also understand, that as of September, about four of them are supposed to be on maternity leave.

Hon. Theresa Oswald (Minister of Health): Indeed, I am not up to date on the maternity leaves as the member has informed me, and so I appreciate her letting me know that. The exact number employed in Manitoba, as of today, as of this moment, is information that I will forward to her.

Mrs. Driedger: Can the minister indicate when there might be a groundbreaking for the new birthing centre and where the intent is to build that?

Ms. Oswald: We made a commitment during the election that we would continue to work in partnership with the Women's Health Clinic and with the Winnipeg Regional Health Authority in really working to build on the dream on the Women's Health Clinic in developing a first-class birthing centre that would not only encapsulate an environment for individuals seeking an alternative to hospital births, where sometimes a home birth might not be appropriate or available to them.

* (15:40)

So, in working with the Women's Health Clinic on that vision with the Winnipeg Regional Health Authority, we made a commitment to continue our work with them to build a facility in the south end of Winnipeg. At the present time, the conversations are ongoing between the Women's Health Clinic and the WRHA to find a location that will best meet the needs of the women in the community and the families.

There have been some suggestions of sites that have been more appropriate than others. We want to ensure that as we go forward and make this investment with mothers and families and babies in mind, that we choose the right location not only in terms of the situation, the environment, but also

keeping in mind the recommendations that exist concerning proximity to tertiary care. So we need to keep those kinds of things in mind. We've also committed, of course, to have within that context a broader range of services beyond—I was just about to say "simply birth," but I certainly won't use that expression—birth and before, prenatal care and postnatal care, things like education, for example, wherein families can learn about nutrition, about positive parenting.

So I can inform the member that those conversations continue on and that a commitment to a specific site has not been made at this time. There are a few possibilities currently on the table and we're exploring them with our partners in the community. As such, a date for the groundbreaking has not yet been set.

Mrs. Driedger: Can the minister indicate where the Province will find the midwives needed to work in such a facility? Personally, I think a birthing centre is a great idea. I understand it may take about eight midwives that will have the opportunity to practise there.

Considering that the College of Midwives indicates that Manitoba ideally could use 200 midwives; right now, according to the latest figures I have, there are only about 31 in Manitoba and perhaps four of them, if our information is correct, that might be on maternity leave.

So where will the minister find the midwives to actually work in this birthing centre?

Ms. Oswald: The member opposite raises an absolutely fair point in that we hear from consumers, we hear from people in the health sector who speak with families, expectant mothers, who want the services of midwives and are facing some challenges in securing a midwife to take them through their pregnancy, which, as the member well knows, is really one of the very best attributes of a mom and a family partner. An expectant mom and a family partnering with a midwife is the kind of close and intimate care that the individual provides prenatally, postnatally.

So we know that we have a challenge in that regard; there's no question. That's why we've committed to training. That's why we need to ensure that in working with the University College of the North and in working with Advanced Education, we need to do an even better job in ensuring that we are creating educational opportunities and we're creating

environments wherein people can be trained. Our commitment to midwifery has been clear over time. We need to continue to fulfil that commitment because we have to build our complement of human resources in that department.

This is not unlike challenges that we are facing with doctors, particularly in rural Manitoba and northern Manitoba. It's not different from the ongoing challenges we face with nursing in all corners of the province. We have to work with our partners in education, with our folks in Manitoba Health that work very diligently with the regions on recruitment

But the member is very fair in saying that we need to aggressively be educating and building this complement. We feel confident that we will be able to do that, but it is a challenge and we're committed to the task.

Mrs. Driedger: Can the minister indicate whether any consideration has been given to implement a midwifery education program at the University of Manitoba so that, indeed, midwives can be trained here in southern Manitoba and then stay here and, hopefully, work in this area as well? Would her government give consideration to the implementation of such a program, perhaps within the next education year?

Ms. Oswald: I thank the member for the question. Again, we are in agreement with the member opposite about our need to build our complement of midwives.

Certainly, in the analysis that we have done about the places where we know that we need those services more than others—although, arguably, we need them in every corner of the province—we have established the Aboriginal Midwifery Education Program in the north, to address that very specific need. But in conjunction with recruitment, and in consultation with the Minister of Advanced Education (Ms. McGifford), and all of our colleagues around the table, and taking direction from midwives themselves and experts at the Women's Health Clinic, we need to keep our options open, going forward, to consider the best way possible for us to build a complement of human resources.

The good news, Madam Chair, is that we also have a number of individuals—I was going to say women, but not always—predominantly women, that are expressing more and more an interest in pursuing this kind of education. We're very encouraged by

that, and we have to work together in concert with Advanced Education to provide those opportunities. We're going to commit to do that as quickly as we can.

Mrs. Driedger: I'd like to ask the minister if she has ever had a conversation with the Minister of Advanced Education to see why they didn't go ahead with the program that had been developed by experts and was ready to roll in 1999-2000. Did the minister ever have a conversation asking why that program never went ahead at that time?

Ms. Oswald: Certainly, the minister and I, and of course, in conversation with other members of government that have had a direct relationship to training and to the Health portfolio and, indeed, Healthy Living portfolio, we have had ongoing, numerous conversations about ensuring that we can build our health human resources.

While I certainly don't mean to suggest that building the complement of midwives is not a priority, we know that, in forming government in 1999, there were priorities that had to be made in terms of a desperate need for nurses and a dire need for doctors. While putting those particular human resource challenges at the forefront in taking government, just very much in the same way that government prioritized wait lists, starting with lifesaving kinds of treatments like cancer and cardiac, we are able to work together and look at ideas from all sides of the House in order to move forward in building our complement of human resources: midwives, technologists, health care aides, and so forth.

* (15:50)

Certainly, the Minister of Advanced Education (Ms. McGifford) and I have spoken on numerous occasions about education and training of doctors, nurses, midwives, and on it goes, for how we can be building that complement. I can say that starting, historically, it is my study and understanding that decisions need to be made about precious resources and where they need to be dedicated as we go forward. But I can say again to the member that we acknowledge and recognize that we have work to do.

We proclaimed The Midwifery Act, as the member knows. We know that when we came into government, there were no funded positions for midwives. We know there are some 35 funded positions today, and again, I will get back to the member specifically on what the current filled

number is, particularly when she's speaking to me about maternity leaves upcoming or in flight. So I agree with the member that more needs to be done in this area, and I also commit that we will work hard to move forward to have this happen.

Mrs. Driedger: You know, the minister is certainly correct. We do need more midwives; there's no doubt about it. Certainly, the midwives are saying they turn away half of the requests that come their way. As the college is saying, they need 200, ideally, to meet the requests that are out there, and if in July we only had 31, and if indeed some are on maternity leave, the number of mums or families wanting to access midwives is certainly down. Also, I understand from the College of Midwives that only six out of the 11 regional health authorities offer midwifery services, and I'm sure a lot of that has to do also with the fact that we have a shortage of midwives here.

In view of that, did the minister give any consideration to sending students out of province and buying spaces, seats, in other universities that train midwives?

Ms. Oswald: Well, again, I'll reiterate for the member that we acknowledge that we have more work to do in our strategy. Certainly, prioritizing the Aboriginal midwifery program at the University College of the North was a priority, particularly in light of the needs that we see there and continue to see there.

I can, again, say that in addition to looking at opportunities to offer education programs in a variety of settings, we would not close the door on alternative forms of education. The member well knows from her experience in health care that we need to be very judicious about our dollars and our training dollars while, at the same time, balancing the needs that exist in the community. But I can say that we're not closing the door on options that we can consider that might help us in our desire to build our complement of midwives here in Manitoba.

Mrs. Driedger: Can the minister give us an update as to where the maternal task force that she struck to look at the issue of maternity care in Manitoba—they were going to look at the report from the first task force that had been struck—can the minister indicate where that second task force is at in terms of announcing their recommendations? I do know that in July, the minister had indicated it was expected as early as this fall, and I wonder if that's still on track.

Ms. Oswald: Again, the task force that was struck on child and maternal health responding to needs, needs such as the member was raising in her previous questions about a need for us to build our complement of midwives so that families that are seeking those services can, in fact, access those services when they want to, those kinds of needs, issues coming out of the maternal newborn report. That task force was struck, and I believe the member knows that it's chaired by Dr. Brian Postl, who, of course, is the CEO of the Winnipeg Regional Health Authority and a pediatrician himself, someone who works regularly in the north, and is acutely aware of the challenges and issues facing families and some mothers in more at-risk groups. In addition, the committee is co-chaired by Marie O'Neill who is CEO of the Burntwood Regional Health Authority. That committee has met and is working with a number of expert individuals from around the province, including representatives from the federal government who will, of course, have a very important role to play in building our successes with First Nations communities.

I can clarify that certainly we are expecting to hear some initial comments from the group in the coming weeks, but the nature of the group is one of an ongoing forum. It's not a group that is going to sit together for several weeks and publish a report of recommendations. This committee and panel of experts will study issues in Manitoba like infant mortality rates and so forth and provide ongoing recommendations.

So we are expecting an initial overview from that committee in due course, but this will not be the final set of advice from the committee. I think that it's one of the strengths of the group. The brainpower around the table is excellent. As we explore issues like access to midwifery, like prenatal education, access to doctors and nurses and facilities and how to best achieve those goals, ongoing communications with this Maternal and Child Health group will be very important.

Mrs. Driedger: In the election, the government made a promise to build a new women's hospital. I'd like to ask the Minister of Health where that hospital might be built.

Ms. Oswald: Certainly, we were very pleased to make the announcement that we would be working to build a new women's hospital. Certainly, the initial dialogue, of course, is that it would be upgraded at the HSC complex. We are, of course, interested in

hearing from—one of my least favourite words—stakeholders which to me translates into families, people in Manitoba that would actually be using the hospital and the services of the hospital, doctors, nurses, health-care professionals.

We want to take the advice of those people so that this really important investment, not only in the lives of Manitoba moms and their families and babies to come, but in the lives of the health-care professionals that I believe we can attract as a result of having a state-of-the-art women's hospital. We want to ensure that we're taking the best advice from those people in the community and in the field as we go forward to build the best possible facility that we can.

Mrs. Driedger: Can the minister indicate, and I almost sense from her answer that the women's hospital location might not necessarily be at the Health Sciences Centre, that there is some looking around to see where the best place to put it would be. Did I understand her correctly, or not?

* (16:00)

Ms. Oswald: Certainly, you know, at this stage of the game, the Health Sciences Centre is an attractive and preferred site. It has, of course, so many important upgrades that have been done, the single largest investment that's been made in Manitoba history in the redevelopment of much of HSC, and there are all kinds of good reasons why that would be the site that would be recommended. But again, a part of our process will be to listen and to take advice about what might make the most sense.

Madam Chairperson: Order, please. According to the sessional order, by 4 p.m. today the question on the Concurrence Motion in the Committee of Supply must be put, the committee's report must be presented to and received by the House, and the question on the Concurrence Motion in the House must be put.

These actions must now be put without further debate, amendment, or a recorded vote. In order to meet the time deadline, I will now put the question on the Concurrence Motion in the Committee of Supply.

It was moved by the honourable Government House Leader (Mr. Chomiak) that the Committee of Supply concur in all Supply resolutions relating to the Estimates of Expenditure for the fiscal year ending March 31, 2008, which have been adopted at

this session by a section of the Committee of Supply or by the full committee.

Shall the motion pass? *[Agreed]*

Committee rise.

Call in the Speaker.

IN SESSION

Committee Report

Ms. Bonnie Korzeniowski (Chairperson): Mr. Speaker, the Committee of Supply has adopted a motion regarding Concurrence in Supply.

I move, seconded by the honourable Member for Wolseley (Mr. Altemeyer), that the report of the committee be received.

Motion agreed to.

Hon. Dave Chomiak (Government House Leader): Mr. Speaker, I move, seconded by the Minister of Finance (Mr. Selinger), that this House concur in the report of the Committee of Supply respecting concurrence in all Supply resolutions relating to the Estimates of Expenditure for the fiscal year ending March 31, 2008.

Motion agreed to.

Hon. Greg Selinger (Minister of Finance): I move, seconded by the Minister of Justice (Mr. Chomiak), that there be granted out of the Consolidated Fund for Capital Purposes the sum of \$791,986,900 for the fiscal year ending March 31, 2008.

Motion agreed to.

Mr. Selinger: Mr. Speaker, I move, seconded by the Minister of Justice, that there be granted to Her Majesty for the public service of the province for the fiscal year ending March 31, 2008, out of the Consolidated Fund, the sum of \$9,002,662,000 as set out in Part A, Operating Expenditure, and \$595,309,400 as set out in Part B, Capital Investment, of the Estimates.

Motion agreed to.

INTRODUCTION OF BILLS

Bill 26—The Appropriation Act, 2007

Hon. Greg Selinger (Minister of Finance): I move again, once again seconded by the Minister of Justice (Mr. Chomiak), that Bill 26, The Appropriation Act, 2007; Loi de 2007 portant affectation de crédits, be

now read a first time and ordered for second reading immediately.

Motion agreed to.

SECOND READINGS

Bill 26—The Appropriation Act, 2007

Hon. Greg Selinger (Minister of Finance): I move, again seconded by the Minister of Justice, that Bill 26, The Appropriation Act, 2007; Loi de 2007 portant affectation de crédits, be now read a second time and be referred to a Committee of the Whole.

Motion agreed to.

INTRODUCTION OF BILLS

Bill 27—The Loan Act, 2007

Hon. Greg Selinger (Minister of Finance): I move, again seconded by the omnipresent Minister of Justice (Mr. Chomiak), that Bill 27, The Loan Act, 2007; Loi d'emprunt de 2007, be now read a first time and be ordered for second reading immediately.

Motion agreed to.

* (16:10)

SECOND READINGS

Bill 27—The Loan Act, 2007

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, I move, seconded by the ubiquitous Minister of Justice (Mr. Chomiak), that Bill 27, The Loan Act, 2007; Loi d'emprunt de 2007, be now read a second time and be referred to Committee of the Whole.

Motion agreed to.

Mr. Speaker: The House will now resolve into Committee of the Whole to consider the report of the Capital Supply bill, The Loan Act, Bill 27; the Main Supply bill, The Appropriation Act, Bill 26; The Budget Implementation and Tax Statutes Amendment Act, 2007, Bill 28, for Concurrence and Third Reading.

Madam Deputy Speaker, please take the chair.

COMMITTEE OF THE WHOLE

Madam Chairperson (Bonnie Korzeniowski): Committee of the Whole will come to order to consider the following bills: Bill 26, The Appropriation Act, 2007; Bill 27, The Loan Act,

2007; and Bill 28, The Budget Implementation and Tax Statutes Amendment Act, 2007.

During the consideration of these bills, the tables of content, the enacting clauses, the schedules and the titles are postponed until all other clauses have been considered in their proper order.

Also, if there is agreement from the committee, for the first two bills, I will call clauses in blocks that conform to pages, with the understanding that we will stop at any particular clause or clauses where members may have comments, questions, or amendments to propose. Is that agreed. *[Agreed]*

Bill 26—The Appropriation Act, 2007

Madam Chairperson: We will begin with clause-by-clause consideration of Bill 26, The Appropriation Act, 2007.

For the information of the committee, according to our rules, as the 100 hours have now expired, this bill is not debatable.

Clauses 1 and 2—pass; clauses 3 through 6—pass; Schedule A—pass; Schedule B—pass; enacting clause—pass; title—pass. Bill be reported.

Bill 27—The Loan Act, 2007

Madam Chairperson: We will now move on to Bill 27, The Loan Act, 2007.

For the information of the committee, according to our rules, as the 100 hours have now expired, this bill is not debatable.

Clauses 1 and 2—pass; clauses 3 through 5—pass; clauses 6 and 7—pass; Schedule A—pass; Schedule B—pass; enacting clause—pass; title—pass. Bill be reported.

Bill 28—The Budget Implementation and Tax Statutes Amendment Act, 2007

Madam Chairperson: We will now move on to Bill 28, The Budget Implementation and Tax Statutes Amendment Act, 2007. Note, this bill is debatable.

Due to the length of this bill and the number of clauses, if there is agreement from the committee, the Chair will call clauses in blocks that conform to the parts of the bill, with the understanding that we will stop at any particular clause or clauses where members may have comments, questions, or amendments to propose. Is that agreed? *[Agreed]*

Does the minister responsible for Bill 28 have an opening statement?

Does the critic from the official opposition have an opening statement?

Part 1, pages 1 to 4, clauses 1 through 6—pass; Part 2, pages 5 to 7, clauses 7 through 16—pass; Part 3, pages 8 to 10, clauses 17 through 22—pass; Part 4, pages 11 to 36, clauses 23 through 45—pass; Part 5, page 37, clauses 46 through 49—pass; Part 6, page 38, clause 50—pass; Part 7, pages 39 to 42, clauses 51 through 59—pass; Part 8, page 43, clauses 60 and 61—pass; Part 9, pages 44 to 61, clauses 62 through 74—pass; Part 10, pages 62 to 70, clauses 75 through 95—pass; Part 11, page 71, clause 96 through 99—pass; Part 12, pages 72 to 76, clauses 100 through 104—pass; Part 13, pages 77 to 79, clause 105—pass; table of contents—pass; enacting clause—pass; title—pass. Bill be reported.

That concludes the business currently before us. Committee rise.

Call in the Speaker.

* (16:20)

IN SESSION

Committee Report

Ms. Bonnie Korzeniowski (Chairperson): Mr. Speaker, the Committee of the Whole has considered the following bills: Bill 26, The Appropriation Act, 2007; Bill 27, The Loan Act, 2007; Bill 28, The Budget Implementation and Tax Statutes Amendment Act, 2007, and reports the same without amendment.

I move, seconded by the honourable Member for Wolseley (Mr. Altemeyer), that the report of the committee be received.

Motion agreed to.

CONCURRENCE AND THIRD READINGS

Bill 27—The Loan Act, 2007

Hon. Dave Chomiak (Government House Leader): Mr. Speaker, I move, seconded by the Minister of Finance (Mr. Selinger), that Bill 27, The Loan Act; Loi d'emprunt de 2007, reported from the Committee of the Whole, be concurred in and now read for a third time and passed.

Motion presented.

Mr. Rick Borotsik (Brandon West): Debate on third reading, Mr. Speaker. I thank the Speaker to give us an opportunity to debate this particular bill on third reading.

I would open up the debate by suggesting that this is a very dangerous tool to place into the hand of this particular Finance Minister. It's a very dangerous tool for the point that, ideologically, this minister really doesn't, I don't think, understand the idea of public debt. Certainly, in the circumstances that we have here in the province of Manitoba, certainly isn't prepared, Mr. Speaker, to attack the debt that he has incurred over the last eight years. Quite frankly, whose intentions are to incur substantially more debt over this next fiscal year and the fiscal year following.

I learned a long time ago, Mr. Speaker, not only in business but in private life. I was counselled by a number of very successful people. Their counsel was, quite simply, the best investment that I could make or anyone could make, whether it be a business person or whether it be a farmer or whether it be a government, the best investment that you can make is to retire debt. That has certainly stuck with me throughout my own careers and, quite frankly, has worked very well for me and has worked very well for others.

The reason why that's a sound philosophical investment policy is because when you retire debt, what you then have the ability is, is flexibility. If you don't owe anybody any money, if you don't owe any banks any money, if you don't owe any other creditors money, you then have the ability to manage your own affairs in whichever fashion you wish to. That means you now have flexibility. That means you now can buy additional capital equipment. That means you can then go out and you can purchase whatever operating equipment you require. If you don't have the debt, there is no one standing at your door at any point in time either calling your notes, calling your loans, or suggesting that maybe you just have too much debt for the amount of equity that you currently have and therefore you can't have any more. That means, Mr. Speaker, that in those particular circumstances, you don't have any flexibility in order to put into place the necessary requirements that you would have at that particular time in your business or in your government.

Now, when I say this is a very dangerous tool for this Minister of Finance (Mr. Selinger), this province has, to this point, secured substantial debt. We have now and there's also a distinction between, Mr. Speaker, real debt and net debt. I'm not going to get into the details, but I know that this Finance Minister uses whichever debt he would like to use at that particular point in time to his advantage. But the fact

of the matter is, real debt or net debt. Real debt is the debt that we have incurred as a province, and we have to pay service costs on that real debt. Those service costs are quite substantial.

Now we recognize that this minister has been very fortunate that the interest rates have been in his favour. It was at one point in time in the not-too-far-distant past, Mr. Speaker, that interest rates were in the neighbourhood of anywhere between 12 and 14 and in some cases 18 percent. If the minister can remember back to the early '90s, there was a real serious problem with interest rates. In fact, anybody here who has any agricultural roots will recognize that at that point in time, producers, farmers, were in very serious trouble because some of their operating lines at that time were upwards of 22 and 18 and 22 percent, which is substantially more than what the margins would be on their particular product.

But this minister doesn't remember those days. This minister only remembers the groundwork that was put in place for him by a previous government, groundwork that was fiscally sound management, and when he came into power in the late '90s, that interest rate was already dropping and the minister could go out and could purchase and borrow money at a more advantageous rate. I believe now the rate is somewhere around 4.5 to 4.7 points. That's an advantage now, but those interest rates don't necessarily stay where they are all the time as we've experienced in the past.

So the minister went out and spent an awful lot of money and borrowed that money, and right now, in the province of Manitoba, real debt, real debt in the province of Manitoba is in the neighbourhood of \$18 billion. Now that \$18 billion also includes Manitoba Hydro debt, because Manitoba Hydro is guaranteed debt by the Province of Manitoba; therefore, the debt from Manitoba Hydro has to flow into the consolidated statement of this Province. So this Province has guaranteed Manitoba Hydro debt; they've guaranteed their own debt, so \$18.5 billion of debt, plus an unfunded liability, which we don't talk about very often, but we have a pension fund, an unfunded liability which in some cases is, from what I've heard, anywhere from \$1.5 billion to \$2 billion.

So, for general terms, we can say that the province of Manitoba currently has real debt of about \$20 billion. Now, net debt is, as we do have some bank accounts, we do have some sinking funds, we do have some asset here in the province of Manitoba,

so if you take that asset away from the real debt, we do have a debt that's around the \$11.5-billion mark. But the \$18 billion is what we have to debt-service, debt-finance. We have to pay the people that we borrowed the money, and we borrow the money from off-shore; we borrow the money from the U.S.; we borrow the money from Canadian financial institutions; and we borrow the money for a lot of cases from us, as Manitoba citizens. You've heard of the Hydro bond; well, that's borrowing money effectively from us, as Manitoba citizens, and we pay interest on that to ourselves and that's still debt that has to be paid.

So we have a substantial amount of debt. So much debt, Mr. Speaker, that in fact we're the highest debt now in western Canada, so any one of the communities or any one of the jurisdictions that we compete with—Saskatchewan, Alberta, and British Columbia—we now have acquired more debt as Manitobans than those people that we have to compete with.

Now, in itself, that may not sound like a lot, but it is. It's a fear that I have, Mr. Speaker, that eventually when interest rates do rise and when the economy does retract, which it will, that the debt servicing on that debt doesn't go away.

But you know what, Mr. Speaker? Those other jurisdictions in their wisdom have decided to retire their debt. Remember the first comment I had? The best investment someone can ever make is to retire debt; retire debt. That's a really good investment, sound investment philosophy. So guess what? Saskatchewan, Alberta, and British Columbia are retiring that debt to the point where Alberta, from the good graces of a lot of oil and a lot of commodities in the ground, has no debt.

* (16:30)

Now, when you have no debt—I talked about flexibility. Well, right now that province has substantially more flexibility than we have in the province of Manitoba. But I won't even make comparables between Alberta and Manitoba because that's not fair. Alberta certainly is a unique jurisdiction. But Saskatchewan is not quite as unique. It's a jurisdiction that not too many years ago was actually to the point where it was almost bankrupt. There was talk not that many years ago with respect to Saskatchewan that they were going to have to default on some of their loans. I'm sure the minister, if he can remember back that far, can remember when that was, in fact, a real fear: that Saskatchewan

was going to default on some of their loans because they didn't have the ability to pay them.

Well, guess what, Mr. Speaker? Saskatchewan saw the light. They saw the light because they have started to retire debt. As a matter of fact, I'd mentioned it this afternoon that in a recent report that was put forward, *MB Check-Up*, put forward by the Manitoba chartered accountants. Who better to listen to than an arm's-length organization like the Manitoba Institute of Chartered Accountants?

These are unbiased individuals, unbiased people, who want to put forward legitimate comments that we should be listening to as Manitobans because it's in their best interests to make sure that the economy of Manitoba is sound. It's in their best interests to make sure that Manitoba has a good plan to go forward economically, and part of that economics has to do with debt.

Now, when I mentioned that this afternoon, in the report, in one of the tables in the report, it's very glaring, Mr. Speaker, that Manitoba hasn't learned any of the lessons from some of the other jurisdictions. From the years 2001 to 2005, and that's the table I'm reading from right now, Manitoba, in 2001, had a debt-to-GDP ratio—by the way, this can be skewed any number of ways, any number of fashions, that the minister takes great pride in being able to skew those numbers, but these are the real numbers. These are the numbers that are put here; the real numbers are, in 2001, the debt-to-GDP, debt as a percentage of GDP for the province of Manitoba, was 27.6 percent debt-to-GDP. That's pretty simple to understand. In 2001, Manitoba's debt-to-GDP was 27.6 percent.

Saskatchewan, in 2001, their debt-to-GDP was more. It was 28.6 percent debt-to-GDP. Okay, and that's not very romantic. Nobody likes to hear percentages and numbers, but the fact of the matter is that Saskatchewan had more debt-to-GDP than Manitoba did. If we go down the table, Mr. Speaker, in 2002, we almost matched the debt-to-GDP of Saskatchewan. Saskatchewan went to 28.8 percent and Manitoba went to 28.9 percent, so there you are. Now, we're actually even with Saskatchewan.

In 2003, I can't remember who was in government at that time; oh, yes, it was this Finance Minister. In 2003, the Manitoba debt-to-GDP rose from 28.9 percent to 30 percent debt-to-GDP where Saskatchewan, and here's where they start, drops to 27.6 percent debt-to-GDP. Well, 2005 is the number I'm quoting right now. Manitoba is 29.3 percent, so it

has dropped slightly because the GDP has risen. That's why.

It's not because the debt has gone down. It's because the GDP has come up, and remember what I said. We've had eight years of unprecedented economic growth, so when the GDP rises, the debt rises along with it.

Our debt-to-GDP in 2005 was 29.3 percent. In Saskatchewan, our competitor, is looking for our people. They're looking for our young people to come and work in their factories. They're looking for an exodus from Manitoba so that they can then use our resources to develop their economy even further.

In Manitoba, the debt-to-GDP in 2005 was 29.3 percent, and in Saskatchewan it was 21.8 percent, almost a 10-point difference now between the two. What that does is it allows Saskatchewan to take the savings that they've now received from their debt servicing and put it back into wonderful little things which, I know they won't understand, called tax reductions.

Okay, when you save money from debt service, you can take those dollars and put it into tax reductions for the people who reside in your jurisdiction, as Saskatchewan has done. They've reduced their personal tax rates. They have a thing called indexation when it comes to personal taxes. They have no payroll tax, which is a tax on jobs. They have a lower corporate tax than we have in the province of Manitoba. They've taken their savings and put them where they feel is the best investment. Remember what I said. Retired debt is the best investment. The next best investment is to make sure that it goes back into your services.

The federal government just proved that. The federal government just recently announced that they took \$14 billion of surplus, and what did they do? They took the \$14-billion worth of surplus and they put it into, oh, guess what? Debt reduction. What a great thought. I can't believe that they would put it into debt reduction. Of the \$14 billion in debt reduction, they said that even with that 4.5 percent or 4.7 percent interest rate, they will take the \$750 million in savings, \$750 million in savings, and they will then give it back in tax reductions. We're about to see what that is, because they're going to have a mini-financial statement come out in the next couple of months, Mr. Speaker, and we're going to be able to see where they're going to throw that.

But, Mr. Speaker, the debt we that we have right now in the province of Manitoba eventually will not be sustainable, will not be sustainable. This is why this document and this act is a very dangerous tool in the hands of this Finance Minister and this government.

What's going to happen, unfortunately, is that the minister is going to think that he has free rein to be able to go and spend as much money as he wants to, and that brings me to my final point in this particular debate, because we'll go back to BITSA a little later. There are two things. There are taxes and revenue and there are expenses. Now, if you spend more than taxes and revenue, then you have to fund it in some fashion. This minister feels that it's important that he fund it with debt, and that's where he's going.

Now, Mr. Speaker, I've had the opportunity to discuss with the minister on a couple of occasions about the difference between debt financing a project and cash flow financing a project. I'm going to try to explain it in fairly simple terms because it doesn't seem the minister understands all that well. He keeps talking about the general accounting principles.

But a farmer—we should be able to handle this—wants to buy a brand-new tractor. Now, brand-new tractors are very expensive. They can be anywhere upwards of \$250,000, \$300,000. Okay, a farmer wants to buy a tractor. Now, if the farmer has the cash, he can actually pay cash for that tractor. So if he has the \$300,000, which he should have because he has had no debt in the past. He's retired his debt. He saved his money. Rather than spending it on banks and interest, he keeps that cash. He puts it in a bank account so he has his \$300,000. He can buy the tractor. He doesn't have to go to a bank to finance it.

Now, he takes that tractor, Mr. Speaker, and that doesn't mean that it's just simply a capital purchase for that one year. No, it's a capital purchase, but you can amortize that over a period of time. There's a depreciative factor that goes into a tractor. It depreciates on an annual basis. So you can pay cash, take a depreciation on an annual basis, keep that depreciation out of your financials, put it back in the bank so that you can replace that tractor at a later date, but you don't have to pay service charges on it. You don't have to pay a financial institution to give you the money.

Well, it's the same thing with government. When you have a capital project, like the Manitoba Hydro building or the floodway or a Brandon hospital or a bridge—we keep hearing about how we're going to do

\$400 million a year in infrastructure. That's wonderful. I applaud the government to spend \$400 million a year in infrastructure. I applaud them on that, but that doesn't mean you have to go out to the financial markets and borrow money to pay for it. You can do it out of cash flow.

There's \$9.2 billion in these documents that's going to be raised this year for expenses. Mr. Speaker, \$9.2 billion are going to be raised in these documents this year. You're going to spend the \$9.2 billion. But you don't have to go out to borrow money to put it into infrastructure. You don't have to go out to borrow money to put it into a floodway. You don't have to incur more debt.

* (16:40)

Alberta has no debt. When they build a bridge, they don't go out and borrow the money; they pay it out of cash flow. Do you understand? That's pretty good fiscal, sound policy. You pay it out of cash flow. You don't have to borrow money. The minister keeps telling me, well, but we have to go into general accounting principles. *[interjection]*

Well, you know, Mr. Speaker, I'm getting some advice from everyone here now, from my side, my colleagues, as well as my colleagues on the other side of the House.

An Honourable Member: You don't have any colleagues on this side of the House.

Mr. Borotsik: No, no, I'm sorry, you're right. The gentleman who sat on that side of the House isn't sitting there anymore that was in my constituency. You're right. That colleague isn't there.

Mr. Speaker, it seems this has degenerated. They don't want to hear some good fiscal, sound policy. *[interjection]*

Well, the Member for Brandon East (Mr. Caldwell) is listening because he just understood what I had to say. The other members didn't understand what that comment was.

Anyway, Mr. Speaker, I will give up my time to another colleague. But, with respect to The Loan Act, as I said, debt, believe it or not, is bad. Debt is bad. Retiring debt is good. The reason I can say that is I can point to every jurisdiction right now, every jurisdiction in western Canada with the exception of this one that is retiring their debt. They are reducing their debt. If they have any money in surplus, they put it to debt. Not only that, they actually have a plan

to retire debt. We have no plan. We have a debt retirement fund.

Are you ready for this? We now have debt of, I mentioned somewhere around the neighbourhood of \$20 billion with the unfunded liabilities. We have a debt retirement plan of \$51 million. There's a plan for you, \$51 million in a debt retirement plan, on a debt of \$20 billion. That wouldn't pay for a week's interest that we're paying. As a matter of fact, the interest that we have right now is somewhere in the neighbourhood of \$860 million. The interest is \$860 million. We have a debt-reduction plan sitting in place right now. What a plan. Oh, I'd be so proud of this plan with \$51 million in it.

An Honourable Member: So what are you going to do?

Mr. Borotsik: Well, you know what we're going to do? This government eventually is going to turn over the financial reins to a very positive, financial planner, and that's going to happen in the not-too-distant future. We're going to have to, at that time, turn it over to somebody who can manage, because right now they are not managing, and not managing very well at all, Mr. Speaker.

So we have too much debt. It's costing too much to finance the debt, and we have no plan put into place to retire that debt.

Mr. Speaker, The Loan Act, as I said earlier, is a very dangerous tool to put in the hands of this Finance Minister. I am fearful, absolutely fearful, for the province of Manitoba. I'm fearful because of three things: the economy is not going to continue the way it has been. If you believe that, that it's going to stay the way it was over the last eight years, you are sadly mistaken. We have an American economy that is in severe trouble. Again, if you want to just play some political rhetoric and not listen to the facts, you can hide your head or you can hide it in the sand and say, no, that's not going to happen.

Our economy is going to retract. Interest rates are going to go up. They are the lowest they've ever been. They are going to go up. At some point in time, they are going to go up. Mr. Speaker, the problem with that is our GDP is going to drop, and our debt is going to stay the same. That means that our debt-to-GDP ratio is again, going to go higher.

What's going to happen is businesses are going to look at us and say, hey, if there's that much debt that has to be financed, then they are going to have to raise more money somehow, and the money is not

going to come, as it has in the past eight years, from the federal government. It's not going to come from transfer payments. It's not going to come from equalization. It's going to come from taxes. Higher taxes. We're already the highest-taxed jurisdiction in western Canada.

So, if business are looking at us and saying, you've got the only payroll tax, you've got the highest corporate tax, you've got the highest personal taxes, and you're going to tax more? Then they are obviously going to look at some other place to go, and it's not going to be in Manitoba.

So that's why I'm very fearful about this. There's no plan in place to retire this debt. There's no long-term plan at all as to how this government's going to finance the necessary projects that we have. I just mentioned a simple thing like cash flow financing as opposed to debt financing. I wish they would put that into place. I'd like to turn this over now to another speaker, Mr. Speaker. Certainly, we can talk about the bits of—piece of legislation in the not-too-distant future.

Thank you for your time, Mr. Speaker.

Mr. Gerald Hawranik (Lac du Bonnet): I think when we're speaking about The Loan Act, obviously we're talking about debt of the province, whether it's going up, whether it's going down, and authority for more loans by the Province. For the benefit of members opposite, there really are four different kinds of debt in the province.

First of all, the operating debt, which has to do with the operating budget of the Province. That particular portion of debt has not gone up, thanks to balanced budget legislation put forward in the 1990s, because without that balanced budget legislation, Mr. Speaker, I think we would have seen an escalation of debt in the operating debt by this government. There's no debt that they don't like, and without that legislation, certainly it would have given free rein to this government to increase even the operating debt and create havoc within the operating budgets of the Province.

Net debt is another form of debt we have in the province, and with a net debt, what you do is you take the amount of total debt of the province and subtract the total assets, and as a result of that, we still have debt, Mr. Speaker. We don't have assets to back up our debt. So, as an example, take for example—in fact, if the NDP sold all of the schools and hospitals in the province, if they sold the

legislative buildings, if they sold every asset that the government owns in this province, there still would be a debt.

That's similar to a situation where a homeowner continues to—for example, let's take an example in terms of a homeowner who may continue to increase the mortgage on his or her home, and at the end of the day, they may have a \$200,000 mortgage on the home. Yet the home may only be worth \$100,000. So, if they sell the home, they still have a \$100,000 debt. That's exactly what has happened in the province, Mr. Speaker. If we sold every asset off that the province owns, we'd still have a debt to repay.

The third kind of debt, and that's coined by the Member for Brandon West (Mr. Borotsik), our critic in Finance, he calls it the real debt. The real debt is what we pay interest on. The real debt, as soon as we increase the real debt of the province, our interest payments go up as long as interest rates remain constant. We increase the interest payments and as a result of that, Manitobans have to pay more.

The fourth kind of debt, Mr. Speaker, is the total debt of the province, which includes the real debt plus the unfunded liabilities that are out there, any pension liabilities that are out there, which are totalling over \$2 million at this point. That total debt is what we have to look at, in my view. Of course, the real debt is very important because that's the amount of debt upon which we pay interest. The total debt, though, is extremely important as well, and the reason being is that—and let me draw an analogy.

When we look at the debt of an individual, or a family, or a business, we don't simply look at what they owe on their mortgage on their home. We don't simply look at what they owe on their furniture loan. We don't simply look at what they owe on their motor vehicles. We don't simply look as to what they owe on their personal lines of credit. We take all four of those, Mr. Speaker, and we take a look at the entire debt of the family or the individual to determine how much they owe. Not just part of it, but all of it. That's what the total debt of the province is, and that's why it's extremely important to take a look at in terms of where our province is in terms of its fiscal management of the finances of this province.

So it's important to look at real debt, or total debt, and not simply to play games and use them interchangeably. I know when I've asked questions in the past of the Finance Minister, in terms of the debt

of this province, he would continually respond that, well, our debt hasn't gone up; it's gone down. Well, what he was referring to, Mr. Speaker, was the operating debt of the province, and we can thank the previous Progressive Conservative government, the government in the 1990s, for passing the legislation that they did, the balanced budget laws; otherwise, that operating debt, I believe, would have ballooned under this government.

*(16:50)

I know that the Finance Minister continues to point to GAAP as to why it's acceptable to increase debt because he's complying with GAAP. Mr. Speaker, GAAP is commonly known as generally accepted accounting principles, and he's quite right when he says that the Member for Lac du Bonnet, myself, was in support of GAAP. I know he was in support of GAAP. But that doesn't provide an excuse to increase debt because GAAP—first of all, I admit that you can increase the debt of the province and still comply with GAAP, but that doesn't mean that because debt increases that that is acceptable. It's in compliance with GAAP.

Our point is that the Province has over \$9 billion of revenue available to it this year. Certainly, we didn't necessarily have to increase debt as much as he is proposing under The Loan Act, Mr. Speaker. He has the opportunity to use the cash flow, to use the cash available to the Province, to pay for those assets by cash. He doesn't have to go and borrow the money to do that. If he paid for every single capital asset that he's planning to pay for, if he paid for it out of cash flow, it still would be in compliance with GAAP. GAAP doesn't give him the permission to go out to the capital markets and borrow more money. It's all a question of personal choice. It's all a question of choice by this government as to how they're going to manage the finances of this province.

I know that the Member from Brandon West (Mr. Borotsik), our critic, used a very good analogy in his speech with respect to increasing debt, with respect to a farmer going out and purchasing a piece of equipment for \$100,000. Well, if he borrowed the \$100,000 to purchase a piece of equipment, he would be in compliance with GAAP, Mr. Speaker. But, if he went out and used his \$100,000 bank account, if he so had that amount of money in his account, and he went and paid cash for that piece of equipment, he still would be in compliance with GAAP. Whether he pays cash or whether he borrows the money

makes no difference to GAAP. It's all in compliance with GAAP.

But the Minister of Finance continues to use the excuse that, well, GAAP says that I can go borrow the money, and therefore I'm in compliance with GAAP, and that because we are in favour of GAAP, we're in favour of borrowing more money. Well, that's absolutely not correct, Mr. Speaker, and it's misleading in a way to suggest otherwise. He can use the over \$3.5 billion that we receive every year in transfer payments, for example, if he wanted to build a hospital, for instance, in Steinbach, as what they're looking at, and we have no issue with them building a hospital. If it costs \$50 million, let them use some of the \$9.3 billion or \$9.2 billion that is coming into the Province. He doesn't have to borrow that money.

Another point, Mr. Speaker, is that the minister continues to point to the net debt-to-GDP ratio, and he states it's going down. Well, the net debt shouldn't go up, because every time he borrows money, every time the Finance Minister borrows money to create an asset, the net debt should not go up. The reason being is, for instance, if he borrowed \$50 million to rebuild a hospital in, say for example, Selkirk, if he used \$50 million to do that, if he borrowed the \$50 million, as long as the corresponding asset was worth \$50 million, the net debt does not go up. But the reality is that we are now paying interest on \$50 million more. I think that's the point. So, when he goes and points to the net debt-to-GDP ratio, and then he goes ahead and says it's going down, it's not a great comparison to make. Because he can continue to borrow money as long as he has a corresponding asset to balance off that debt, the net debt-to-GDP ratio will remain constant as long as the GDP remains constant.

Now, of course, we all know that GDP goes up every year. It goes up simply because of inflation, not necessarily because of any policies that this government has introduced to increase our economy. Sometimes that happens. The odd time, there may be an accident. There may be an accident when one of their policies may create more economic growth in this province, but the reality is that GDP goes up with inflation. So, even though let's say for instance the net debt does not go up—and it shouldn't go up, Mr. Speaker; it absolutely should remain constant. If it does go up, it means that he's mismanaged the loan and that the asset isn't there to balance off the debt. But if it doesn't go up, simply because of inflation GDP will go up, and, therefore, the net debt-to-GDP

ratio should come down. It has nothing to do with whether or not the policies of this government had any influence on the economy, whatsoever.

Interestingly enough, Mr. Speaker, I would lay a great weight, a lot of weight in terms of the opinions of the Institute of Chartered Accountants and their recent report, a credible report. I think the Minister of Finance (Mr. Selinger) should take notice of it and read it very thoroughly, because what it indicated in their report was, in 2001, our debt-to-GDP ratio was 27.6 percent, and in 2002, it went up. I recall the Minister of Finance saying time and time again in this House that every year since 1999 or 2000, whenever they took power, that the debt-to-GDP ratio has come down. Well, the Institute of Chartered Accountants disagrees with the Minister of Finance. In 2001 to 2002, it went up. In 2002 to 2003, it went up again. In fact, it went up by almost 2 percent from 2001 to 2005.

So I would hope that the Minister of Finance would support the private member's bill from the Member for River Heights (Mr. Gerrard), The Apology Act, because then he could stand up and apologize to this House, Mr. Speaker, because he's definitely wrong. In fact, I know that the government is thinking of supporting that bill and maybe there's a reason for it.

I look at The Loan Act, Bill 27, section 2, and here we have, you know, they're asking for authority of the government to borrow for purposes other than to refinance debt; not interest payments, but new debt on the books of the Province. They want authority of \$2.3 billion, Mr. Speaker, \$2.3 billion. All at a time when, over the last three or four years, all we've heard from this Finance Minister is that he's paid down the debt. Well, if he's paid down the debt, he's now asking for authority to increase the debt by \$2.3 billion.

When I look at Schedule A and Schedule B, look at—the Manitoba Lotteries Corporation is looking for authority to borrow \$32.7 million, for what, I'm not sure, because the last I looked, Manitoba Lotteries Corporation was making money. If they're making money, why are they borrowing any money? They make more than \$32,700,000 a year. Certainly, if they have capital projects they can use the cash flow. But, no, it's got to go to general revenue, and you know why? Because they can't control their spending.

Just one of the points that I wanted to bring up that the minister can perhaps reconsider. The

borrowing of another \$2.3 billion on the backs of Manitobans, because they're going to have to be responsible for it and even perhaps, he should talk to the Manitoba Lotteries Corporation and ask them to use their cash rather than continuing to borrow money and having our children and grandchildren having to pay it back because of the policies of this government.

Thank you, Mr. Speaker.

Mr. Ralph Eichler (Lakeside): Mr. Speaker, I want to touch a bit on some of the ag issues that are with respect to the budget that I never got to this morning.

I know the Member for Interlake (Mr. Nevakshonoff) was asking, how do you implement an education tax rebate program similar to, what he was talking about is from the PC side, and it's very simple. You can adapt the one that's been presented by KAP. All you have to do is walk across the hall and give the department of municipal affairs a cheque. You don't need to pay the money and ask for a refund back. That will allow the producers to have an extra \$1.5 million in their hands in order to spend on other programs.

Well, the Member for Interlake says, what about school boards, and school boards operate the same way. It's very simple: the money just transfers from one department to the other. They do the similar program now with the tax credit. It's a matter of just walking across the hall and giving that cheque to them.

*(17:00)

The PC plan is very simple. You do the same thing. The money that's been provided for the education tax on farmland is simply walked across the hall. It costs a dollar for that cheque, not \$1.5 million. So we need to make that distinction and make it very simple for the Member for Interlake. I know that once he has an opportunity to digest that, he'll say, there's \$1.5 million that we can help our struggling cattle producers and our hog producers because we know there's enough hurt there by itself.

I know the cattle producers in my area and the Interlake area and the Ste. Rose area, where the largest portion of the cattle are at, they're in desperate need. In fact, just yesterday I met with an auctioneer from our area and they were talking about the cattle prices. Cattle prices are down to 18 to 20 cents for our cull cows again and that cattle coming in. Young cattle are coming in at 78 cents. They're losing almost a hundred dollars per head, and

what we need to do is come up with a plan that's going to make the cattle producers sustainable, make our pork producers sustainable.

I know that the members opposite don't understand the finances when it comes to the farm sector. I know the Member for Brandon West (Mr. Borotsik) certainly made that illustration very clear just on the simple matter of a tractor. But, obviously, it was over their heads as well, because I know the volume's going up and they're certainly trying to help us. Anyway, the industry is in such a crisis right now—

Point of Order

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

Mr. Peter Dyck (Pembina): On a point of order, Mr. Speaker, I'm trying to listen to the Member for Lakeside (Mr. Eichler), and the Member for Interlake (Mr. Nevakshonoff) is so noisy. If he wants to get his comments on the record, I would just encourage him to get up and make his speech here.

But, on the other hand, I would ask him to be quiet.

Mr. Speaker: On the point of order raised by the honourable Member for Pembina, he has a very good idea, because it's getting very, very difficult to hear the person who has the floor.

I would advise all members who wish to have a conversation to please do it in the loge, because we need to be able to hear the person that has the floor in case there's a breach of a rule. So I ask the co-operation of all honourable members.

* * *

Mr. Speaker: The honourable Member for Lakeside has the floor.

Mr. Eichler: Thank you, Mr. Speaker, and I do think decorum in the House is very important, and what we have to say, and we're putting it on the record, is also very important. We're not here just to filibuster. We're here to try and bring government accountable for some of the programs that we're talking about, and I know that it's critical.

The provincial government has to work with these two commodities that I was talking about with the cattle industry and the pork industry. What we have to do is come up with a program, not a handout. Nobody wants to farm on those. Nobody wants to

farm on the CAIS program and mailbox farm. They need sustainable, bankable, predictable programs that are going to be there in the long term and what they need right now is a hand up, not a handout.

We just talked about the bee industry during the Estimates process, and there again we need to make sure no matter what industry it is that they're still here for our next generation to grow and to take advantage of.

I also wanted to put on the record in regard to the assessment with the new program that's being proposed by the ministers of the various provinces, and I think we need to work with our federal counterparts in order to make sure that the type of mechanisms that are in place indeed take advantage of the programs so that they're not working on those just alone. I think it's so important that these are a safety net program, and that's what we've got to work on.

Yesterday I mentioned in Concurrence to shorten the wait times for cattle that are crossing the border in the United States. We know that's one of our biggest importers and we need to make sure that the cattle facilities are there. I encourage the government to stay on top of these issues, Mr. Speaker. I think it's so important that we get our cattle through in a timely manner, and we know to make sure that the most humane way is there as well. We encourage the minister and her staff to work with the federal counterparts and we want to make sure that this in fact does happen.

I've put many words on the record with regard to the state of the slaughter capacity within the province of Manitoba. We must work with industry, with the corporate world out there. We can't just focus on one particular sector, and we're concerned that the \$2 head tax that's been put forward by this particular government in creation of new slaughter facilities can't just be on behalf of one particular sector and that's a natural growth cattle.

We need to look at the whole picture. We need to look at the cull cows. We need to look at the finished cattle. We need to look at all sectors not just one particular sector. That's what we've got to do. We've got to provide the infrastructure, the business expertise, and I know that's lacking sometimes on that side of the House. We'd be happy to help them with that in order to make sure that we do come forward with a sustainable increase in livestock processing within the province of Manitoba.

I know that the members opposite like to say that they're moving forward on that and we would too, but we need to make sure that that is going to happen sooner than later because we can't just rely on the U.S. markets. We need to look at markets here within Manitoba and within Canada. I've said before in this House that the COOL is going to come. There's no doubt about that in September of 2008, and with the move by Hytek buying the Neepawa plant is a step in the right direction. We know they're a very aggressive company. They're going to be out front on this particular issue. They'll make sure they're sustainable, and they'll do it without government funds. They'll do it on their own pocketbook.

That's the type of industry we need to see and grow and make this province the great place that it is. To make that happen, we need to encourage that through the infrastructure dollars, the business planning in order to make sure that, in fact, does happen.

We also want to talk about the provincial and federal dollars that were on the table to help the cattle industry and the other industries, the processing industries, stakeholders that deal with SRMs. Now, I know the deadline is coming up for December 31, and we know that deadline should be extended. We talked about that yesterday in Concurrence, and we, certainly, encourage members opposite to take advantage of those dollars that have been put forward by the federal government and those matched by the provincial government, in order that that time frame can be adjusted in order to look after some of those SRMs.

I would also strongly encourage the government to work with the federal government to ensure these dollars can flow. I know that the landfill sites need upgrading plus, just, the plants themselves. The overhead, I got a plant in my area that is paying over \$10,000 to \$12,000 a month just to get rid of the SRMs, an extra burden that, certainly, has to be passed on to the consumer. That is a type of industry that we need to be trying to make sure that we look after the SRMs.

As far as the pork industry is waiting for the Clean Environment Commission to release its report on the state of the hog industry. We've been asking for that report to be tabled, and we know it's got to be awful close. I know the minister has publicly stated that November, December is the latest which he hopes to have this issue resolved in order that we can

see the new barns being built within the province of Manitoba.

We know that this plummet in the market will come back. We know that the moratorium that was put on by this government has held back the state-of-the-art barns, and we want to put the confidence back in the public sector. It's done a lot of damage within the industry itself. However, the pork producers are a very innovative group, and they've proved that their emissions are very minimal when it comes to the overall effluent that runs into our lakes and streams and rivers. They are very good stewards of our land, and they want to make sure that it's there for them and their grandchildren.

I also wanted to talk about the regulations that have been brought forward. We want the logjam removed whenever it comes to the environmental regulations. We want the producers—they need to have time to adapt to these new regulations. The provincial government has rolled out their Environmental Enhancement Loan program which the minister has stated needs some work and needs to be followed up on. I know the Minister of Agriculture admitted more funding will be needed to help producers in this transition of the new environmental regulations and rules. However, in the next breath, she's saying that it has to be drawn up by the producers. Well, the producers have been there. They've been asking for the regulation to be tabled, but they need to be done in a way through consultation in order to make sure this, in fact, is done. I know that last spring, when she called the pork processors in, they thought this was what she was going to be talking about, but yet all the different sectors, KAP and the dairy producers, the pork producers, the cattle producers have all met and they've been asking. Hopefully, those will be tabled soon so that they won't just be dropped on them by next year, and made sure that they've had enough time in order to move forward on them.

*(17:10)

The livestock producers can't take on any more loans. They have to find a way to adapt to these regulations in a way that's going to make them in compliance with these regulations because, as I said before—and many members on this side of the House have talked about how the farmers are good stewards of the land. I know that, with regard to the agriculture economy where irrigation is one of those that's being cut in the last budget, we can't understand the rationale beside that. I know that the

vegetable industry is very important to the province of Manitoba's economy. We recognize the opportunities that it brings forward, just this sector alone.

I also brought forward in the House just the other day in regard to McCain's in Carberry with regard to their facility, upgrading the facilities there, the lagoon, in order to make it compliant and green. They're certainly prepared to do their part, and we want to make sure that the environment is there in a long sustainable way in order to make sure that they are here for our producers and for our families, especially rural Manitobans.

Also, the Province has talked about upgrading roads, and we need more roads. We need RTAC roads in order to get our products to and from market. We know that there are a number of railways that have been abandoned or torn up or removed for one reason or another, but we have to remember that we have to encourage our colleagues across the way that investing in infrastructure in rural areas and rural businesses pays dividends for the entire province and the economy of the province of Manitoba as a whole, because the last thing we want to do is have all our farmers working on the floodway.

So, with those few words, I look forward to the debate on this bill.

Hon. Jon Gerrard (River Heights): Mr. Speaker, as we close out the budget, The Loan Act, and the various money bills for which the Minister of Finance (Mr. Selinger) is responsible, I'm going to make a few comments. I want to begin with a clear understanding that our perspective as Manitoba Liberals is very clearly quite different from the Minister of Finance, an NDP representative coming with an NDP perspective.

I want to start today where I began in the comments about the budget when it was first presented, and that is that we were concerned then, still are concerned, with the actions of the Minister of Finance in relationship to Crocus and the perspective as a result of the Cabinet minutes, Cabinet discussion of November 2000, which showed very clearly that the Crocus Investment Fund—our perspective may be different from his perspective, but certainly from our perspective, in reading that document that Crocus Investment Fund was in serious difficulty, that the serious difficulty involved liquidity and valuation and monitoring issues. Interestingly enough, the problem which the Minister of Finance has raised on numerous

occasions and suggested there were problems, major ones, with monitoring the document itself shows that there was a remarkable understanding and knowledge of what was going on in the Crocus Investment Fund within his department, and that that knowledge extended to the fact that the Crocus Investment Fund was running into problems including liquidity and valuation problems.

Yet the Minister of Finance has continued as late as April 22, 2003, to refer to Crocus as very successful. These kinds of statements in the context of the knowledge that he had in the context of people who were making decisions about investing in Crocus resulted in many people investing since that November 2000 meeting, probably either investing or reinvesting about \$100 million in Crocus, and almost all of those people who invested at that point after November 2000 have lost major amounts of money.

That is the tragedy that has happened and it is disappointing to us on this side of the House to have a Finance Minister who was there, continuing to deliver a budget and to continue to deliver a budget as we had this year.

We see in this budget that there are quite a variety of issues, fundamental issues that relate to good governments. Certainly, again, we would put forward that we understand that the Minister of Finance (Mr. Selinger) comes from a very different perspective, having an NDP background and perspective, from our Liberal perspective. We know that the minister is not, has not been, and never will be, and the Premier (Mr. Doer) has not been and never will be, a Liberal. But we have to make sure that the perspective here that we have is clear. That, of course, is why I speak to this.

We see, for example, that there has been a fundamental issue for eight years in terms of accountability in health care. The fundamental problem is that the Minister of Finance and his premier and his government are trying to run a top-down centralized control system in which there, in a complex health-care area, don't have the principle of accountability even, as part of the various acts which govern health care in this province and don't have the mechanisms in place for having proper accountability.

As we have been talking about in the comments on the RHA system, and as I have been talking for a number of years, the top-down global budget approach, which is the NDP command and control

system, is very different from a Liberal approach which is, set the framework, have the accountability set up so that the funds flow for services actually delivered, in a way that is going to give the accountability, is going to provide the framework so that individuals throughout the system are making solid decisions, and with the emphasis on services delivered, rather than the emphasis on top-down command-and-control centralized global budgets where the emphasis really is on the centre and the bureaucracy rather than on the patient, the family physician, and the services delivered.

So, yes, we know that we come from a very different perspective. It is important for us to present our perspective and for people to understand how different our perspective is from the Minister of Finance and his NDP government. We see that this issue of accountability pertains to the most basic and fundamental information that is necessary to provide good government: that information be science-based, rather than based on what comes from the ideas from the NDP members and the NDP political appointees; that what is important here is that we have a system based more on merit and less on insider political influence of the NDP patronage appointees.

Certainly, when we come to issues as important to all Manitobans as fetal alcohol spectrum disorders, that it is terribly disappointing to us, unacceptable, that after eight years and considerably more than \$50 billion, that the Minister of Finance has presided over, over that eight year period, more than \$50 billion spent under his budgeting, and yet we still don't have as simple a number as the incidence of FASD for Manitoba. Trying to run a system without having the simplest kind of basic information is, in our perspective, we offer, Mr. Speaker, a very dangerous, terrible, awful thing to be doing, when in fact that information could be determined, could be available, could be used from a public policy perspective to provide much better moving-forward approaches than we have at the moment.

* (17:20)

So what I would suggest, Mr. Speaker, working from our Liberal perspective, we have a very different perspective and we know this, not only on health care but on the environment. We know that this budget doesn't even include any assessment of the liabilities related to the clean-up of Lake Winnipeg, probably the single largest environmental problem, crisis, that we have had in the history of

this province. We don't even have that environmental liability on the books. That is one of Canada's great lakes, a treasure, a jewel for all Manitobans. Yet, as we all know, there has been deterioration steady over many years of the situation in Lake Winnipeg, accumulating algal blooms. We may be on the threshold of reaching the point where the algae have grown to the point where there may be a catastrophic decline in the fish populations and catastrophic problems for Lake Winnipeg.

We are, perhaps, fortunate that right now there are still reasonable numbers of walleye. But all the predictions would have that, as the phosphorus level and the algae level increases in the initial phases, you may be doing quite well in terms of fish, but then all of a sudden you may go over the top. Certainly, Mr. Speaker, from an environmental perspective, from a look at what needs to be done to look after our environment properly, first of all and foremost, we need to not only recognize the problem, but we need to recognize that there needs to be financial accountability and that these liabilities need to be part of what is the proper and full budget for this province.

So, Mr. Speaker, with those few comments and some of the different perspectives that we have relative to the Minister of Finance (Mr. Selinger), I will conclude my comments. Thank you.

Mr. David Faurshou (Portage la Prairie): We have been asked to debate in fairly short order Bill 27, The Loan Act, 2007.

I look to members opposite and wonder how many of the government side of the House members have actually taken a moment to really, truly read what's in this bill. I wonder because it is something that I've never heard from this government. They've all been crowing quite loudly of late as to how they were so successful in the election this past May, but I want to know in what election material, any one of the government side of the House, where it said that you were going to borrow an additional \$2.3 billion over and above what our existing debt is. What candidate went door to door to door, and said, I want your vote because I want to put you an additional \$2,000 in debt.

The question is there because it was not in your campaign literature and I did not hear if at any debate—

An Honourable Member: We brought in the budget before the election.

Mr. Faurschou: This is over and above the budget, and the Member for Wolseley (Mr. Altemeyer) is showing how inept is his ability to understand business and borrowing. Mr. Speaker, \$2.3 billion. The authority of government to borrow for purposes other than refinancing debt is increased by \$2.3 billion. In other words, this government plans on putting Manitobans more than \$2.3 billion further in debt. There was not one piece of campaign material that made that statement. So this is very, very serious business, when somebody comes forward and puts forward something that there was not one single minute of debate put out there.

Even the Deputy Premier (Ms. Wowchuk) is trying to say that it was out there front and centre because their budget was tabled. This was not in the budget.

I want to go further on to the schedules here. I want to ask some particular questions. I want to ask some of the government—obviously, they cannot respond in this debate because there hasn't been one speaker on that side of the House that has defended or explained their support to this particular bill. You have to wonder why the Manitoba Lotteries Corporation, one that they extracted almost \$200 million from last year, is going to have to now go out and borrow in the name of government, not in the name of the corporation, but in the name of government, in this upcoming year, \$32.7 million. It's really beyond me as to why the corporation can't even finance its own operations. They now have to rely on government and general revenues in order to borrow money. I know it's probably above most members on the opposite side of the House here, because of their many business and varied backgrounds.

You wonder also why we are now providing monies for First Nations and their casino operations, First Nations casino development. Is this development taking place on reserve property or off-reserve property?

An Honourable Member: What's the difference?

Mr. Faurschou: The Deputy Premier (Ms. Wowchuk) has asked the question: What's the difference?

Properties owned by the Crown versus properties that are not owned by the Crown. If you invest on Crown properties of the federal government in the name of the Queen, abilities to mortgage, abilities to recoup through legal channels,

are significantly hampered. If the Deputy Premier doesn't understand this, then I am really, really scared about whether or not anybody on that side of the House even understands the bill that they have introduced into the House.

Mr. Speaker, I know we have agreed upon a time limit for debate for this particular bill before, but I cannot, I cannot, support this borrowing bill. Thank you.

Mr. Kevin Lamoureux (Inkster): I do want to spend just a couple of minutes to address this bill.

Mr. Speaker, I think that if we take a look, and everything I guess is put into a perspective, one can look at the province of Alberta and say, Alberta's got all this oil, all this wealth. Then you take a look at the province of Manitoba, and you can talk about the opportunities that we have, and the government ultimately, at the end of the day, has to determine whether or not future generations of people that are going to be living in our province are being put at an advantage or a disadvantage because of the policies of this government.

If we look at Alberta, and if the province of Alberta with all that wealth, with all that oil, was to make the determination that they're going to pave every road once a year or every other year, they could spend all the money which they are accumulating, and then that government would be held accountable for what it did, given the circumstances that it was in, Mr. Speaker.

I wanted to stand just to put one thing on the record of what I believe is of very important significance, and that is that we have to take a look at the picture of time in which this government has had the opportunity, the privilege, to tax and to spend and to make laws. Mr. Speaker, when you look at it at the end of the day, has this government done a good job?

I believe, Mr. Speaker, that the Premier (Mr. Doer) of the province is more interested in being the Premier and having the power as opposed to doing that job that, in essence, is going to make future generations of Manitobans that much better off. My leader talked about issues like fetal alcohol syndrome. The member for Brandon talked about the importance of deficit and having a deficit under control. The government has not convinced me that the long-term interests of Manitoba, given the picture, given our economy, given the resources that we have, are going to be that much better because of the management that this government has had the

privilege to be able to orchestrate over the last number of years.

* (17:30)

I appeal to the Minister of Finance (Mr. Selinger) to start thinking in terms of the province as opposed to its own political party.

Mr. Speaker, I think all Manitobans would be better off if we had seen ideas acted on and a government more concerned about proper fiscal management as opposed to just giving in or doing whatever it can to spend all the money that it can spend.

With those few words, Mr. Speaker, I'm prepared to conclude my remarks.

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

Some Honourable Members: Question.

Mr. Speaker: The question before the House is third reading of Bill 27, The Loan Act, 2007.

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

Some Honourable Members: Agreed.

Some Honourable Members: No.

Voice Vote

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

Some Honourable Members: Yea.

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

Some Honourable Members: Nay.

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

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

Mr. Speaker: On division.

Bill 26—The Appropriation Act, 2007

Hon. Dave Chomiak (Government House Leader): Mr. Speaker, I move, seconded by the Minister of Finance (Mr. Selinger), that Bill 26, The Appropriation Act, 2007; Loi de 2007 portant affectation de crédits, reported from the Committee of the Whole, be concurred in and be now read for a third time and passed.

Motion presented.

Mr. Speaker: Any speakers? No? Okay.

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

Bill 28—The Budget Implementation and Tax Statutes Amendment Act, 2007

Hon. Dave Chomiak (Government House Leader): Mr. Speaker, I move, seconded by the Minister of Finance, that Bill 28, The Budget Implementation and Tax Statutes Amendment Act, 2007; Loi d'exécution du budget de 2007 et modifiant diverses dispositions législatives en matière de fiscalité, reported from the Committee of the Whole, be concurred in and be now read for a third time and passed.

Motion presented.

Mr. Rick Borotsik (Brandon West): Mr. Speaker, we've already recognized that The Loan Act that, unfortunately for Manitobans, was passed was a step in the wrong direction. It seems this government can't live within its means, never has been able to live within its means and now, unfortunately, has to go out and borrow more money to put Manitobans further in debt and have Manitobans pay more of those service fees and service charges that the rest of Manitobans would prefer not to have to pay for.

Ms. Bonnie Korzeniowski, Deputy Speaker, in the Chair.

A lot of Manitobans, Madam Deputy Speaker, just as with The Loan Act, would love to be able to be out of debt so that they don't have to pay their mortgages and pay their car loans and pay their credit card loans. Unfortunately, we find that this government has decided that philosophically it's much better to increase those loans. I and my colleagues are fearful of the direction that this government's going.

Now, borrowing money is only one way of getting revenue to expend and in my opinion expend foolishly, but that's okay. They mismanage a lot of files. We can talk about the mismanagement of the Spirited Energy file and the monies that they expended somewhat frivolously. We can talk about a proposal right now, Madam Deputy Speaker, to spend an additional \$500 million with a foolish development of a hydro line going down the west side as opposed to the east side.

But it seems that this government really doesn't care about \$500 million, or \$3 million, or any numbers of millions of dollars if it's not their money,

because BITSA speaks to—this particular bill, Bill 28, speaks to another fashion in which the government raises funds, revenue. Three ways to do that. Number one is through taxation. We talked about how debt and debt-servicing is going to impact this province in a very detrimental fashion in the not-too-distant future, I'm afraid, because other jurisdictions have already identified debt reduction as being a very good fiscal policy. All of them have, except this government. I can't stress that enough. Every other jurisdiction in the country is saying, let's get rid of the debt, except Manitoba.

Now, every other jurisdiction in the country is also saying, let's tax our residents less. Let's make sure the money that they earn goes into their disposable income so that they can now go out and buy more and generate more economy. But what does our government do, Madam Deputy Speaker? It's identified right here in Bill 28. They want to go out and they want to tax Manitobans more. I know the Minister of Finance (Mr. Selinger) is going to refute that and say how wonderful he's been about how they reduced the different tax rates.

By the way, where credit is due, I will give credit. For the small business, the tax rates have been reduced quite substantially, and I commend the minister for that. Now, he had to do that because other jurisdictions were also reducing the small business tax, but he did take the initiative to reduce the small business tax. I give him full credit for that.

At the same time, Madam Deputy Speaker, he has not addressed a tax on employment, the payroll tax. In a very minor way, he's changed the levels of payroll tax. He's changed the percentage that is charged, and he's changed the cap rates, but the fact is that we still in the province of Manitoba are the only, and I hate to stress this again, we're the only jurisdiction in western Canada that has a payroll tax. If I were a corporation with quite a large number of employees—for that matter, it doesn't even take a lot of employees to come up with \$1,250,000 in payroll—if I were a corporation, and I was going to set up in a jurisdiction, and I looked and saw that there is a payroll tax in Manitoba but there isn't one in Saskatchewan, there isn't one in Alberta, and there isn't one in British Columbia, why would I choose to go to a jurisdiction that now is taxing employment? It is the most regressive tax that we have on the books. The minister has not addressed that because he needs the money to go and to fritter it away in different areas. So the payroll tax will remain, and it will remain an albatross around this province's neck

when we go out to try to generate more economic activity through corporations. It's not going to happen.

The second thing is the poor little guy who's out on the street earning money on a monthly basis. His cheque, Madam Deputy Speaker, whenever he gets it, has a deduction there from both the federal and the provincial tax rate. The tax rates in Manitoba are the highest tax rates in western Canada. There are some that are equal at the present time, but those other jurisdictions are reducing their tax rates in their different tax brackets. The tax brackets that we have in Manitoba—and again we're the only, I hate continually saying this, we're the only jurisdiction in western Canada that has not indexed its tax brackets, the only jurisdiction that hasn't had indexation on their tax brackets. We're the only one. So what that means is as inflation on an annual basis goes up, your salaries go up, but the tax bracket limits stay the same. So that means the more money you make, the more money you pay, because the levels of tax brackets don't go up.

We have three different tax rates in Manitoba, three different tax rates. We've got from zero—and by the way there's a lot of people who get taxed even at the poverty levels—but we get zero at this point in time in Manitoba to \$30,544. That's effective for the 2007 tax year. We have that as the first level of tax brackets. So anybody from zero—there is a thing called basic personal exemption; we'll get into that—zero to \$30,544, in Manitoba you get taxed at a rate of 10.9 percent.

Mr. Speaker in the Chair

In Saskatchewan, instead of that \$30,554, from zero to \$38,405 you get taxed, and here's where Manitoba has a slight edge because Saskatchewan has 11 percent instead of 10.9 percent.

An Honourable Member: Theirs is higher?

* (17:40)

Mr. Borotsik: Theirs is higher by 0.1 percent. I give that Finance Minister credit. He should be standing and shouting from the rooftops that for the first tax bracket that we have we're 0.1 percent ahead of Saskatchewan. By the way, I'm sure the Finance Minister didn't hear that the tax bracket for Manitoba is \$30,000 and for Saskatchewan it's \$38,000, at that level, at that rate.

Now, we go on to the second tax bracket. Remember Saskatchewan also has a thing, as I

mentioned earlier: indexation. So their level of \$38,000 is going to go up, Mr. Speaker, as inflation goes up in 2007, but ours is going to remain the same unless the minister decides in the next budget he's going to do a wonderful thing for Manitobans and increase that by a dollar or two, but it doesn't mean an awful lot.

The second thing, this next tax bracket, Mr. Speaker, goes from \$30,000 to \$65,000. So, if anybody in Manitoba makes between that level of income, between \$30,000 and \$65,000, they're going to be in that next tax bracket. That next tax bracket in Manitoba is 13 percent, and in Saskatchewan it's also 13 percent. So we've managed that. But, instead of \$65,000, which, by the way, is going to go up a thousand, a paltry thousand dollars, it's going to go up to \$66,000. But \$65,000, and in Saskatchewan that tax bracket is \$71,000. So already you can earn more money and stay in that 13 percent tax bracket rate.

But here's the real kicker: anything over \$65,000 is the top bracket. The absolutely top bracket in Manitoba is that, if you make over \$65,000, you're paying 17 percent to Manitoba. In Saskatchewan, anything over the 71 you're paying 15. So there you go, Saskatchewan beat us again. So, if you're making over \$71,000 in Saskatchewan, you'll pay 15 percent; over \$65,000 in Manitoba, you're going to pay 17.4 percent.

That's not where it stops. Right now, and this is a wonderful one, in New Brunswick, the Province of New Brunswick, which, by the way, has the same credit rating as Manitoba, but we'll get into that a separate time. New Brunswick has the same credit rating as Manitoba and we should be proud of that. But are you ready for this? In New Brunswick the top tax bracket level is \$111,000. Manitoba is 65, going to 66; it's \$111,000. So anywhere between—no, actually the brackets are the same.

An Honourable Member: Have you got a point to make?

Mr. Borotsik: Yeah, I've got a lot of point to make. The point is that Manitobans are getting ripped off. We're paying way too much in personal income tax. But here's the real issue, here's the real kicker. We have a thing called a basic personal exemption. A basic personal exemption means that you, in fact, Mr. Speaker, have the opportunity of earning income without having to pay taxes on that. *[interjection]*

Oh, I've got lots of time left. Don't get excited.

Basic taxable exemption—so right off the bat, Mr. Speaker, we have a very low ceiling on our first bracket, which, by the way, did I mention, wasn't indexed. I'm sure I mentioned that. I'm sure I mentioned that there's no indexation. The only province in western Canada that doesn't have indexation, the only province in western Canada that does have a payroll tax.

But here's the kicker: in 2007 the personal basic exemption—so you, Mr. Speaker, and I and all these wonderful colleagues of mine in this House for the first \$7,834 in 2007—but it is going up; it's going to go up a couple of hundred bucks in Manitoba—for \$7,834 you're not going to have to pay tax on that level, which isn't such a bad thing, I guess. But, when you make the comparisons, Mr. Speaker, and you look at—are you ready for this? When you look at Saskatchewan, ours is \$7,800 for 2007, Saskatchewan is \$8,778. So for the first \$8,778 that you earn you're not paying any tax on it. Remember we have better brackets in Saskatchewan and we certainly have indexation there. So we're falling behind.

Now I have to mention this one because it just shows the competitiveness factor that we have in western Canada or the lack of competitiveness that we have here in Manitoba. So, for that \$7,800 basic personal exemption, in Alberta it's \$15,435.

So this government is saying we'll retain our children here in Manitoba. We're going to give them a quality of life second to none; we're going to tax them more; we're going to make sure that if they are employed by a corporation in Manitoba we're going to tax that corporation; and, Mr. Speaker, we're going to attempt in any way, shape or form of keeping our young people in Manitoba.

Well, it's failed, and it's failed miserably. I can speak from personal experience. I would love to have my children come here and come back to Manitoba, but they won't. And they won't because there's job opportunity where they are; there's less tax rate where they are; they get to keep more money in their pockets where they are; and they aren't going to come back to a jurisdiction like this when in fact they know that there's going to be additional debt that they're going to have to pay for when they come back here and earn money in this jurisdiction, in this province.

Mr. Speaker, our tax rates are way out of whack. We aren't competitive. We can't be competitive, and until this government comes up with the proper

priorities, we're going to continue to sink in the mire. One minute?

I just want to put on the record that they can live in their dream world and they can live in denial, but the truth of the matter is that there are storm clouds on the horizon. We have more debt; we have a Canadian dollar that is now at \$1.03.13, I believe it was, which is going to affect our exports. We export 76 percent of our total product. They're going to affect our exports going into the U.S.

We have a U.S. economy that is now in a downturn, it's possible into a recession, which is going to affect our economy. We have interest rates that are going to rise which is going to affect the debt servicing on more debt that they're requiring. We have a slowing economy here in Manitoba which means less loss revenue, not only provincially with retail sales tax and personal taxes, but it's also going to mean that the federal government's not going to be able to shovel money at this government constantly. We have almost \$4 billion of transfer payments and equalization payments that this government is living off. It's not going to continue to happen the way it has been happening in the past, and they're going to have to react. I don't think they have a plan to do that.

This bill is wrong, this Finance Minister is wrong, and Manitobans are going to suffer for it. Thank you very much.

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

Some Honourable Members: Question.

Mr. Speaker: The question before the House is third reading of Bill 28, The Budget Implementation and Tax Statutes Amendment Act, 2007.

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

We'll prepare for the arrival of His Honour the Lieutenant-Governor.

ROYAL ASSENT

Deputy Sergeant-at-Arms (Mr. Blake Dunn): His Honour the Lieutenant-Governor.

His Honour John Harvard, Lieutenant-Governor of the Province of Manitoba, having entered the House and being seated on the Throne, Mr. Speaker addressed His Honour the Lieutenant-Governor in the following words:

Mr. Speaker: Your Honour:

The Legislative Assembly of Manitoba asks Your Honour to accept the following bills:

* (17:50)

Madam Clerk Assistant (Monique Grenier):

Bill 26—The Appropriation Act, 2007; Loi de 2007 portant affectation de crédits

Bill 27—The Loan Act, 2007; Loi d'emprunt de 2007

Madam Clerk (Patricia Chaychuk): In Her Majesty's name, the Lieutenant-Governor thanks the Assembly and assents to these bills.

Mr. Speaker: Your Honour:

At this sitting, the Legislative Assembly has passed certain bills that I ask Your Honour to give assent to.

Madam Clerk Assistant:

Bill 28—The Budget Implementation and Tax Statutes Amendment Act, 2007; Loi d'exécution du budget de 2007 et modifiant diverses dispositions législatives en matière de fiscalité

Madam Clerk: In Her Majesty's name, His Honour assents to this bill.

His Honour was then pleased to retire.

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, October 25, 2007

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are also available on the Internet at the following address:

<http://www.gov.mb.ca/legislature/hansard/index.html>