

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

Official Report
(Hansard)

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Ninth Legislature

Member	Constituency	Political Affiliation
ALLAN, Nancy, Hon.	St. Vital	N.D.P.
ALTEMEYER, Rob	Wolseley	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
BJORNSON, Peter, Hon.	Gimli	N.D.P.
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BOROTSIK, Rick	Brandon West	P.C.
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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.
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DOER, Gary, Hon.	Concordia	N.D.P.
DRIEDGER, Myrna	Charleswood	P.C.
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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.
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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.
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REID, Daryl	Transcona	N.D.P.
ROBINSON, Eric, Hon.	Rupertsland	N.D.P.
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ROWAT, Leanne	Minnedosa	P.C.
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SELBY, Erin	Southdale	N.D.P.
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STEFANSON, Heather	Tuxedo	P.C.
STRUTHERS, Stan, Hon.	Dauphin-Roblin	N.D.P.
SWAN, Andrew, Hon.	Minto	N.D.P.
TAILLIEU, Mavis	Morris	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.
<i>Vacant</i>	Elmwood	

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, September 30, 2008

The House met at 1:30 p.m.

ROUTINE PROCEEDINGS

PETITIONS

Pharmacare Deductibles

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

These are the reasons for this petition:

The NDP government has increased Pharmacare deductibles by 5 percent every year for the past seven years, with the curious exception of the 2007 election year.

As a result of the cumulative 34 percent hike in Pharmacare deductibles by the NDP government, some Manitobans are forced to choose between milk and medicine.

Seniors, fixed and low-income-earning Manitobans are the most negatively affected by these increases.

We petition the Legislative Assembly as follows:

To urge the Premier (Mr. Doer) of Manitoba to consider reversing his decision to increase Pharmacare deductibles by 5 percent in budget 2008.

To request the Premier of Manitoba to consider reducing health-care bureaucracy, as previously promised, and to consider directing those savings into sustaining Pharmacare and improving patient care.

This is signed by Catherine O'Dowda, Jocelyn McCormick, M. Caron and many others.

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

**Hard Surfacing Unpaved Portion—
Provincial Road 340**

Mrs. Leanne Rowat (Minnedosa): I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition.

All Manitobans deserve access to well-maintained rural highways as this is critical to both motorist safety and to commerce.

Provincial Highway 340 is a well-utilized road.

Heavy vehicles from potato and livestock operations, agricultural-related businesses, Hutterite colonies and the Maple Leaf plant in Brandon use this road.

Vehicles from Canadian Forces Base Shilo also travel this busy road.

Commuter traffic from Wawanesa, Stockton, Nesbitt and surrounding farms to Shilo and Brandon is common on this road.

Provincial Road 340 is an alternate route for many motorists travelling to Brandon coming off Provincial Trunk Highway 2 east and to Winnipeg via the Trans-Canada Highway No. 1. An upgrade to this road would ease the traffic congestion on PTH 10.

Access to the Criddle-Vane Homestead Provincial Park would be greatly enhanced if this road were improved.

The hard surfacing of the unpaved portion of Highway 340 south of Canadian Forces Base Shilo towards Wawanesa would address the last neglected kilometres of this road and increase the safety of motorists who travel on it.

We petition the Legislative Assembly of Manitoba as follows:

To request the Minister of Infrastructure and Transportation (Mr. Lemieux) to consider hard surfacing of the unpaved portion of Provincial Road 340 south of Canadian Forces Base Shilo towards Wawanesa.

This petition is signed by Leonard Plett, Jocelin Mathys, Dianna Williamson and many, many others.

**Increased School Facilities—
Garden Valley School Division**

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

These are the reasons for this petition.

The student enrolment in Garden Valley School Division has risen steadily for the last 10 years.

Since 2005, the enrolment has risen by more than 700 students, from 3,361 students to 4,079 students, a 21 percent increase.

Since September 2007, the enrolment has increased by 325 students, an 8.7 percent increase.

Currently, 1,050 students, 26 percent, are in 42 portable classrooms without adequate access to bathrooms.

There are 1,210 students in a high school built for 750 students; 375 students are located in 15 portables without adequate access to bathrooms.

Projected enrolment increases based on immigration through the Provincial Nominee Program reveals the school division enrolment will double in the next 12 years.

Student safety, school security, reasonable access to bathrooms and diminished student learning are concerns that need immediate attention.

We petition the Legislative Assembly of Manitoba as follows:

To request the Minister of Education, Citizenship and Youth (Mr. Bjornson) to consider providing the necessary school facilities to Garden Valley School Division.

To urge the Minister of Education, Citizenship and Youth to consider providing the Garden Valley School Division an immediate date as to when to expect the necessary school facilities.

This is signed by Pam Fehr, Gin Sawatzky, Bernie Sawatzky and many, many others.

Hard Surfacing Unpaved Portion— Provincial Road 340

Mr. Cliff Cullen (Turtle Mountain): Mr. Speaker, I wish to present the following petition to the Legislative Assembly.

These are the reasons for this petition.

All Manitobans deserve access to well-maintained rural highways as this is critical to both motorist safety and to commerce.

Provincial Road 340 is a well-utilized road.

Heavy vehicles from potato and livestock operations, agricultural-related businesses, Hutterite colonies and the Maple Leaf plant in Brandon use this road.

Vehicles from Canadian Forces Base Shilo also travel this busy road.

Commuter traffic from Wawanesa, Stockton, Nesbitt and surrounding farms to Shilo and Brandon is common on this road.

PR 340 is an alternate route for many motorists travelling to Brandon coming off Provincial Trunk Highway 2 east and to Winnipeg via the Trans-Canada Highway No. 1. An upgrade to this road would ease the traffic congestion on Provincial Trunk Highway 10.

Access to the Criddle-Vane Homestead Provincial Park would be greatly enhanced if this road were improved.

The hard surfacing of the unpaved portion of PR 340 south of Canadian Forces Base Shilo towards Wawanesa would address the last few neglected kilometres of this road and increase the safety of motorists who travel on it.

We petition the Legislative Assembly of Manitoba as follows:

To request the Minister of Infrastructure and Transportation (Mr. Lemieux) to consider hard surfacing of the unpaved portion of PR 340 south of Canadian Forces Base Shilo towards Wawanesa.

This petition is signed by Tammy Riddle, Jackie Wilton, Jeff Wilton and many, many others.

Education Funding

Mr. Rick Borotsik (Brandon West): Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

The background of this petition is as follows:

Historically, the Province of Manitoba has received funding for education by the assessment of property that generates taxes. This unfair tax is only applied to selected property owners in certain areas and confines.

Property-based school tax is becoming an ever-increasing burden without acknowledging the owner's income and owner's ability to pay.

The provincial sales tax was instituted for the purpose of funding education. However, monies

generated by this tax are being placed in general revenue.

We petition the Legislative Assembly of Manitoba as follows:

To request that the Minister of Education, Citizenship and Youth (Mr. Bjornson) consider removing education funding by school tax or education levies from all property in Manitoba.

To request that the Minister of Education, Citizenship and Youth consider finding a more equitable method of funding education, such as general revenue, following the constitutional funding of education by the Province of Manitoba.

Mr. Speaker, this petition is signed by S. Segal, H. Offenloch, Fred Offenloch and many, many other fine Manitobans.

Paved Shoulders for Trans-Canada Highway

Mr. Larry Maguire (Arthur-Virden): Mr. Speaker, I wish to present the following petition to the Legislative Assembly.

These are the reasons for this petition:

The lack of paved shoulders on the Manitoba portions of the Trans-Canada Highway poses a serious safety risk for motorists, cyclists and pedestrians alike.

The risk was borne out again with the tragic June 2008 deaths of two cyclists travelling east of Virden on the Trans-Canada Highway and injuries sustained by two other cyclists.

Subsequently, the Government of Manitoba has indicated it will pave the shoulders on the Trans-Canada Highway but has not provided a time frame for doing so.

Manitoba's Assistant Deputy Minister of Infrastructure and Transportation told a Winnipeg radio station on October 16, 2007, that when it comes to highway projects, the provincial government has a "flexible response program."

In the interests of protecting public safety, it is critical that the paving of the shoulders on the Trans-Canada Highway in Manitoba be completed as soon as possible.

We petition the Legislative Assembly of Manitoba as follows:

To request the Minister of Infrastructure and Transportation (Mr. Lemieux) to consider making

the completion of the paving of the shoulders on the Trans-Canada Highway an urgent provincial government priority.

To request the Minister of Infrastructure and Transportation to clearly articulate a time frame for paving the shoulders on the Trans-Canada Highway in Manitoba

This petition is signed by Maurice Demare, Matthew McLauchlan, Lloyd Williams, Frances Lansing and many, many others.

* (13:40)

Recovery Strategy—Manitoba Farmers

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

These are the reasons for this petition.

Several regions of Manitoba are being hit by repeated heavy rains since spring of 2008.

This has created serious challenges for farmers, including hay and straw shortages, damage to bales, forage and pasture, barns and corrals, crop losses and lost inputs, among others.

The excess moisture has also caused other problems, including the flooding of homes and outbuildings, sewage backups and septic field saturation.

Local governments have been hit with road washouts and other infrastructure damage.

People affected by the excess moisture and flooding are very concerned that the provincial government has not responded quickly enough and that they are being left to deal with this disaster on their own.

There is fear that, without a comprehensive strategy to address these challenges, there will be serious and lasting economic consequences in the affected regions.

We petition the Legislative Assembly of Manitoba as follows:

To urge the provincial government to consider developing a comprehensive recovery strategy aimed at addressing both the immediate and the long-term effects of this year's excessive moisture conditions and flooding.

To urge the provincial government to consider examining all types of programming to help

producers recover from this disaster, including emergency one-time programs, as well as improvements to the crop insurance program to address its shortfalls.

To urge the provincial government to consider addressing shortcomings with drainage and the processing of drainage permits.

This petition is signed by Edward Turko, Amanda Gurke and Barb Schultz and many, many, many, others.

TABLING OF REPORTS

Hon. Eric Robinson (Minister of Culture, Heritage, Tourism and Sport): Yes, Mr. Speaker, I would like to, with pleasure, table the following reports: the 2008 Annual Report of the Franco-Manitoban Cultural Centre; the Manitoba Centennial Centre Corporation's Annual Report 2007-2008, and the Annual Report for the Department of Culture, Heritage, Tourism and Sport.

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, I would like to table the following '07-08 annual reports: The Property Registry, the Civil Service Commission, the Finance Special Operating Agencies Financing Authority, the Manitoba Employee Pensions and Other Costs, the Manitoba Enabling Appropriations and Other Appropriations, the Manitoba Finance Fiscal Stabilization Fund, the Manitoba Finance Debt Retirement statement and the Organization & Staff Development 2008 Annual Report.

Hon. Dave Chomiak (Minister of Justice and Attorney General): Merci, Monsieur le Président. Je suis heureux de présenter le rapport financier du deuxième trimestre de la Société d'assurance publique du Manitoba pour les six mois se terminant le 31 août 2008.

Translation

I am pleased to table the following: The Manitoba Public Insurance Quarterly Financial 2nd Quarter report for the six months ended August 31, 2008.

Introduction of Guests

Mr. Speaker: Prior to oral questions, I would like to draw the attention of honourable members to the public gallery where we have with us today Private Ryan Onsowich and Corporal Donovan Wiebe and their families and friends, as well as family members of other soldiers who have returned from active duty

in Afghanistan, who are the guests of the honourable Member for Springfield (Mr. Schuler).

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

Also in the public gallery we have from Springs Christian Academy 50 grades 9 and 11 students under the direction of Mr. Brad Dowler. This school is located in the constituency of the honourable Minister of Finance (Mr. Selinger).

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

ORAL QUESTIONS

Federal NDP Tax Policy Government Position

Mr. Hugh McFadyen (Leader of the Official Opposition): Mr. Speaker, I would like to acknowledge the young men in the gallery and their families, as well as the many others who have done so much to defend our country and its values in Afghanistan. We are certainly indebted to them, all of us who have the opportunity and privilege of serving here in government.

We know from recent events that many Manitobans are becoming increasingly concerned about their incomes and their jobs. Certainly the volatility south of the border and the debt-induced crisis that has enveloped the United States is something that we have concerns about in terms of its impact on Manitoba. We don't know at this stage, Mr. Speaker, the extent of the impact that this is going to have on our province or on incomes and jobs here. We do, though, have concerns about the boastful speeches given by out-of-touch members of the current government yesterday with respect to the state of our economy.

In the midst of this volatility, we saw on Friday one of the mainstays of Manitoba's economy, DeFehr, filing for protection from its creditors and proceeding with a plan to reduce the number of jobs at that company, closing a plant in Morden, also one in Winnipeg and looking at the possibility of hundreds of lost jobs here in our province of Manitoba.

We hear from other people, other players and sectors in the economy, concern about where things are going. Certainly what Manitobans and Canadians are looking for are governments that are going to support companies that employ people. They're looking for financial responsibility and stability.

I want to ask the Premier if he supports the position that's being advanced by Jack Layton and the federal NDP to increase taxes on DeFehr and other Manitoba companies like it at a time when they can least afford it.

Hon. Gary Doer (Premier): As the member knows, when he was chief of staff for the former premier, the corporate tax rate in Manitoba was 17 percent. We were losing nurses every year. We were losing doctors every year. We had population every year in the '90s—we had more youth leave than be in Manitoba.

That, of course, has been reversed in this province with every year thereafter. As I said, the corporate rate was 17 percent. It's now 12 percent, but at the same time we're also investing in medical doctors, nurses and other vital services. Certainly we have a record of investing in people and reducing our corporate taxes in Manitoba. We think that is appropriate in terms of the government of Manitoba.

The member opposite, I know, was a candidate for the federal Conservative Party a few years ago, then he changed course. It sounds like he's getting interested in federal politics again. It may be a good career choice for him to make.

Mr. McFadyen: I know when he was looking at running for the provincial Conservative Party in River Heights a number of years ago, Mr. Speaker, he was a great believer in conservative politics at the time, but you know, the wind wasn't quite blowing the way he wanted it. A contested nomination against Warren Steen, he just didn't have the stomach for it, so here we are today.

I want to just ask the Premier, he knows that governments throughout the country were dealing with transfer cutbacks to the tune of hundreds-of-millions of dollars throughout the 1990s. We have record increases in transfer payments over the last nine years. Provinces across Canada have taken advantage of the opportunity of record government revenues, massive increases in transfer payments, massive increases in own-source revenues to do things like reduce their tax rates and to pay down debt.

Here in Manitoba, we have the second-worst province in the country in which to invest according to the federal Finance Minister. When you look at our payroll tax combined with a 13 percent corporate tax, we are the second-worst province in Canada for a place to do business, and now he's out campaigning

with Jack Layton who wants to increase taxes on DeFehr's at a time when they're laying off Manitobans.

I want to ask him: Whose side is he on, Jack Layton's or Manitoba workers?

* (13:50)

Mr. Doer: Mr. Speaker, when you have—in last year's growth rates being second best in Canada, your own-source revenues go up, and I want to thank the entrepreneurs and the workers across Manitoba for their strong performance.

Mr. Speaker, we are concerned about the workers at Palliser and the DeFehr operation. We have put in a labour adjustment group with the workers there. There are a lot of families directly affected. We're hoping that we can work with people, with the low unemployment rate, to get them redeployed. We're hoping that DeFehr's can come through this pressure in the United States, with the market, in good shape. They are facing challenges as they've well admitted.

But I would point out that the corporate tax rate now in Manitoba is 12 percent. It was 17 percent. It's 12 percent effective July of this year, Mr. Speaker.

Mr. Speaker, we also have eliminated the capital tax for manufacturers. When you take those into consideration, the federal Department of Finance and any other independent body will show Manitoba's tax rates, those two measures we've taken.

I would note that Mr. Flaherty at Palliser Furniture talked about Manitoba's low competitive tax rate. I was there with him. Some of the members of the media might be there. Maybe the Conservatives were there and maybe not. I know that that message was given in terms of Manitoba's tax rates.

We believe, Mr. Speaker, that there is pressure in North America right now, in the United States and in Canada, and there's pressure obviously in Manitoba. I pledge that we will work with the workers, with the communities, with the employers and companies and the entrepreneurs. We will do everything we can to work with people to keep people working.

This is very tough news for those families that are directly impacted at DeFehr's. We acknowledge that, and we'll do everything in our power to try to get them re-employed in the Manitoba economy, Mr. Speaker.

Mr. McFadyen: He still hasn't answered the question. It's an important one in the context of the federal campaign in terms of the direction of federal policy.

The fact is, Mr. Speaker, that here in Manitoba we've got a general corporate income tax rate that is out of line with the rest of the country. The things he has talked about having done have been done by every province in the country and then some. They have taken the steps that have been taken here, and they've gone beyond because they had the fiscal room to do so over the past nine years.

It's a missed opportunity here in Manitoba and now we're feeling the crunch in Manitoba as margins get tighter because of our high taxes. We've got a 13 percent corporate tax rate. We've got a payroll tax that only one of three provinces in the country has. We've got corporate tax rates in Saskatchewan at 12 and declining. Alberta's at 10. B.C.'s at 12, Mr. Speaker.

We are not competitive with other provinces, and now his leader whom he was campaigning with just last week, Jack Layton and the NDP whom he was campaigning with last week, has said he wants to increase taxes on DeFehr, on Palliser and other Manitoba companies at a time when they're struggling.

Why won't he make a definitive statement that he's against the NDP tax increase program, so that those voters who are looking at their choices in this election will know where he stands on the issue of corporate taxes? Does he think they should be high or does he think they should be coming down?

Mr. Doer: Well, Mr. Speaker, when the member opposite worked for Gary Filmon and the Cabinet ministers that are still left from that team, the corporate tax rate in Manitoba was 17 percent. When he worked the next year for Mike Harris, the corporate tax rate was 14 percent in Ontario. The corporate tax rate now in Ontario is 14 percent.

It's not 17 percent where it was when we came into office. It's actually 13 percent going down to 12 and 11, as it is in other western provinces.

On top of that, the manufacturing sector paid full corporate capital tax when we came into office. We just eliminated that to deal with the pressures of the rising Canadian dollar, Mr. Speaker.

Mr. Speaker, the small-business tax in Manitoba was the highest in Canada when we came into office.

When he was chief of staff for Gary Filmon, the small-business tax was 9 percent—9 percent. You know what it is today for small business? It's the lowest in Canada at 1 percent.

So, you know, working for Harris, it's 14 percent. It's now 13 and going down in Manitoba. Working for former Premier Filmon, 17 percent, now way below that, but we haven't sacrificed investing in nurses, in doctors, in students. We haven't sacrificed in working with people that are living in poverty. We haven't sacrificed housing priorities, Mr. Speaker.

That's what it means to be balanced. It's not just balancing your budget as we're doing; it's also balancing the priorities of the kitchen table of Manitobans for nurses, doctors and lower taxes in Manitoba.

U.S. Economic Situation Impact on Local Economy

Mr. Rick Borotsik (Brandon West): What the Premier didn't say is that we've got the only payroll tax in western Canada. What he didn't say is we have the highest personal income tax rates in western Canada. We are not competitive in western Canada. We are not competitive in Canada.

Mr. Speaker, economic forecasts today now point to a significant recession in the U.S. Some even say it could be the worse recession of the post-war era. The American fiscal house of cards is collapsing because it was built on a foundation of debt, not unlike the Province of Manitoba, too much spending and too much debt.

Mr. Speaker, what is the Finance Minister doing to shelter Manitoba from reduced revenue streams, reduced equalization payments and job loss, or is he simply going to wait for his own federal bailout?

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, the member from Brandon is doing a John McCain. He pretends he's got no relationship to the Republicans and their policies for the economy. The exact same policies in the United States were the exact same policies these members followed when they were in government.

What have we done? Our Fiscal Stabilization Fund is more than double what it was when we came into office at \$818 million. Our debt went down \$277 million last year, Mr. Speaker. Our debt-to-GDP ratio has gone down by a third.

Mr. Speaker, we have a very stable financial situation in this province. Our economy is growing faster than the Canadian average, unlike anything ever accomplished when members opposite were in government.

**Bill 38
Withdrawal**

Mr. Rick Borotsik (Brandon West): Mr. Speaker, what the Minister of Finance neglected to say is that his equalization payments have more than doubled from the federal government over the period of time. What he hasn't said is that transfer payments have more than doubled over the time that he's been Finance Minister, and he still can't get his fiscal house in order because debt has more than doubled since 1999.

This is going to come as a shock to the Finance Minister, but Manitoba is being affected. Businesses are closing. Businesses are moving and jobs are being lost. You can mismanage the economy, as this Finance Minister has, in good times, but when you mismanage in bad times, Mr. Speaker, it's pure negligence.

Will the Finance Minister tell all Manitobans right now, today, that the only thing that he's doing to help solve the problem of the fiscal issues that we face today is he's going to put in and repeal balanced budget legislation? Will he, in fact, remove Bill 38 right now, Mr. Speaker?

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, the member's just dead wrong in the facts. I wish he'd do his homework before he comes to the Legislature and blathers on, the bloated rhetoric that we see from the member opposite.

The reality is that his bloated rhetoric is wrong. The reality is that the debt-to-GDP ratio has gone down. We just had a credit-rating increase. We've had our credit rating raised to the highest level it's ever been in the history of the province.

Yes, there are challenges out there, Mr. Speaker. There are challenges out there, but what we have seen in Manitoba is we have seen our working people and our businesses show tremendous resiliency. Manufacturing has gone up. The number of jobs in Manitoba is up by 9,500 in the last 12-month period.

With respect to balanced budget legislation, finally we are addressing the pension liability. Finally we have a fiscal management strategy that

will move us forward through the turbulent times and allow us to have a ship that sails through the turbulent financial—

Mr. Speaker: Order.

* (14:00)

**Palliser Furniture
Economic Difficulties**

Mrs. Bonnie Mitchelson (River East): Mr. Speaker, we all know that we received news last Friday that DeFehr Furniture has gone into bankruptcy protection to shield it from over a hundred creditors.

In the Premier's first response to questions today, he referenced both DeFehr and Palliser. I would like him to clarify for the House whether Palliser is in the same situation, the same crisis as DeFehr.

Hon. Gary Doer (Premier): Mr. Speaker, as the member knows, the Palliser operation was split into the DeFehr operation. A few years ago we were involved in that with the brother of Mr. DeFehr, the other brother with the DeFehr operation, and we know what's on the public record is on the public record.

We also know there have been some reductions of jobs in Palliser, so I would acknowledge that, although there was a relocation of operations from Calgary to Winnipeg. We were certainly aware of challenges in any sector of the economy dealing with housing and that kind of industry. I think it's well known with other companies as well.

So we say we're facing challenges—I think that's well known—but some of those other issues have been on the public record. We were with Mr. DeFehr at Palliser just a while ago with Mr. Flaherty, which is somewhat different in terms of facts than the Leader of the Opposition (Mr. McFadyen) put on the record just a few moments ago.

Mrs. Mitchelson: Mr. Speaker, but I don't think I got clarification from the Premier in that answer.

Is he saying that Palliser is going to be filing for bankruptcy protection as well? It appeared that they had put supports from government into both Palliser and DeFehr. Will he indicate clearly whether Palliser is in the same situation as DeFehr.

Mr. Doer: No, Mr. Speaker.

DeFehr Furniture Bankruptcy Protection Employee Supports

Mrs. Bonnie Mitchelson (River East): Mr. Speaker, we all know that many jobs are going to be lost in the northeast quadrant of the city of Winnipeg as a result of the changes and the restructuring that DeFehr Furniture is going to have to do. Those are constituents of both mine and the Premier's. They're neighbours of his and they're neighbours of mine. He is the only voice around the Cabinet table for northeast Winnipeg because there's no other minister from northeast Winnipeg.

Will the Premier stand up today and indicate to those families who are going to have no income—and I will quote from the Premier when he talked in his answers earlier. He said that he's balanced priorities around the kitchen table. Well, I'm not sure that these families will agree with the Premier.

What is he going to do to advocate on behalf of those families that will have no income?

Hon. Gary Doer (Premier): Well, Mr. Speaker, the member wants to take me out of context, but it is a better question than the political one we received with the first question.

Everyone in our caucus represents people that work at that company in the city of Winnipeg and I daresay outside of the city of Winnipeg. So nobody has—*[interjection]*

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

Mr. Doer: Thank you, Mr. Speaker. We were just at the plant a few months ago. We also note that the operation was consolidated from Alberta to Manitoba which allowed for more employment or stability of employment with this volatile housing market that we have in North America.

I mentioned in my previous question that we have established a labour adjustment fund. We're concerned about manufacturers in northeast Winnipeg, northwest Winnipeg, southeast Winnipeg, northwest Winnipeg. We're concerned about workers in the Interlake. We're concerned about workers in Brandon. We're concerned about mining and other capital workers in the north, and we're concerned about everyone that is working.

That's why we took the corporate capital tax that we inherited when the member opposite was in Cabinet and we eliminated that for all manufacturers last year recognizing the pressure of the housing

market in the United States and the dollar. That's why we have reduced the corporate capital tax from when she was in Cabinet at 17 percent to 13 percent, going down to 12. That's why we've established a labour adjustment committee so we can meet with each worker and try to work out a re-adjustment strategy, re-employment strategy, retraining strategy.

We care about any worker working in northeast Winnipeg or any other part of Manitoba, Mr. Speaker. We care about those workers.

PUB Report West-Side Bipole Costs

Mr. Cliff Cullen (Turtle Mountain): Mr. Speaker, one thing Manitobans can count on is NDP mismanagement. This summer the Public Utilities Board provided a 400-page document describing NDP mismanagement of Manitoba Hydro.

Now, in the report, there's considerable discussion in regard to the government-directed west-side Bipole III project. Mr. Speaker, I ask the Minister of Hydro if he's taken the time to read the report, and does he agree with the PUB when it says, and I quote: It should be acknowledged that the additional costs of a west-side bipole line will be borne by Manitoba ratepayers, either in the form of higher rates in the long term or a reduced export subsidy reflected in rates.

Hon. Greg Selinger (Minister charged with the administration of The Manitoba Hydro Act): Mr. Speaker, I appreciate the member's question. The member should know that the PUB has refiled that report and reduced it by some 60 pages.

With respect to the bipole question, Mr. Speaker, the president and CEO of Manitoba Hydro said that the additional energy able to be exported by having the Bipole III on the west side, those additional export revenues would pay for the costs of building the bipole. There is an efficiency gain by having a third bipole. There's a reliability gain. There's a security gain, but there's also an efficiency gain by having the new bipole on the west side relative to the status quo, and the CEO and president made it very clear from very early on in this debate that he thought those export revenues—

Mr. Speaker: Order.

Mr. Cullen: Well, Mr. Speaker, the report also indicates that the west-side line would lose \$181 million in lost energy transmission. That's what the report says.

Mr. Speaker, the PUB reports, based on Manitoba Hydro numbers, that the additional capital cost of the west-side line is at least \$400 million. The report goes on to say Manitoba Hydro identified the potential for further significant price increases for construction as a whole and for power generation and transmission in particular. With this in mind, the PUB has pegged the additional cost of a west-side line at at least 0.5 cents per kilowatt hour. The PUB says this increase would cost in domestic rates here in Manitoba.

Will the minister finally admit, in the face of the PUB evidence, that Manitobans will see massive increases in their hydro rates because of his daffy detour?

Mr. Selinger: As I said, Mr. Speaker, the members opposite, when they managed Manitoba Hydro, had a major incident where several of the transmission towers were knocked down through a major weather event. As a result of that, there was knowledge that they needed to increase reliability. In spite of that risk to the system, the members opposite, instead of addressing the hydro reliability issue, spent their time privatizing the telephone system.

When we came into government, the issue was with us, and we have moved forward to address that reliability issue by the commencement of a consultation process to build a new bipole project on the west side, which will allow us to also avoid the environmental controversy on the east side which could not only delay the project for an even greater length of time but could threaten export markets. So we have found a public policy balance—

Mr. Speaker: Order.

Mr. Cullen: Well, Mr. Speaker, I reference in the report that neither the interveners nor Manitoba Hydro set out in detail the argument for the west-side siting of Bipole III directed by government. They don't have a case.

Mr. Speaker, the PUB report clearly shows that Hydro ratepayers will be on the hook for this government's decision. The cost of Bipole III is pegged now at \$2.25 billion. This is a huge capital investment. This government has got to make the right decision on behalf of all Manitobans.

Mr. Speaker, it's not too late. Will the minister heed the warnings and the PUB and move the bipole line to the east side of Manitoba so that we can avoid further rate increases here in Manitoba?

Mr. Selinger: As I was saying in my previous question, we've decided that it's necessary to build the bipole instead of ignore it, as members opposite did, and we are building it in such a way that we will increase the efficiency of the energy generated in the north.

We'll have more energy available to export. That will, in large measure, pay for the additional bipole. We do not plan to put it down the east side where we would generate significant international controversy which could threaten our export markets. If the members want to roll the dice and proceed with that kind of a policy and put that kind of risk on the shoulders of the Crown corporation, let them say that.

We were very clear on what we ran on in the '07 election. We were very clear when we announced in '05 that this was the preferred route which minimized the risk to Manitoba and maximized reliability and export—

Mr. Speaker: Order.

* (14:10)

Freedom of Information Requests Government Record

Mrs. Leanne Rowat (Minnedosa): The NDP mismanagement on every single file is evident, and what else is evident is their attempt to cover it up.

Mr. Speaker, the NDP continually abuse FIPPA procedures and deny ever-increasing numbers of requests for information. Fifty-five percent, that is the percentage of requests that actually get responded to within the 30 days set out in the legislation.

Recognizing that this is Right to Know Week, I ask the minister: What is the reason for his refusal to comply with FIPPA legislation? Is it simply that the NDP ministers need more time to think up ways to refuse access for information that should be publicly available?

Hon. Eric Robison (Minister of Culture, Heritage, Tourism and Sport): Of course, this year marks the 10th anniversary of Manitoba's Freedom of Information and Protection of Privacy Act, and I'm pleased that we have brought forward measures to strengthen and update this very important statute.
[interjection]

Included in that, of course, Mr. Speaker, if the members opposite would be so polite as to allow me to continue—include the creation of a privacy

adjudicator, a new independent officer of this Assembly, requiring that ministerial expenses be tabled on-line annually and changing the period that Cabinet documents remain sealed from 30 to 20 years. So I'm very proud of the work of this government in this regard.

Mrs. Rowat: Strengthening or creating more barriers for the public to get information, clearly typical NDP interference.

Mr. Speaker, the reason I asked if NDP ministers needed more time to think up ways to deny information is because, well, they denied six out of 10 requests last year. Six out of 10 requests for public information get denied by NDP ministers, but some ministers are more creative than others. The Minister of Labour (Ms. Allan), only fully granted 26 percent; the Minister of Agriculture (Ms. Wowchuk), only 25 percent; the Minister of Education (Mr. Bjornson), only 5.5 percent, and the worst offender, the Minister of Water Stewardship (Ms. Melnick), 5 percent.

Mr. Speaker, I ask the Minister of Culture, Heritage and Tourism: Why should Manitobans even bother to file a request when in some departments there's only a 5 percent chance of getting it granted?

Mr. Robinson: Mr. Speaker, departments and agencies received 2,532 requests in 2007, up from 2,458 in 2006. The average number of requests received per year, between 1998 and 2005, was 849. Now, access was completely denied in 10 percent of all FIPPA applications because of problems.

In the first six months of this year, Mr. Speaker, 278 or 57 percent of all FIPPA requests came from the opposition, the media and interest groups, and responding to these 278 requests has cost the taxpayers of this province \$33,000.

Mrs. Rowat: Well, here's a problem for the Premier. I'd like to quote the Premier from *Hansard*: I do not know of one case, I do not know of one example where the Ombudsman has made a decision and we have not complied with it and the person has gone to court—

An Honourable Member: Who said that?

Mrs. Rowat: —to the Court of Queen's Bench—the Premier—to appeal a decision of the government. We have always complied with the legislation.

Well, I can help the Premier out on that one. This year, his self-righteous stance was seen for how hollow it is when the Family Services Department

refused to comply with a FIPPA and has been taken to court to ensure the release of public information.

So I hope the Premier skipped lunch today because it's time to eat his words. I ask him, Mr. Speaker: Is democracy broken when Manitobans are forced to take their own government to court?

Hon. Gary Doer (Premier): Mr. Speaker, I'll review the specifics, but I would point out, if you read the Ombudsman's report dealing with the privacy commissioner concept, the concept that is in the legislation now, which is being condemned by the members opposite, was exactly the way in which the Ombudsman recommended that to be placed in the legislation that the government now has before the House.

So we certainly honour the concepts and principles that have been proposed by the Ombudsman, and those are contained within the law that provides more information that you wanted to hoist yesterday. Ironically, you would get less information if that bill was hoisted, and you'll get more with it being passed, Mr. Speaker.

Bill 37 Justification

Mr. Hugh McFadyen (Leader of the Official Opposition): Throughout the province, there is a serious disconnect between what Manitobans are thinking and saying and what we hear coming from this NDP government in the form of spin.

We've heard in the past the Minister of Finance (Mr. Selinger), the minister responsible for Crocus, bragging that Crocus was strong when he knew that it wasn't. We hear in the House today the Minister of Finance saying that the longer, more expensive west-side line is more efficient than the east-side line. It defies common sense and Manitobans understand the difference between spin and reality.

Mr. Speaker, as we knock on doors and visit with Manitobans throughout the province, we hear people these days expressing anxiety and concern about their retirement income. They're concerned about their income, inflation, the cost of gasoline, the security of their jobs and, in particular, those in northeast Winnipeg who have recently received bad news from DeFehr.

In the context of these many challenges and concerns, the government is spinning and bragging and completely out of touch with Manitobans, and as one further example of a government that has

completely lost touch with Manitobans, they propose under Bill 37 to take a million dollars out of the pockets of hardworking Manitobans and put it straight into the bank account of their political party.

I want to ask the Premier: In the context of the current anxiety, does he really think it's appropriate to take a million dollars from Manitoba taxpayers and put it into his party's bank account?

Hon. Gary Doer (Premier): Well, Mr. Speaker, I would encourage members opposite to be consistent and act with an absolute consistent position. Right now, the members are talking about the federal election. Federal election candidates have public financing brought in by the Harper government of about \$1.97. The proposal here is lower than any other province in Canada.

I know that it's a practice of members opposite to condemn something and then take the same thing that they're condemning. They had the option of applying for this money or not. Is the member opposite saying that the Conservative Party, which condemned partial public financing in the '80s and then took it more than any other party throughout the '90s, is he saying they're going to take no money under this provision as partial public financing?

Is he going to take the money or is he not going to take the money? Let's see some consistency of position in terms of what you do, not what you say, Mr. Speaker.

Mr. McFadyen: And we very much look forward to having a further debate on this very point in the days to come. *[interjection]* It's okay. The Premier seems to be—*[interjection]* Calm down. Calm down. It's okay. Be patient. Be patient. Mr. Speaker, he said—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. McFadyen: He's into debating federal issues. He wanted to know about our interest in federal politics, and I'm sure that Jack Layton will be sleeping well tonight knowing that he may be running against the guy who didn't want to run against Warren Steen for a nomination at some point.

I want to ask the Premier again: Why is he, during this time of economic uncertainty, taking a million dollars from Manitoba taxpayers through Bill 37 and putting it into the bank account of his party to spend on political advertising?

* (14:20)

Mr. Doer: Well, Mr. Speaker, to quote another member opposite: If he doesn't deny it, then I'm assuming he's going to take it. That, of course, is the modus operandi of the member opposite.

Mr. Speaker, I wasn't condemning any political party in Ottawa. Partial public financing in Canada exists in provinces. It exists in Manitoba. It was condemned by members opposite in the past, then taken after that. More money was taken in the '90s, bigger depression, bigger recession, bigger deficits than right now by the former member when he was in the centre of the former government.

Mr. Speaker, I would point out that you can look at different political systems. In the United States, you have no checks and balances on the issue of money in politics, and look at what they're doing right now. They're writing a cheque for \$700 billion.

Now, our system in Canada and our system in Manitoba is not perfect, but it's certainly better than what their kissing cousins, the Republicans, have given to the United States, Mr. Speaker.

Turtle Mountain Area World Heritage Site Designation

Hon. Jon Gerrard (River Heights): Mr. Speaker, this morning we talked to a resolution dealing with entrepreneurship and economic development for Aboriginal people in Manitoba. This week is an important week in this respect as Manitoba First Nations and Métis people will be making a presentation to the International Council on Monuments and Sites which is meeting at their world congress in Québec City. They will be seeking the World Heritage designation for the Turtle Mountain area of Manitoba and North Dakota.

Mr. Speaker, I ask the Premier whether he and his ministers will be supporting Aboriginal economic development and be giving their full support to the World Heritage designation for the Turtle Mountain area of Manitoba.

Hon. Gary Doer (Premier): Mr. Speaker, I want to say that in Manitoba, under the leadership of Mr. Silver and Mr. Ziegler, we had an economic summit for Aboriginal people. We established the first chamber of commerce—an Aboriginal chamber of commerce headed by Patricia Turner—in any province in Canada. We think that that's extremely positive.

We're very proud to support set-asides in the floodway. We know that 35 contracts have come in

under budget and on time on the floodway, that have been run by entrepreneurs for Aboriginal companies. We're very, very proud of that.

We established, Mr. Speaker, training programs for Limestone for Aboriginal people in the north. It was called lemonstone by the member's predecessor, of course, who's now a senator involved in the—and we now have training for Aboriginal people and Aboriginal entrepreneurs in northern Manitoba for the Hydro proposal.

I haven't read the proposal on the Turtle Mountain-Pembina Hills site, and I certainly will look at the details of that.

Mr. Gerrard: Mr. Speaker, the Premier sounds as if he's sitting on the fence or doesn't know about this very important initiative, important for Aboriginal economic development and tourism for Manitoba.

Why hasn't the Premier been actively supporting Aboriginal history and this heritage designation for an area that dates back in Aboriginal history 10,000 to 12,000 years? Why hasn't the Premier been providing any financial support, even letters of support, to this important initiative? What is the Premier doing with respect to this? Is he still sitting on the fence or is he talking about both sides here and not supporting this initiative?

Hon. Eric Robinson (Minister of Culture, Heritage, Tourism and Sport): Mr. Speaker, I had the opportunity of meeting with the Turtle Mountain Métis people, the Dakota people from Sioux Valley and Canupawakpa a couple of years ago, and I designated one of our staff members to work closely with James Ritchie and those folks in that region of the province.

I know the importance, the significance of that region of our province. I know that Boissevain, as an example, was the location of a place of making peace in years gone by with the First Nations and the early arrivals of non-Aboriginal people. Certainly this government supports the initiatives of the people in southwestern Manitoba.

Education System Guardianship Fees

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, my question is for the Minister of Education. I've raised the issue before and I'm looking for clarity from the Minister of Education.

We have in the province grandparents that provide care. They don't necessarily have legal

custody of their grandchildren, but they are providing care for those grandchildren, and they are being charged. If they want to take the child, their grandchild to a school, they are having to pay extra fees.

We in the Liberal Party believe that a grandparent should not have to pay fees. They should have the same rights as the parent, Mr. Speaker, where they are providing the care.

Will the Minister of Education make a very clear policy statement and agree that grandparents should not have to pay any additional fees in order to ensure that their grandchildren are going to public education facilities in the province of Manitoba?

Hon. Peter Bjornson (Minister of Education, Citizenship and Youth): Mr. Speaker, if the member would like to set up a meeting to discuss this any further, so I could explain how The Public Schools Act has not covered the particular issue in question and that I have absolutely no authority or jurisdiction over this matter as the child in question is not attending a public school but rather is in an option of pre-school, which is an option, of course, not covered under The Public Schools Act, I'll gladly set up a meeting with the member to explain it to him.

Mr. Speaker: Time for oral questions has expired.

MEMBERS' STATEMENTS

Tribute to Military Personnel

Mr. Ron Schuler (Springfield): The community of Springfield is grateful for the role that the military plays, particularly in Canada's mission in Afghanistan. Canadians may not be aware of the dangerous situation that our troops face on a daily basis. This does not stop the brave men and women of our country from working to bring peace to the world.

This month many military personnel have returned home to Springfield from Afghanistan. The community has shown its support. Residents of Springfield have been encouraged by the Royal Canadian Legion Springfield Branch 146 to tie yellow ribbons to welcome home the troops. These ribbons have been tied to fence posts, trees, farm equipment, yard lights, houses and anywhere else that is visible in our community.

During Springfield Days in June 2008, a community church service was held to remember and honour Canadian soldiers. After the service, I was

privileged to add my name to the poster of greetings that was sent to our military personnel overseas.

I'm again privileged to join the rest of Springfield in celebrating the return of some of our own bravest and finest young people.

In the words of St. John: No one shows greater love than when he lays down his life for his friends. These young people have laid down their lives for the service of Canada.

At this time we also remember our friends and family members who have made the ultimate sacrifice and died serving their country.

Today some of these military personnel are sitting in the gallery. I would like to personally welcome them back to Manitoba and thank them for their courage and bravery overseas. These brave troops include Master Corporal Wes Moorfoot, Corporal Dustin Wiebe, Corporal Donovan Wiebe, Private Ryan Onsowich, Corporal Robert Patterson and Corporal Scott Funk, along with others, some whose names cannot be revealed for reasons of national security.

I hope that whenever one of these soldiers sees a yellow ribbon in our community, they know just how much their service means to the residents of Springfield and Manitoba. The residents of Springfield will continue to offer their full support for those who are in Afghanistan serving their nation. Their efforts will not go unnoticed. Thank you.

Rural Medical Students

Mr. Gerard Jennissen (Flin Flon): Providing quality health care for Manitobans remains a challenge, particularly in the less populated areas of the province. However, progress has been made.

This year's white coat ceremony welcomed 110 first-year students, including 26 rural students, into the University of Manitoba's Faculty of Medicine. That's the largest first-year class as well as the largest number of rural students in the first-year medicine class on record.

Since 1999, there has been an increase of 40 new training seats in this faculty. The former government reduced training seats and we've increased them dramatically.

Aboriginal students have traditionally been under-represented in the field of medicine. The government is taking an active step to ensure that obtaining a medical degree is more affordable for

these students. We're providing award scholarships to Aboriginal medical students who agree to practise in our province after graduation.

It's a challenge to find doctors prepared to work on-call shifts in rural and northern ERs. We're working hard for the recruitment and retention of medical staff all across Manitoba but particularly for northern and rural areas.

On September 22 this year, the Manitoba Medical Association and Manitoba Health and Healthy Living signed a new agreement that will strengthen the retention of Manitoba doctors. It focusses on improving patient care, retaining doctors and ensuring the long-term sustainability of health care in the province.

One focus of the contract is to provide increased financial incentives for both family doctors and specialists. Family doctors will see their pay increased between 13 percent and 40 percent over three years, and this will especially help rural and northern communities.

All Manitobans deserve quality health care. Since 1999, there are now 288 more doctors, including 105 in rural areas and almost 1,800 more nurses in the province. We have refurbished or replaced 160 ambulances in Manitoba, mainly in rural and northern areas. Our efforts are beginning to show results.

Our government will not shy away from the challenges. We are committed to providing access to quality health care for all our citizens, not just for those in our capital city. Much has been accomplished but there is still more to do. Thank you.

* (14:30)

Peter Sawatzky

Mr. Cliff Cullen (Turtle Mountain): Mr. Speaker, I rise in the House today to pay tribute to Mr. Peter Sawatzky, who was the recipient of the Order of Manitoba on July 10, 2008. Mr. Sawatzky, a resident of Glenboro, is a master class bronze sculptor.

Peter grew up in Sommerfeld, Manitoba, Mr. Speaker, and attended the Banff School of Fine Arts in Alberta and a commercial art course at Red River College in Winnipeg. Peter began his career pursuing commercial art while enjoying wildlife and landscape painting. Peter's career developed from a blend of fascination with wildlife and progressed into

his true interest, bird life and carving. From there his artistic median evolved into working in bronze.

Mr. Speaker, this dynamic and prolific artist has tackled many projects expressing his passion for wildlife and the environment. He is hopeful that his sculptures will educate individuals' awareness of nature and wildlife and the need to protect their natural and fragile habitat.

Peter is the recipient of numerous commissions and awards in North America. His sculptures are displayed in many locations in Manitoba, including the Charleswood Bridge, The Forks, the Riverbank Park in Selkirk, Ducks Unlimited Discovery Centre, Eleanor Kidd Park in Brandon and, most recently, The Lookout, which is a bobcat at the Brandon University.

Mr. Sawatzky designed two bears for the Bears on Broadway project and due to his expertise, Mr. Sawatzky was called to assist with the *Golden Boy* restoration.

Mr. Speaker, a recent highlight for Peter was the commissioning of a major sculpture for James Richardson and Sons Limited in commemoration of their 150th anniversary. This is a 29-foot-long bronze of 11 caribou crossing a turbulent river. I was honoured to attend as Peter's guest at the unveiling of the monumental sculpture, *Seal River Crossing*, located at Portage and Main in June of last year.

Peter has donated many of his artworks for fundraisers and charitable organizations. Peter is proud of his rural upbringing on the prairies of southern Manitoba, and is a major contributor to his community as well. He is a member of the board of directors of CancerCare Manitoba and has served on the local chamber of commerce as well as the fire department.

I would like to congratulate Peter Sawatzky on the honour of being inducted into the Order of Manitoba by another Glenboroite, Lieutenant-Governor Harvard. I wish Peter all the best in the future and I look forward to viewing his next work of art.

Glenwood Community Centre

Hon. Nancy Allan (Minister of Labour and Immigration): Mr. Speaker, I rise today to celebrate the 60th anniversary of the Glenwood Community Centre in St. Vital. The Glenwood Community Centre has come a long way since its humble

beginnings as a boxcar in the first year of its operation.

Soon after opening, the centre was fitted with a furnace and change room along with an ice rink for pleasure skating. In 1954, a telephone line and outdoor lights were installed in the facility. Over the years, the centre has experienced a varied array of activities and events. The girls hockey team was formed in 1953, the same year that one tonne of coal was donated to heat the building over the winter months.

However, it seems that bingo has always been the big event. The first reported bingo in 1953 had a profit of \$35.45.

The community centre is utilized by many organizations and clubs as well as the school division. Many community events have been held in the centre over the years including the Glenwood Home and School Association meetings, hockey, football and baseball games, square dancing, bowling, carnivals and parades.

In addition, there have been many committed volunteers including the St. Vital police force, who acted as chaperones at teen dances. Many long-term relationships have been nurtured over the years. I congratulate the board of directors for their vision and direction to promote, develop and provide wholesome recreational activities for the well-being of the community. Their efforts would be meaningless without the support and dedication of Glenwood's many volunteers.

Mr. Speaker, this centre is a wonderful example of how community involvement nurtures positive relationships and promotes well-being among its many members. Congratulations to the Glenwood Community Centre on their 60th anniversary.

2008 Power Smart Manitoba Summer Games

Mr. Blaine Pedersen (Carman): Mr. Speaker, this past summer the town of Carman and surrounding areas hosted the 2008 Power Smart Manitoba Summer Games. These games were a great success as athletes and fans enjoyed fine hospitality and good sportsmanship in Carman. Many volunteers gave their time and energy to make these games a success and their hard work did not go unnoticed.

The Manitoba games follow the same cycle as the Olympics, taking place every two years and alternating between summer and winter events. These games are meant to encourage Manitoba youth

aged 10 to 21 to participate in sport. The games are administered by Sport Manitoba and implemented by the Manitoba Games Council.

I was pleased to attend the games' opening and closing ceremonies. Even though the opening ceremonies were moved inside due to rain they still carried on as scheduled and were a big hit. The torch was lit by Bernie Chrisp, and Dean Gunnarson showcased his talent as an escape artist.

Many records were set during these successful games, and amongst them the town of Carman raised just under \$600,000, surpassing the previous mark of \$250,000. More than 1,100 volunteers helped out at these games making sure everything ran smoothly, and the community capably welcomed over 1,200 athletes and spectators for the games.

In addition to everlasting memories that the athletes, spectators and volunteers gained from the summer games, the town of Carman was able to make improvements to some of the town's sports facilities. These will pay dividends for years to come.

Once again, I would like to congratulate the organizing committee, the volunteers, the athletes and families and friends for making the 2008 Power Smart Summer Games such a tremendous success.

Mr. Speaker, I would like to add that I volunteered as a bus driver for two days during the games. I was impressed by the courtesy and friendliness shown by the athletes. They are truly great ambassadors for Manitoba's young people.

I would also like to wish the city of Portage la Prairie best wishes as they prepare to host the Power Smart Winter Games in 2010. Thank you, Mr. Speaker.

House Business

Hon. Dave Chomiak (Government House Leader): Mr. Speaker, firstly, pursuant to rule 31(8), I am announcing that the private member's resolution to be considered next Tuesday will be one put forward by the honourable Member for Wolseley (Mr. Altemeyer). The title of the resolution is Green Buildings.

Mr. Speaker: It's been announced that the private member's resolution to be considered next Tuesday will be one put forward by the honourable Member

for Wolseley. The title of the resolution is Green Buildings.

Mr. Chomiak: Mr. Speaker, on orders of the day, I'd like to firstly indicate debate on report stage amendments of Bill 38, to be followed by report stage amendments on Bill 38, and, if there's time, to be followed by debate on report stage amendments of Bill 37.

Mr. Speaker: Okay, for orders of the day, we'll deal with resumed debate on report stage amendment to Bill 38, and if there is time, then we will do report stage amendment to Bill 38. Then, if there is time, we'll do resumed debate on report stage amendment to Bill 37.

ORDERS OF THE DAY

(Continued)

GOVERNMENT BUSINESS

DEBATE ON REPORT STAGE AMENDMENTS

Bill 38—The Balanced Budget, Fiscal Management and Taxpayer Accountability Act

Mr. Speaker: So right now, I'm going to be calling report stage amendment to Bill 38, The Balanced Budget, Fiscal Management and Taxpayer Accountability Act.

Mr. Rick Borotsik (Brandon West): Mr. Speaker. I have spoken to this amendment—

Mr. Speaker: No, no, the debate remains open, the member's already moved it. So the debate is open to any member that wishes to speak.

* (14:40)

Mr. Hugh McFadyen (Leader of the Official Opposition): I am pleased to support the amendment brought by the Member for Brandon West (Mr. Borotsik), the essence of which is to amend Bill 38 in a way that restores the annual balanced budget requirement that had served the province so well for the 13 years leading up to the introduction of Bill 38.

In 1995, when the original balanced budget legislation was introduced and passed, there was much debate at the time. Members of the NDP spoke passionately against that bill. Some called it a fiscal straitjacket; others said that the inability of governments to run deficits was contrary to the public interest. We all know that subsequent to that, Mr. Speaker, the party changed its position. The NDP flip-flopped on its original position on balanced

budgets and campaigned leading into 1999 on a commitment to the people of Manitoba one of the five doable, achievable, commitments made by the Leader of the NDP in 1999, one of which was very simply to keep the balanced budget law.

One of the essential features of the balanced budget law is a requirement to annually balance the operating budget of government subject to certain exceptions. That law, which has served us well now for 13 years, provided exceptions in the event of natural disasters, emergencies, revenue fluctuations that would see a decline in revenue that would be unmanageable to government in terms of the ability to maintain critical services to Manitobans if they are required to balance a budget in that scenario.

Those provisions within the original bill provided all of the room that would be necessary for any responsible government to balance the budget when circumstances are normal and certainly balance the budget when times are good, but also have the safety valves in place to allow annual operating deficits in exceptional circumstances, such as a major drop in revenue or a natural disaster or other major circumstances that would put in jeopardy social programs for Manitobans if the government was forced in that year to balance its books.

That law has been in place, as I've stated several times now, for 13 years, since 1995, nine of which have been under the current NDP administration. While we take issue with the claim of the government that they have balanced the budget in each of those nine years, when you look at the year of the Hydro raid, for example, and the way in which certain calculations are made, we've never until this year heard them complain about their ability to operate within the existing balanced budget provisions.

We are concerned about the way that the government is characterizing the changes contained in Bill 38. Nobody can take issue with the idea of consolidated statements of revenue and expenditures and a consolidated summary of budget that includes revenues and expenses on the part both of core government operations and Crown corporations. What we do take issue with is the removal of the requirement for balance on the core operating budget of government, in effect, the ability to count the net revenues of Crown corporations toward the balanced budget calculation, which would allow for perpetual deficits on the core budget, increasing debt all at the same as the government would be telling Manitobans

that the budget was in balance, which creates both a lack of transparency and clarity as well as a dangerous financial scenario where debt could mount and yet Manitobans would be under the false impression that the budget was being balanced each and every year.

So we have many concerns with Bill 38. The move away from annual budget balances is a significant concern. To go to a four-year rolling average allows the government, in effect, to run three deficits even under the relaxed rules that allow them to count Crown corporation revenues; to run three deficits in a row and then attempt to make up for that in the fourth year with a surplus large enough to cancel out three prior years deficits. That is a worse-case scenario. We are not necessarily saying it is a likely scenario, but it is a possibility under the proposed Bill 38. It's a possibility we believe should be foreclosed with an amendment that requires an annual balance.

Mr. Speaker, the advantage the government has already given itself by allowing for the counting of net Crown revenues in the calculation, the inclusion of new escape hatches, new exemptions from the requirement to balance the budget, provide the government already with an unacceptable amount of latitude to run deficits and spend recklessly without then adding in the further loosening of the rules which allows for them to balance the budget once every four years.

We have great concerns that could result in short-term thinking dominating fiscal decision making, in effect, backloading the financial problems of the province into a year 4 scenario, which may fall after an election campaign which would allow a government to spend recklessly in years leading up to a campaign only to create a situation where in the year following an election the government of the day would be left with a significant mess that it would be required to clean up in year 4.

So it is a significant relaxation in the rules. It is counter to the principles of fiscal discipline and it has the effect of, in a very fundamental way, destroying and undermining the very essence of the existing balanced budget law which the NDP promised to keep in place when they campaigned in 1999 and in every campaign subsequent to 1999.

Mr. Speaker, we know how important fiscal discipline under the existing legislation is because that legislation has been pointed to by commentators from across North America and, in fact,

internationally, as a model to be followed by other governments interested in fiscal discipline and ensuring that the decisions of today don't create a hangover of debt for future generations.

It's always tempting, certainly, if you're provided with easy credit, the ability to run up debt to spend today and roll the dice on our ability to repay that debt at a later date. That's the very kind of thinking that has created the current crisis in the United States financial markets. It's a kind of thinking that led to the defeat of the previous NDP government in Manitoba which wanted to effectively spend money today on the backs of children and grandchildren in Manitoba who would be left with the debt, and it was a gamble that they would have the capacity to repay that debt. What it demonstrates is a callousness, short-term thinking, a recklessness that is contrary to the best long-term interests of the province of Manitoba.

The commentators who praised the balanced budget law include Moody's bond rating service. They have at various times, along with others who have analyzed the finances of this province, commented on the legislation, and they made a comment at the time the bill was introduced to this effect. They said, this legislation is strong evidence of a government's commitment to sound fiscal management. In that context they provided a favourable rating on the province's debt because they had confidence in the fiscal management structures that were being put in place by the government of the day.

It is not the only the factor that bond raters would consider when rating the debt of a province, but it is one of the considerations. Bill 38, rather than sending a positive signal to those who are analyzing Manitoba's debt, sends a negative signal. To those who are analyzing Manitoba's debt, it sends a signal that we are moving back to the days of deficit, rising debt, higher taxes, NDP fiscal recklessness and, in the end, fewer opportunities, less jobs and lower incomes for the people of Manitoba.

You can spend away today as the government is doing currently. We know from the economic reports that most of the sense of economic well-being today is being driven by large-scale government expenditures, not by private investments. The private sector, in fact, is, by and large, pulling back and moving out of Manitoba as a general rule, but the public sector is spending at record rates. It is creating a sense of temporary well-being within Manitoba. Of

course, the hangover, the headaches and the pain of the decisions being made today will not be felt until somewhere down the road.

* (14:50)

We know that short-term decision making, the temptation to run up debt may seem politically attractive at one point in history, but we also know that, at some point in time, we will arrive at the day of reckoning.

In that vein, Mr. Speaker, there was a very interesting article written in *The New York Times*, dated September 30, 1999, and it's almost prescient in its commentary. In 1999, September 30, Steven Holmes, writing for *The New York Times*, said, and I quote: Fannie Mae, the nation's biggest underwriter of home mortgages has been under increasing pressure from the Clinton administration to expand mortgage loans among low- and moderate-income people and felt pressure from stockholders to maintain its phenomenal growth and profits.

The writer goes on to say, and I quote: In moving, even tentatively, into this new era of lending, Fannie Mae is taking on significantly more risk, which may not pose any difficulties during flush economic times, but the government-subsidized corporation may run into trouble in an economic downturn prompting a government rescue similar to that of the savings and loan industry in the 1980s.

This was September 1999. It was an absolutely brilliant and prescient prediction about what would happen somewhere down the road because of political interference and pressure to expand the level of debt, increase debt and roll the dice on whether people at some point down the road would have the ability to repay that debt. We know that the writer of that article was correct, that the sorts of policies pursued by the NDP and their brethren in the United States have created the crisis that we're in today. We fear that here in Manitoba decisions being made today will lead to growing debt and financial challenges down the road.

So, Mr. Speaker, we would ask the government to set aside short-term political considerations. We know that they're extremely capable at political spin and at generating short-term political headlines. We don't deny them that ability. We ask them, though, for a change, to reconsider that approach and instead put the long-term interests of Manitoba first by accepting this amendment to require the ongoing practice of annual balanced budgets, not four-year

balanced budgets, as is being proposed, annual balanced budgets that have served this province very well since 1995.

Thank you, Mr. Speaker. I encourage all members to support this very thoughtful amendment proposed by the Member for Brandon West.

Mr. Gerald Hawranik (Lac du Bonnet): I look forward to putting a few brief comments on the record with respect to this extremely important amendment to the legislation, Bill 38, that's before us.

I congratulate the Member for Brandon West (Mr. Borotsik) for bringing this amendment forward because it's important not only to all Manitobans, but it's important to many others in terms of other provinces looking, perhaps, for leadership with respect to debt control and so on.

I believe, in fact, that other provinces are watching to see what we're doing here in this province, particularly with respect to the existing balanced budget laws that were heralded as groundbreaking and great legislation when it was introduced in the 1990s. So they are, too, I think, concerned about this particular piece of legislation and what effect it's going to have not only in Manitoba, but what effect it might have on other provinces and other legislatures throughout the country.

So I support this amendment to balance the budget not only every four years, of course, as what the minister has proposed in this legislation, but every year, every single year. I think that's extremely important in Manitoba; otherwise debt is going to spiral out of control, as we've seen it actually happen with respect to the total debt of the province of Manitoba, here in Manitoba.

Manitoba households, Manitobans who, every day, have to ensure that their budgets are balanced every day, never mind every year, never mind every four years, but Manitobans need to do that; otherwise they get into situations where they're into operating lines of credit or where they're dipping into household savings and so on. So Manitoba households, we expect Manitobans to balance their budgets every day to ensure that they have sufficient funds to run their households.

Municipalities are expected to do the same too. In fact, we have legislation to prohibit municipalities from incurring debt, Mr. Speaker. They're required every year to balance their budgets. School divisions

are another institution that we have here in this province that are required to balance their budgets every year.

Yet the Manitoba government, this NDP government, is bent on ensuring that they're going to destroy the existing balanced budget legislation by bringing forward this Bill 38, which would, in fact, gut existing balanced budget legislation and would only ensure that budgets are balanced every four years.

Mr. Speaker, that's not the only concern I have with respect to this bill, but when you look at the details of this particular legislation, when the government is required to balance every four years, there are also many loopholes that the government, it can drive through in order to ensure that it doesn't have to balance even every four years.

For example, if there's a flood in Manitoba, if there's a forest fire in Manitoba, or if Hydro profits are down—in fact, even if there's a drought in Manitoba resulting in less profits by Manitoba Hydro, there is a loophole in this particular legislation to ensure that even then the government does not have to balance its budget.

When I look at the provisions of this bill—I know the Finance Minister disagrees with this—but when you look at the provisions of this bill, which include Manitoba Hydro profits within the balance sheet of the Province, in fact, what could happen, and what all Manitobans, I think, should be concerned about, is the fact that, for example, the Province could run an operating deficit of \$500 million as long as Manitoba Hydro concurrently runs a profit of \$500 million. So the reality is that the Province could run a \$500-million operating deficit and still show its books to be balanced.

We've seen examples in 2002, in fact, when Hydro profits were taken by this government and used in general revenues. While they may not go that far—we don't know, they have that option, they've done it before. But, Mr. Speaker, even if they didn't do it, they could actually run an operating deficit of \$500 million; as long as Manitoba Hydro had a profit of \$500 million, they could still show those books to be balanced.

That's a concern that I have, Mr. Speaker, including the profits of all Crown corporations, not only just Manitoba Hydro. We've seen the effect of increased debt on what's happened in the United States in terms of their economy. The crisis that has

occurred and is occurring in the United States—make no mistake about it—is as a result of some reckless spending and increased debt south of the border.

Mr. Speaker, we see the decisions made by this government day in and day out, the waste that has occurred within control of government. Take, for example, the hundreds of millions of dollars that are going to be wasted by this government by constructing a transmission line on the west side of Lake Winnipeg versus the east side of Lake Winnipeg. Certainly, that's going to increase the debt of this province, the overall debt of this province. It may not increase the operating debt of the Province, but it'll increase Manitoba Hydro's debt and their ability to repay it. That's going to affect consumers because, in the end result, it's going to filter back to our Manitoba Hydro bills.

We've seen other irresponsible activities by this government in terms of the way they dealt with the Crocus crisis in terms of the Crocus scandal and how that's affected our capital markets in this province—in fact, how that affects our ability within this province to access funds that are venture capital funds and so necessary to the growth of our Manitoba economy.

We've had an increased debt load since 1999, and this means that we're going to be leaving that increased debt load to our children and grandchildren, Mr. Speaker. They're going to have to pay it off. It's going to have to come from somewhere, and it may have to come from those who have not made the decision, in fact, to increase the debt, but those who will inherit that debt in the long term. This will also increase our taxes to Manitobans as well.

I know that the Minister of Finance continues to say in this House that the net debt-to-GDP ratio has gone down, but what he doesn't tell Manitobans, Mr. Speaker, is that the total debt of the province, in fact, has increased from 1999, from \$13.5 billion to nearly \$20 billion this year. That, in fact, is a significant change to the total debt of our province. The total debt is what we should be concerned about in this province because the total debt is the amount that we actually pay interest on and service from our general revenues as well as revenues that are available to Manitoba Hydro.

So, with those few brief words, Mr. Speaker, I would support this amendment, and I would hope that members opposite would as well. Thank you.

* (15:00)

Hon. Greg Selinger (Minister of Finance): I just want to correct some of the voluminous misinformation put on the record by the members opposite with respect to this bill.

When the bill was brought in, it was on a narrow definition of a balanced budget. It excluded pension liabilities which had been recommended in 1988 to the new government of the day, the new Filmon government of the day, that they addressed that, they left it out of the books, they ignored it.

As a result, over the period of time they were in office, it more than doubled. In terms of balanced budget, it allowed them to sell government assets, put the money in the Fiscal Stabilization Fund and, as long as they're willing to sell off assets, permanently run deficits and use the Fiscal Stabilization Fund to balance the books, which is what they did. After they brought in the legislation, they essentially balanced the books on draws from the Fiscal Stabilization Fund, using the revenues they realized on the sale of the MTS assets.

That's not balancing books by any normal accounting definition. The Auditor General of the day made it very clear that this legislation that they're very proud of did not conform with best practices, GAAP accounting standards. He made it very clear that there wasn't a balance because they were counting the money from the Fiscal Stabilization Fund twice: once when they put it in, once when they took it out. He said that was improper. He made that very clear. It took a decade for the members opposite to finally acknowledge that.

The members opposite say that the debt's gone up. The net debt has been relatively constant since '99 to now. The actual difference is extremely small. It has gone down and slowly—we saw last year in the Public Accounts, which were just released this week, members ignored that the actual net debt in the province has gone down, Mr. Speaker. The members just refuse to accept reality with respect to that because it makes our case that there has been good management of the fiscal realities of this province.

So there are a number of things that are just inaccurate. The old balanced budget legislation ignored growing liabilities by just defining them out of the universe of what you account for. The old balanced budget legislation allowed you to double-count revenues to balance the budget, which ignored every accounting standard known on the face of the earth. Only in Manitoba could you do that under their legislation. The old balanced budget legislation

actually didn't balance on an annual basis. It balanced only by drawing money from the Fiscal Stabilization Fund.

Now what does the new legislation do? First of all, it meets the new standards set by the accounting profession for public-sector accounting. It balances on the entire reporting entity, which includes the Crown corporations, which have been previously left off the books. It requires the pension liability to be accounted for, which was previously left off the books. It no longer allows the Fiscal Stabilization Fund to be used to balance the budget. That's why they have the balances required every year based on a four-year average because the simple reality is you can't use the Fiscal Stabilization Fund to balance any one year shortfall that might result from, for example, Hydro having a major drought where they would have an operating shortfall on the major drought which would show up on the bottom line.

Members opposite, by the amendment they're proposing, without being able to use the Fiscal Stabilization Fund under this new legislation, would essentially be saying, we'd have to cut a half a billion dollars of health, education, infrastructure or social service or justice programs to meet that yearly test that they would propose. They would actually put the province into a very significant shortfall crisis in terms of essential services by the methodology they're using.

The new legislation requires that you balance based on a four-year rolling average. You no longer can run away from a previous deficit as the old legislation would allow you to do. You could run a deficit, draw money from the Fiscal Stabilization Fund and never have to make it up in terms of an ongoing revenue stream. You could use short-term, one-time revenues until they were exhausted and then replenish them with further sale of government assets.

The members opposite say that the debt's gone up when, in fact, it's been flat over the period of our office, but they ignore that there's been a dramatic increase in assets in this government. There are more hospitals. There are more bridges. There are more roads. There are more schools. There are more investments in those kinds of things that increase the wealth of Manitobans, and we've seen that by a rise in personal, disposable income. We've seen that by a rise in the assets that are held on behalf of the people of Manitoba, by the government of Manitoba, to serve the common good. There are more parks.

There are more investments in the environment. There's more clean-up of orphan mining sites. There are better highways. There's better sewer and water infrastructure in this province. There are better capital facilities at universities. There are better capital facilities at schools. There are new hospitals.

There are new personal care homes. There's new money being invested in assisted living facilities for senior citizens. There's new money being invested in special institutions like the Selkirk Mental Health Centre and the Brandon Early Development Centre. All of those things the members opposite voted against. They do not want to invest in those things.

They want to talk about our investments as if they're isolated increases in the debt with no value to Manitoba. Those investments have increased the assets greater than the value of the investments or the money that we've borrowed itself. The value of our assets has exceeded any borrowing we have done so we are net wealthier than we were before. Members opposite want to ignore that.

They want to go back to the '90s and follow a set of rules that are out of sync with any other jurisdiction on the planet. They want to have a unique set of rules which are not commensurate or measurable against any other standard, which is the least form of accountability for accounting in this province of Manitoba and for balanced budgets in the province of Manitoba. They want to have a unique set of rules for which they cannot be accountable because they cannot be compared to any other jurisdiction.

In the alternative, we have put a set of rules in place which are consistent with a majority of other institutions, governments across the provinces, and the federal government in this country. It's a consistent set of rules, in sync with those other jurisdictions. It's a set of rules that has credibility in terms of accounting standards. It's a set of rules that brings all entities into the reporting envelope, including universities and public schools, for the first time in the history of this province, including government business enterprises such as Manitoba Hydro, the Liquor Control Commission, and the Lotteries Commission. It requires that there be transparency with respect to pension liabilities, those issues.

All of those requirements inherently report on more information to Manitobans about a broader set of responsibilities under the provincial government more generally and is, as a result, more transparent,

more accountable, more open method of reporting to Manitobans, and it does not allow a double counting of revenue any more out of the Fiscal Stabilization Fund, which is inherently more responsible.

As a result, the new legislation moves us forward into a modern era of balanced budgets. It allows us to publish every year a fiscal management strategy which shows how we do on making investments in infrastructure, which shows how we do in dealing the debt-to-GDP ratio. It shows how we do on the operating budget versus the budget for the wider reporting entity. All of these things have never been done before in the history of Manitoba. I encourage members opposite to reject their stick-their-head-in-the-sand requirements of the old legislation which is out of date, out of sync, out of time, and out of gas and move forward with a modernization of the finance system of this province, which will put us on a level playing field with every other jurisdiction in Canada, North America, and the world.

Mrs. Myrna Driedger (Charleswood): Mr. Speaker, it's interesting to hear the Finance Minister stand up on that rant in this House when critics have been slamming this legislation of his in Manitoba in terms of what he is actually trying to do with this legislation.

Let me say, Mr. Speaker, that we do support GAAP. What we do not support is this government just balancing their operating budget every four years. We feel that this government should be more responsible and any government should be looking at balancing their budget every year. So if he really believes in his own rhetoric, then he should be supporting the amendment that has been put forward. Otherwise, what he has put forward is just rhetoric and nothing more.

Mr. Speaker, it's been indicated that what he is doing is sending a very, very negative signal, and this government is in a lot of trouble right now. They've just sent out far too many negative signals in a lot of their different ministries that are starting to be heard across Canada and the United States for their failing to do what good governments are doing.

* (15:10)

Mr. Speaker, in my time in opposition, what I've seen with this government is a government that likes to live for today. They don't seem to have any commitment to looking forward down the road and to be financially accountable for down the road.

They lack the vision and they lack the fortitude to do what's right. They're always looking for the easy way out, and this is one of those easy ways out for this government. This government is so dependent on federal transfer payments that we have become pretty much a welfare province here in what they have allowed to happen. They have not made any attempts to move Manitoba beyond our have-not status.

Ms. Marilyn Brick, Acting Speaker, in the Chair

Madam Acting Speaker, we are the only have-not province in western Canada. We are one of two provinces, and the other one is an Atlantic province, that are most reliant on those transfer payments from the federal government. That does not speak well for Manitoba and, in fact, I understand that there are other provinces that are now starting to be very critical of what Manitoba is doing in just sort of lolling along.

You know, Ontario Premier Dalton McGuinty is unrelenting in his criticism of a system that makes it possible for Manitoba to coast on transfer dollars when Ontario is struggling to remain the engine of the Canadian economy. Other provinces are starting to really pay attention to what is going here and they're starting to speak up. You know, this transfer payment welfare drift has become very, very evident to other provinces, and they are starting to be critical of this government for not pulling themselves up by their own bootstraps. This government does not want to do that and they don't want to do it in this legislation.

They're looking for all kinds of schemes and wiggle room to try to find a way to get more money into their coffers rather than being fiscally responsible and fiscally prudent and balancing their budget every year. They need to look back at the history of what happened in Manitoba. The reason balanced budget legislation was brought in in the first place was because of an NDP government under Howard Pawley from 1981 to 1987. The problem became so acute in terms of debt growing in that era under that NDP government that Manitoba's debt burden increased fivefold in just seven short years.

All the hundred years before that the debt was just incrementally increasing. In one short term, in the seven-year period an NDP government took the debt in Manitoba and increased it fivefold in just seven years. Why, Madam Acting Speaker? It's because they were able to do that because the checks and balances weren't there. The protection for Manitoba taxpayers wasn't there and when your debt

rises so does debt servicing costs. When debt-servicing costs go up, that means there is less money for health care, for education, for justice, for roads, for infrastructure and that's what's happening right now.

Not only are we so dependent on federal transfers, we are also, you know, in a position where Manitobans are going to not see the benefits down the road of what tax dollars are paying for here because their tax dollars are going to go to pay for increasing debt that this province, that this government has cranked up. In 1980, when Howard Pawley took over, the debt in Manitoba at that time was \$100 million. By the time he finished, in seven years, his debt was well, well beyond that. So then inevitably in the 1990s we were looking at a \$500-million debt and now what would it be? This government has cranked up the debt now from \$13.5 billion to \$20 billion—all-time Manitoba high under an NDP government.

And this government wonders why we're worried, why Manitobans should be worried. They've got a bad track record as a party and a bad track record under this particular government. They've fudged ER numbers. They've fudged nursing numbers. The Health Minister even admitted to fudging his own health budget, and this Finance Minister allowed it to go through as a fudged budget.

Why should we support this government in what they are attempting to do and allow a four-year balancing of their budget? It just doesn't make sense. It gives them far too much wiggle room to do the kinds of things that they have been doing, thinking they're never going to get caught. They're going to have all this money. They're going to be able to throw it out there. Well, I think Manitobans, once they understand what this government is doing and if they look at the past history of this government, if they look at their reliance on federal handouts, if they look at us being a have-not province, if they look at the fact that this government does not have an ability to control spending and they're looking at every scheme in order to get more money into their coffers, I think Manitobans are going to be very, very upset that this government is not prepared to be accountable for balancing its operating budget every year. Instead, like they've done over the last nine years, they look at where Crown corporations can bail them out, and they're going to do that again.

What happens when the Crowns don't have money? We saw what they did when they forced

Hydro to help bail them out. They forced Hydro to go out and borrow money they did not have, and a \$200-million gift to the government ended up costing Hydro double that because of debt-servicing payments. They did not have the money, and that is what happens when you get an NDP government that manipulates figures and manipulates Crown corporations. We are going to see problems down the road if this amendment is not accepted right now and if this government's legislation goes forward as they are hoping it will because it's going to get them out of some glue that they're probably foreseeing in the future.

I think the Finance Minister has been pretty edgy around the fact that this needs to go through. He was pretty concerned in the spring that it didn't go through then. It's raising a lot of red flags for us that there could be some storm clouds on the horizon, and this is very likely what is happening. I do not think this is a good signal for Manitobans, and I would urge the Finance Minister to do what's right by Manitoba taxpayers and accept this amendment today. In fact, you know, as somebody is saying, this government does need to have better accountability when it comes to spending taxpayer dollars. This government has to realize first and foremost that this is not their money. This is taxpayers' money and this government has a responsibility to be more responsible to taxpayers. So I would urge the Finance Minister to support this amendment today.

Mr. David Faurshou (Portage la Prairie): Madam Acting Speaker, I appreciate the opportunity to participate in the debate this afternoon as it pertains to the amendment brought to Bill 38 by the honourable Member for Brandon West (Mr. Borotsik). A lot of work and effort have gone into the amendments towards Bill 38, The Balanced Budget, Fiscal Management and Taxpayer Accountability Act. I listened very intently to the Finance Minister's comments to the amendment. I believe it has been stated on more than one occasion by the Finance Minister of moving forward and adopting accounting principles to which other provinces and jurisdictions have adopted. But the minister failed to say that in adoption of the GAAP accounting principles what this government actually is proposing to do with this legislation is what each and every one of us is expected to do, and that's to balance our own personal cheque book.

We have to be accountable for what we spend and to make absolutely certain that we balance our own books, not that we hope that Manitobans will

perhaps consume more spirits and that the profits will rise with the Manitoba Liquor Control Commission. Perhaps the government wants to hope that persons spend a little bit more on the VLTs across the province so that there will be more revenues from the Manitoba Lotteries Corporation. That's what the minister is actually saying, that we want to depend on other agencies of government rather than our own wherewithal and control our own spending. I know that members opposite clapped very jubilantly for the Minister of Finance's (Mr. Selinger) comments, but I wonder whether or not they are effectively truly appreciating what this legislation is before House. I believe that the honourable Member for Gimli (Mr. Bjornson) that serves the Crown in the capacity of the Minister of Education would think himself responsible if he clearly overspent his own budget and then looked to the member for industry, trade and training to underspend his budget because the Minister of Education went beyond his own means.

*(15:20)

That essentially is what this legislation is all about. The government is saying that if we go beyond our means, we're going to rely on Manitoba Hydro; we're going to rely on the Manitoba Lotteries Corporation to pick up what deficit we in government have made. Not only is this legislation permitting that on an annual basis, it's permitting it on a span of time over four years. This legislation states that you only have to completely balance one book on the summary budget, which includes all government operations, on a four-year basis.

Now, I would like any member of the New Democratic Party to go to his or her bank manager and tell them, please, Mr. Bank Manager, I promise I will make some money at some time between now and four years hence. Do you think the bank manager would authorize the underwriting of a loan on that premise with that promise, because I don't think any one of the NDP members on the government side of the House would receive a loan on that premise. I think they know very well that they would not on a personal basis. So why, then, would the members come into the government, into a public office, and collectively—collectively—do what individually they were unable to do?

There's a lot of silence in the House when that question is asked because the members on the government side of the House are starting to scratch their heads and say, well, that makes a lot of sense.

That makes a lot of sense. Why would we do something with taxpayers' money that we are unable to do with our own personal money? We have to balance our chequebook personally, so why, then, would we not balance the books of the public Treasury?

Furthermore, it makes a lot of provisions here and essentially takes the guts out of the 1995 balanced budget legislation because the elements of responsibility and consequence have been removed. Under the current legislation, under the scenario I gave regarding the Minister of Education, he would be financially penalized in his own paycheque. This legislation dispenses with that, and now he's free and clear so there is no consequences to him in overspending his budget and then colleagues around the Cabinet table having to come to his aid by cutting their own budgets and expenditures in order to accommodate one member's spendthrift manner, shall I say.

Now, Madam Acting Speaker, I have just given a couple of examples as to why the members on the government side of the House should support this amendment, because I believe it is grossly unfair to the other agencies of government to make up for any shortfalls that the government might have. I don't think it would be right.

I look at the Minister of Education (Mr. Bjornson) and I know how ardent a supporter he is of education and how vitally important education is to each and every person here in the province of Manitoba. So, under this legislation, if the government was to overspend its budget, then they could, under this legislation, look to the universities to underspend their money, their budget, in order to be able to make up for what government has done. I don't think the Minister of Education would like to see that happen. I don't think he'd like to see the universities cut back on programming because maybe a member of his Cabinet, colleague, went overboard and overspent their budget, and he would not agree with that.

So, then, why put in place legislation that allows that to happen? If he wants to really, truly be honourable and stand up for responsibility and accountability, then he would and should support this amendment. Madam Acting Speaker, thank you very much for the opportunity to participate in this afternoon's debate.

Hon. Jon Gerrard (River Heights): Madam Acting Speaker, I rise to support this amendment. Thank you.

Mr. Ralph Eichler (Lakeside): Madam Acting Speaker, I do want to put a few things on the record. I want to commend the Member for Brandon West (Mr. Borotsik) who did such a great job in bringing amendments forward. Something that we tried to do on Bill 17 was give the tools that the government needs in order to make this legislation that much better and certainly want to thank the Member for Brandon West for all the effort that he did put into it. I know a number of these amendments that he's brought forward here today to be debated in the House are significant ones in order to deal with Bill 38.

Essentially, Bill 38 kills the balanced budget legislation that was brought forward in 1995. I think it's interesting to note that the summary budget that they're proposing here will have control plus government-related operations such as Crown corporations and universities. So, in effect, the Province can now use Crown corporations and other reporting agencies such as university to artificially boost the performance by the government and balance the summary budget.

This is a sad day for Manitobans. In fact, if this bill does pass, it'll be virtually impossible for a deficit to occur with a four-year summary budget even with hundreds of millions of dollars of unfunded spending by core government each year. In fact, I know when I had my business from 1982 to 1999, we had a budget and we stuck to it. We had to make very sure that whatever checks and balances we had in place, to ensure that we lived within those means and we had to be able to grow and prosper and a part of that was live within our balanced budget, and we did that each and every year.

Significant when it comes to operating a business, whether it's a municipality, whether it's a city or an LUD, certainly, we, on this side of the House, supported balanced budget legislation when it was brought forward in 1995. I think it's interesting to note that Manitoba already spends more to service the debt than any other province west of Québec. The average cost to each and every Manitoban to service the debt is well over the national average of \$1,143 per year. It's something that I certainly don't want to lay at my grandchildren. In fact, when I look at the future for my grandchildren in this province, I'm somewhat concerned about where this

government's going to be leaving us and the legacy that it's going to leave with the debt that's going to be apt to be incurred by, not only my grandchildren, but my great-grandchildren as well.

When we look at the debate back in 1995, the Member for Concordia (Mr. Doer) said, I quote: You have silly balanced budget legislation that does not require, that does not deal with people working, yet the Province's budget has been balanced for the last 13 years.

Also, in 1995, the Member for Swan River (Ms. Wowchuk), our now-Agriculture Minister said, and I quote, that no government needs balanced budget legislation.

It took nine years of NDP rule, but she got her way, and if Bill 38 passes unamended, Manitoba will no longer have balanced budget legislation. And fortunately, Madam Acting Speaker, the amendment that's been brought forward by the Member for Brandon West (Mr. Borotsik) certainly is a significant one, one that will give the government the tool in order to deal with this legislation in a way that won't gut the bill, but also give the opportunity in order to ensure that we, in fact, in Manitoba, do live under balanced budget legislation.

* (15:30)

I think that's important. I think it's something we need to take a long hard look at. Certainly, whenever we do look at any amendments, we need to make sure that they're well-thought-out and also that a consultation process took place. I know the Member for Brandon West did do a lot of consultation. I know his summer was full when it came to making sure that he made the right amendments when we brought this amendment forward. We certainly ask the government to support this legislation, the amendment to this legislation, in order to assure that it gives them the tools, in order to make sure that Bill 38 is a bill that does best for Manitobans and best served by not only the city of Winnipeg, but rural Manitoba as a whole. We support balanced budget legislation and would encourage the government to do so.

With that, thank you, Madam Acting Speaker.

Some Honourable Members: Question.

The Acting Speaker (Ms. Brick): The question before the House is the motion put forward, the amendment to Bill 38, as moved by the honourable Member for Brandon West (Mr. Borotsik), and

seconded by the honourable Member for Arthur-Virden (Mr. Maguire).

Voice Vote

The Acting Speaker (Ms. Brick): All those in favour, say yea.

Some Honourable Members: Yea.

The Acting Speaker (Ms. Brick): All those opposed, say nay.

Some Honourable Members: Nay.

The Acting Speaker (Ms. Brick): In my opinion, the Nays have it.

Formal Vote

Mr. Hawranik: A recorded vote.

The Acting Speaker (Ms. Brick): A recorded vote has been requested. Call in the members.

Mr. Speaker in the Chair.

* (15:40)

Mr. Speaker: Order. The question before the House is the amendment moved by the honourable Member for Brandon West (Mr. Borotsik).

Division

A RECORDED VOTE was taken, the result being as follows:

Yeas

Borotsik, Briese, Cullen, Driedger, Dyck, Eichler, Faurshou, Gerrard, Goertzen, Hawranik, Lamoureux, Maguire, McFadyen, Mitchelson, Pedersen, Rowat, Taillieu.

Nays

Ashton, Bjornson, Blady, Braun, Brick, Caldwell, Chomiak, Dewar, Doer, Howard, Irvin-Ross, Jennissen, Jha, Korzeniowski, Lathlin, Lemieux, Mackintosh, Marcelino, Martindale, McGifford, Melnick, Nevakshonoff, Oswald, Reid, Robinson, Rondeau, Saran, Selinger, Struthers, Swan.

Madam Clerk (Patricia Chaychuk): Yeas 17, Nays 30.

Mr. Speaker: I declare the amendment lost.

REPORT STAGE AMENDMENTS

Bill 38—The Balanced Budget, Fiscal Management and Taxpayer Accountability Act

Mr. Speaker: We'll move on to report stage amendment to Bill 38, The Balanced Budget, Fiscal Management and Taxpayer Accountability Act.

Mr. Rick Borotsik (Brandon West): I would like to move a report stage amendment to Bill 38, seconded by the Member for Portage la Prairie (Mr. Faurshou),

THAT Bill 38 be amended in Clause 3(1) by striking out "four-year" and substituting "two-year".

Mr. Speaker, I do apologize. I would ask leave from the House to withdraw that particular amendment. If I can get leave from the House—

Mr. Speaker: Clause 3(1) an amendment to Bill 38.

Is there leave to withdraw this amendment? *[Agreed]*

The amendment is now withdrawn.

Mr. Borotsik: The report stage amendment to Bill 38,

THAT Bill 38 be amended in Clause 3(1) by striking out "four-year" and substituting—

Mr. Speaker: Order.

Mr. Borotsik: I'm asking for leave, Mr. Speaker, asking leave to withdraw that particular amendment. I do wish to ask leave.

Mr. Speaker: Clause 3(1) to Bill 38, the amendment to Bill 38.

Is there leave of the House to withdraw this amendment? *[Agreed]*

This amendment is now withdrawn.

* (15:50)

Mr. Borotsik: I'd like to propose an amendment to Bill 38, The Balanced Budget, Fiscal Management and Taxpayer Accountability Act.

Moved by myself, Mr. Speaker, and seconded by the Member for Portage la Prairie (Mr. Faurshou),

THAT Bill 38 be amended by striking out Clause 3(3)(d).

Mr. Speaker: It's been moved by the honourable Member for Brandon West, seconded by the honourable Member for Portage la Prairie,

THAT Bill 38—dispense?

Some Honourable Members: Dispense.

Mr. Speaker: Dispense.

Mr. Borotsik: Thank you, Mr. Speaker, it's an amendment to the proposed legislation. The clause that's being included in this legislation—in fact, the Finance Minister must recognize that he has so many checks and balances and so many opportunities to not balance the budget in this legislation that this is one of those clauses. The Clause 3(3)(d) simply says that if there's a decision from another level of government and any of the revenues that are generated from that level of government, if there's a regulatory body and there's a reduction to those revenues in any fiscal year, then the Finance Minister just does not have to balance the budget, which I feel is wrong. In this amendment it would simply remove that clause, which means that they can't depend on a reduction of revenues from other levels of government. If they are dependent upon those revenues and there is a reduction then they have to react within the existing budget that they have, the existing budget that has just been identified as being a four-year rolling average. So they could identify the reduction of that other level of government at any point in time in the four-year rolling average.

So I would move that this amendment be agreed to not only from my colleagues, but certainly from the colleagues on the other side of the House, Mr. Speaker. Thank you.

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

Some Honourable Members: Question.

Mr. Speaker: The question before the House is the amendment moved by the honourable Member for Brandon West.

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

Some Honourable Members: No.

Some Honourable Members: Yes.

Voice Vote

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

Some Honourable Members: Yea.

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

Some Honourable Members: Nay.

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

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

Mr. Speaker: On division.

Mr. Speaker: Okay, we'll move on to the next amendment.

Mr. Borotsik: Amendment on report stage to Bill 38, moved by myself, seconded by the Member for Minnedosa (Mrs. Rowat),

THAT Bill 38 be amended by replacing Clause 3(3)(d) with the following:

(d) a decision of another level of government or of a regulatory body that resulted in a reduction in revenue of 5% or more in the fiscal year.

Mr. Speaker: It's been moved by the honourable Member for Brandon West, seconded by the honourable Member for Minnedosa,

THAT Bill 38 be amended by—dispense?

Some Honourable Members: Dispense.

Mr. Speaker: Dispense.

Mr. Borotsik: The amendment certainly affected not only myself, but my colleague from Morris.

This is an amendment that the minister should, in fact, accept. This is a clause that was in the previous balanced budget legislation, Mr. Speaker. Now, we talked about removing this clause totally and not giving the Province, the government, the out of not being responsible for balancing their budget just simply because some other level of government has impacted their revenue streams. No doubt we're talking about equalization and transfer payments coming from the federal government.

This clause is a clause which, I believe, should be accepted, should be agreed to. The amendment does speak to a 5 percent clause. What it says, Mr. Speaker, that if the Minister of Finance and the government of the day have reductions made to their equalization payments of up to 5 percent, then they still are responsible for balancing that budget. Five percent is reasonable because there are efficiencies that you can find within the departments. There are efficiencies which you can find within the existing level of funding within the budget. So anything

around that 5 percent or less should be acceptable to the government. They should be able to balance the budget even with a reduction of 5 percent of payments, whether it be equalization or whether it be transfers. Anything over 5 percent, we agree. That seems to be a bit onerous. Anything over 5 percent which you've identified expenditures, you've identified revenues on a budget side, if you have a 5 percent or plus variation in those revenues, then it would be more difficult to be able to balance the budget, and that is existing clause and existing legislation.

I believe very strongly, Mr. Speaker, that this government should, in fact, be capable of balancing a budget if they do have a reduction in some other levels. Right now, if the equalization payments are reduced by \$1—all they have to be is reduced by \$1 from last year's equalization payments. This government is not required to balance a budget and that's wrong because we know that there are going to be reductions in equalization. We know that federal transfers are going to be ratcheted back because there is, believe it or not, the Finance Minister and the government of the day may not recognize this, but there is a downturn in the economy. We know that Ontario and Québec are being impacted and that equalization is not going to be at the same level, so a \$1 reduction on equalization payments without this clause would give the Finance Minister another out to not balance the budget.

That's wrong, but what it does is it, in fact, speaks to where the Finance Minister's going. He doesn't want to balance the budget. He doesn't want to be able to stand up here and face Manitobans in saying that he, in fact, is running a deficit, so he's got checks and balances, he's got four-year rolling averages, he's got weather that he can claim has caused him not to balance his budget, and now he can say that the federal government, by reducing it by \$1, he doesn't have to balance budgets and that's wrong. So I think that he and the rest of his government should, in fact, support this amendment, and this amendment only, if, in fact, he wants to be honest with Manitobans. Thank you, Mr. Speaker.

Mrs. Leanne Rowat (Minnedosa): Mr. Speaker, I want to congratulate the Member for Brandon West (Mr. Borotsik) for putting forward this amendment. I think it's an important amendment. I believe that Manitobans should expect their government to plan well and to be prudent with their finances and living within their means within the province—provincial spending.

The government has forgotten that responsible government demands that the government is kept in check throughout its term and Bill 38 is giving the minister a blank cheque to increase debt taxes and ordinary Manitoba's rates such as hydro rates and others. So I think what the Member for Brandon West has put forward in an amendment is fair. Any change in equalization is going to cause some challenges for the government if they are reduced and I think a 5 percent or more reduction in revenue is fair to look at, looking at reviewing the debt ratio.

So I think what the government is doing here is allowing Manitobans to believe that they're going to be fiscally responsible. We've seen over and over again how fiscally irresponsible this government has been on a number of issues, Mr. Speaker, and I think that earlier today we talked about a number of the areas that this government has just plainly mismanaged files within this government. I think giving them free rein to spend money without that accountability piece is very disturbing and is a concern to Manitobans.

This 5 percent or more reduction in revenue clause is a 5 percent club that I think the government should pay attention to. Earlier today we talked about another 5 percent club that this government is very keen on and it's the 5 percent in giving information—the government is only giving 5 percent responses in freedom of information responses. I think that that to me shows that this government is not being fair to Manitobans.

I think it is not managing our province well, and I think that this government needs to be looking at how they're managing our dollars. I think that it's only fair to not only my generation but generations to come. I think my children deserve better than what this NDP government is offering in fiscal management. I think that we see a lot of families in our communities who are struggling just to be able to play sports within the community, to be able to do different types of activities in our schools. We're seeing an increase in cost to go to sporting events because of the cost of gasoline and other increased costs.

* (16:00)

So I think that what we need to see is a government that, you know, looks at these things and understands that tough decisions have to be made. I think we need a government that's going to work within its financial means, and I'm very disappointed that this government hasn't been paying attention to

Manitobans. I think by not going out to Manitobans and asking them for their input and their opinions is disrespectful to the taxpayers, and I think that it shows that they don't appreciate the opinions that Manitoba taxpayers have with regard to this bill.

So thank you, Mr. Speaker. I support the amendment presented by the Member for Brandon East, and I believe the government should pay attention to this—

Some Honourable Members: Brandon West.

Mrs. Rowat: I'm sorry. Brandon West. Oh, my gosh; oh, my gosh, yes, Brandon West. I think the Brandon West MLA put together an excellent amendment, and I think that we need to respect and support this amendment. I, as a Member for Minnedosa riding next to Brandon West, support this amendment.

Hon. Greg Selinger (Minister of Finance): I welcome the opportunity to clarify the intent of this amendment, Mr. Speaker. The point that wasn't mentioned by any of the speakers so far is this clause in the legislation only is possible to be used if the event, the sudden change of revenue by regulatory agency or another level of government, if that revenue shortfall occurred within 30 days of tabling the budget, that's the limiting factor. That's what prevents the abuse. The 30 days was put in there to recognize the fact that that's a very short time to make a significant adjustment in revenue and would, if removed as proposed in the amendment, require some very severe compression or some very severe changes in the budget at the last minute, which would not have proper time for analysis and review to look at the impacts of that. So the members are, with their amendment, putting key government programs at high risk here.

Let's remember, the amendment's based on the full summary budget, which includes the universities, the public schools and the government Crown corporations or business enterprises of which the government does not directly control their expenditures. Those are institutions that have their own, in some cases, elected boards. They have their own boards that are, in other cases, appointed, but they operate at arm's length from government. So the member's amendment would have the effect of asking the government to step in and direct them as to what level of expenditure they could have and to usurp their authority in a way that has never been done before. The impact of the member's proposed amendment would be to make for a very authoritarian Russian-style, Putin-style government,

which maybe they're interested in bringing to Manitoba, but we're not.

Hon. Jon Gerrard (River Heights): Mr. Speaker, we recognize that this clause talks about the period just before the budget, but the reality is that a Finance Minister who is doing his job certainly should've been consulting with the federal government beforehand, should have been talking to the various other levels of government and bodies who could influence these decisions. So a last-minute decision by one of these other government regulatory bodies is highly unlikely to come right out of the blue. Right? The reality is that the Finance Minister who is doing his job should have some knowledge of what is happening, what is happening with the fiscal situation, what is happening with the global economy, what is happening with various other organizations who are spending under the summary budget.

So I think that the Finance Minister raises a point. But the opposition critic for the Conservatives has a very valid point in raising this, that it shouldn't be used as an excuse by the Finance Minister if there were a one dollar change in equalization that occurred in the last few days before the budget. There has to be some recognition that the government can't be using, you know, small changes as an excuse for their failure to adequately balance the budget.

So, while we recognize the points that the Minister of Finance has made, we also see that there is some significant validity in this amendment as it's proposed and that there needs to be a situation where you can't give governments sort of unlimited ability to use what happens with other organizations in how they excuse themselves from the balanced budget legislation. So, for the moment, we're in favour, certainly, of the Conservative amendment, but we're open, if the Minister of Finance wants to bring in some other amendment, to listen to his argument because I don't think that the clause, as it is, is satisfactory. That's the reality.

Now let me back up for a moment and say one of the reasons why we oppose this approach is that the government's summary budgeting, the way things are constructed—because there are other bodies whether it's Crown corporations or universities and so on, schools which come into the picture—we see a problem with this whole bill. That's really why we oppose the whole bill.

The very point that the minister made is that any of the many organizations which come in with this overall summary budget can have an influence on the budget. We are particularly concerned by the situation of Manitoba Hydro which can have wide fluctuations in revenues. Most of the other organizations that the minister speaks of are pretty predictable in terms of what's going to happen.

Now, for Manitoba Hydro, you should be able to have a prediction a few months ahead of time in terms of what the revenues are likely to be. You know, whether there's been a drought or lots of water for Manitoba Hydro, and the revenue streams are subject to some significant knowledge because the agreements are negotiated ahead of time. Even though there may be some last-minute fluctuations, there's some predictability in terms of what one would expect from Manitoba Hydro.

That being said, the ability of a Manitoba Hydro budget to go up or down hundreds of millions of dollars, depending on the weather, makes this quite problematic to adopt this particular piece of legislation. That's why we're opposed to it.

In this case, we recognize the merits of the Conservative amendment, recognize that the minister has some objections and suggest that the minister bring forward another amendment, because the original working isn't good enough. Until the minister brings forward another amendment, we will support the Conservative amendment.

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

Some Honourable Members: Question.

Mr. Speaker: The question before the House is the amendment moved by the honourable Member for Brandon West. Is it the pleasure of the House to adopt the amendment?

Some Honourable Members: Yes.

Some Honourable Members: No.

Voice Vote

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

Some Honourable Members: Yea.

Mr. Speaker: All those opposed, say nay.

Some Honourable Members: Nay.

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

Formal Vote

Mr. Hawranik: A recorded vote, Mr. Speaker.

Mr. Speaker: A recorded vote having been requested, call in the members.

Order. The question before the House is the amendment moved by honourable Member for Brandon West (Mr. Borotsik).

Division

A RECORDED VOTE was taken, the result being as follows:

Yeas

Borotsik, Briese, Cullen, Driedger, Dyck, Eichler, Faurshou, Gerrard, Goertzen, Hawranik, Lamoureux, Maguire, McFadyen, Mitchelson, Pedersen, Rowat, Taillieu.

Nays

Allan, Ashton, Bjornson, Blady, Braun, Brick, Caldwell, Chomiak, Dewar, Doer, Howard, Irvin-Ross, Jennissen, Jha, Korzeniowski, Lathlin, Lemieux, Mackintosh, Marcelino, Martindale, McGifford, Melnick, Nevakshonoff, Oswald, Reid, Robinson, Rondeau, Saran, Selinger, Struthers, Swan.

Madam Clerk (Patricia Chaychuk): Yeas 17, Nays 31.

Mr. Speaker: I declare the amendment lost.

Mr. Speaker: We will move on to the next amendment.

Mr. Borotsik: Mr. Speaker, I would ask leave of the House to withdraw the next amendment, which is that Bill 38 be amended by replacing clause 3(3)(d) where the (d) speaks to a 4 percent. I would ask leave of the House to withdraw the amendment.

Mr. Speaker: Is there leave to withdraw clause 3(3)(d) to Bill 38? Is there leave of the House to withdraw this amendment? *[Agreed]*

This amendment is now withdrawn.

Mr. Borotsik: I would ask leave of the House to withdraw the following amendment, which is on Bill 38 clause (d), a decision of another level of government, which is the 3 percent of the fiscal year, Mr. Speaker.

Mr. Speaker: Is there leave to withdraw the amendment to clause 3(3)(d) to Bill 38? Is there leave to withdraw this amendment? *[Agreed]*

This amendment is now withdrawn.

Mr. Borotsik: I would ask leave of the House to withdraw the following amendment, Bill 38, section (d), 3(3)(d), a decision of another level of government, Mr. Speaker.

I would ask the leave of the House to withdraw that amendment.

Mr. Speaker: Is there leave to withdraw the amendment to clause 3(3)(d) to Bill 38? Is there leave to withdraw this amendment? *[Agreed]*

This amendment is now withdrawn.

* (16:20)

Mr. Borotsik: I ask leave of the House to withdraw the following amendments on Bill 38, 3(3)(d). Again, a decision of another level of government. I'd ask leave of the House to withdraw that amendment.

Mr. Speaker: Is there leave of the House to withdraw the amendment to replacing clause 3(d) to Bill 38? Is there leave of the House to withdraw this amendment? *[Agreed]*

Mr. Borotsik: I would like to move the amendment on Bill 38, moved by the Member for Turtle Mountain (Mr. Cullen),

THAT Bill 38 be amended by adding the following after Clause 3:

Negative net result requires offsetting result in the next year

3.1(1) If there is a negative net result in a single fiscal year, the government is required to achieve at least an offsetting positive net result in the next fiscal year.

Salary reduction applies

3.1(2) If the government fails to comply with subsection (1), for the next fiscal year the salary of each minister—including any person appointed as minister in that next year—must be reduced in accordance with subsection 6(2).

Exception for change in government

3.1(3) If a different political party forms the government in the year that the salary reduction provisions of subsection (2) apply, the salary reduction does not apply to a minister in the new government.

Application to government change

3.1(4) If there is a general election and the party forming the government after the election is different from the party forming the government before the election, subsection (1) does not require the government after the election to achieve an offsetting positive net result in connection with a negative net result incurred in the fiscal year during which the election took place.

I so move, Mr. Speaker.

Mr. Speaker: It's been moved by the honourable Member for Brandon West, seconded by the honourable Member for Turtle Mountain,

THAT Bill 38 be—dispense?

Some Honourable Members: Dispense.

Mr. Speaker: Dispense.

Mr. Borotsik: The amendment is fairly self-evident. It's a matter of putting the responsibility where it lies and that's with the current Minister of Finance (Mr. Selinger) or the Minister of Finance who's dealing with respect to deficits' budgets.

What it speaks to are two things. The first thing is that, if there is a change of government, you can't hold that government responsible for the deficit funding. That is going to happen. Make no mistake about it. There is going to be a future government that's going to have to take over the fiscal mess that they will face when government changes.

We believe very sincerely that the minister should be responsible and should be held responsible by a reduction in salary. I think this is a fairly evident amendment, one that should be agreed to by a government that I'm sure would like to make sure that Manitobans recognize that they're going to be penalized if, in fact, they can't do the jobs that are asked of them by the constituents of this province. Thank you, Mr. Speaker.

Mr. Selinger: Just briefly, Mr. Speaker, the bill already requires that the balance occur with a four-year rolling average which accommodates the issue that the member raised. You cannot run away from a deficit in one year on a go-forward basis; you have to make it up over four years.

The effect of the member's amendment would be to allow a new government to run away from a previous deficit. This bill doesn't allow that. A change of government gives them that four-year

ability to balance the budget. The member wants a one-year opportunity to run a deficit. I think that's not as fiscally responsible as this bill and therefore I would recommend voting against the amendment.

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

An Honourable Member: Question.

Mr. Speaker: The question before the House is the amendment moved by the honourable Member for Brandon West.

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

Some Honourable Members: Yes

Some Honourable Members: No.

Voice Vote

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

Some Honourable Members: Yea.

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

Some Honourable Members: Nay.

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

Mr. Hawranik: On division.

Mr. Speaker: On division.

* * *

Mr. Speaker: We will now move on to the next amendment.

Mr. Borotsik: I would move the amendment to Bill 38, seconded by the Member for Morris (Mrs. Taillieu),

THAT Bill 38 be amended by striking out Clause 3(3)(c).

Mr. Speaker: It's been moved by the honourable Member for Brandon West, seconded by the honourable Member for Morris,

THAT Bill 38—dispense?

An Honourable Member: Dispense.

Mr. Speaker: Dispense.

Mr. Borotsik: As I had said earlier, this piece of legislation and certainly this Minister of Finance (Mr. Selinger) have put a number of safeguards into place where, in fact, they'll never have to balance a budget ever again as long he is the Finance Minister.

Mr. Speaker, (c) on clause 3 says that they don't have to balance the budget if there's unusual weather or climate conditions "the fiscal impact of which was not anticipated in the budget". Okay, let me repeat that. That unusual weather or climate conditions the fiscal impact of which was not anticipated in the budget.

Well, Mr. Speaker, what we're asking to do is to take that out, because, quite frankly, there are a number of safeguards that they have in this piece of legislation that we've just talked about, everything from the non-5 percent to reductions in other revenues, as well as it's a four-year rolling average, therefore, they don't have to make up the next year and the following year.

But I think it's rather difficult to expect that Manitobans would accept the fact that if there's a thunderstorm, or if there's a snowstorm, or if there is some other type of weather condition, that the minister doesn't have to balance the budget, and that's effectively what this clause is saying. So we're just trying to remove this clause and put some of the onus back on the minister so that he does have to balance budgets, even without this particular safeguard. Thank you, Mr. Speaker.

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

An Honourable Member: Question.

Mr. Speaker: The question before the House is the amendment moved by the honourable Member for Brandon West.

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

Some Honourable Members: Agreed.

Some Honourable Members: No.

Voice Vote

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

Some Honourable Members: Yea.

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

Some Honourable Members: Nay.

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

Mr. Hawranik: On division.

Mr. Speaker: On division.

* * *

Mr. Speaker: We will now move on to the next amendment.

Mr. Borotsik: Having lost that one, I would move the amendment, Mr. Speaker, seconded by the Member for Pembina (Mr. Dyck),

THAT Bill 38 be amended in the English version of Clause 3(3) by adding (a) "in Manitoba" after "disaster".

Mr. Speaker: It's been moved by the honourable Member for Brandon West, seconded by the honourable Member for Pembina,

THAT Bill 38—dispense?

An Honourable Member: Dispense.

Mr. Speaker: Dispense.

Mr. Borotsik: Once again, there are a number of safeguards that the minister has built in this piece of legislation, and in this particular clause, the minister does not have to balance the budget again, doesn't seem that he ever has to balance the budget, Mr. Speaker, but, in this particular case, he doesn't have to balance the budget if, in fact, there's an unanticipated natural or other disaster that affects the province or a region of the province in a manner that is of urgent public concern.

All we would like to see, Mr. Speaker, and this is rather legitimate, and I wish the minister would, in fact, look at this as being an acceptable amendment that, after disaster, all we want to put in there is, "in Manitoba." That, in fact, there be a disaster in Manitoba. Not necessarily in the Congo, not necessarily in any other region of the country but certainly in Manitoba. So it's a pretty simple amendment, an anticipated natural disaster or other disaster in Manitoba. Thank you.

Mr. Selinger: I think the member would benefit by reading the entire clause and put his amendment in context. It says: "an unanticipated natural or other disaster that affects the province or a region of the province in a manner that is of urgent public concern." That certainly covers off his concerns because the disaster would have to be of urgent public concern in this province and it would have to be something that everybody agreed made sense. So we've covered that off.

His other point about weather conditions is very much a reality in this province. Serious weather conditions can have a very significant impact. Members opposite often are first on their feet to

demand spending outside of the regular budget to address certain kinds of weather conditions in the province. They are, at the same time, saying that you would have to make—under their amendment, by eliminating that—if you addressed those urgent weather conditions or unusual weather conditions or unanticipated disaster, their approach would be that they would be looking for major cuts elsewhere to do these urgent matters that need attention. We are seeing an increasing frequency of these kinds of matters coming in front of us these days.

Clearly, we have to balance the budget. Clearly, we have to show fiscal responsibility. But we also want to be able to be responsive to significant matters which are affecting Manitobans. So I urge that we vote against the amendment, Mr. Speaker.

* (16:30)

Mr. Larry Maguire (Arthur-Virden): I just want to say that the only natural weather disaster that could be brought on by this is that the minister could be leaving Manitobans out in the cold and frozen on this issue. By reading his own notes, it certainly doesn't refer to necessarily that natural disaster being a weather disaster happening in Manitoba. It impacts Manitoba, is what it states. That could be something that takes effect. Perhaps a hurricane could come straight north out of the Gulf. The minister just has not specified in his bill what a natural weather disaster could be, and I just want to put that on the record. Thank you.

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

Some Honourable Members: Question.

Mr. Speaker: The question before the House is the amendment moved by the honourable Member for Brandon West.

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

Some Honourable Members: No.

Some Honourable Members: Yes.

Voice Vote

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

Some Honourable Members: Yea.

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

Some Honourable Members: Nay.

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

Mr. Hawranik: On division.

Mr. Speaker: On division.

* * *

Mr. Speaker: Okay, we'll now move on to the next amendment.

Mr. Borotsik: Mr. Speaker, I'd ask leave of the House to withdraw the next amendment, which is amendment 9.1(1) and 9.1(2). I would ask for leave to withdraw.

Mr. Speaker: Is there leave of the House to withdraw the amendment clause 9 to Bill 38, to withdraw this amendment? *[Agreed]*

This amendment is now withdrawn.

Mr. Borotsik: Mr. Speaker, I would like to move an amendment to Bill 38, moved by myself, seconded by the Member for Turtle Mountain (Mr. Cullen),

THAT Bill 38 be amended by adding the following after clause 9.1:

Prohibition

9.1 Except as expressly permitted by another enactment, the government may not take or accept cash or other property from Manitoba Hydro, The Workers Compensation Board or the Manitoba Public Insurance Corporation.

Mr. Speaker: It's been moved by the honourable Member for Brandon West, seconded by the honourable Member for Turtle Mountain,

THAT Bill 38—dispense?

Some Honourable Members: Dispense.

Mr. Speaker: Dispense.

Mr. Borotsik: Mr. Speaker, very briefly, this is an amendment, I think, that's very important to the piece of legislation as we and other individuals who appeared before committee and made presentation were very, very concerned that the government of the day could well, in a summary budget, look at the other Crown corporations, those being Hydro, Workers Compensation and Manitoba Public Insurance Corporation, look at them as being sort of a government piggy bank to put it into general revenues, general expenditures. So, in order to stop that from happening, we would like to see this amendment put into place. We recognize that the minister and the government previously have, in fact, asked for special dividends from Manitoba Hydro.

It's happened in the past, it could, in fact, happen in the future. This does not speak to the revenues that come from those corporations legitimately, as it said in the amendment. There are certain revenues that flow to the government legitimately whether through water rate fees or whether through interest charged on guarantees for loans. Those are legitimate. Those are identified. These are not identified and legitimate.

What we want to do is a safeguard to the Crown corporations so that they will not be required to balance the budget of the government on the backs of their own ratepayers. So I think it's important that this amendment be agreed to and accepted to by this House.

Mr. Selinger: Yes, I just want to make clear, Mr. Speaker, under this new summary budgeting regime that we have here, you wouldn't be able to take revenue—the revenue of all the government business enterprises is already on the bottom line. You have to balance on the full summary revenue including government business enterprises.

Now, just for the historical record, the previous government froze water power rental rates in exchange for Manitoba Hydro building infrastructure in the north that should have been paid for by the provincial government. So they made arrangements behind the scenes that nobody knew about because they were only disclosed in footnotes at the very back of the annual report of Manitoba Hydro. Manitoba Hydro was paying for infrastructure being built in the north, normally the responsibility of government in exchange for a freeze on water-power rental rates. That's a backdoor transfer for Manitoba Hydro to pay for government responsibilities. The previous government did that.

Secondly, Mr. Speaker, the previous government was the government that put the capital tax on Manitoba Hydro. It's something in the order of \$35 million a year. The previous government took extra revenues from Manitoba Hydro through levying a tax on them. So the members opposite should just know what they did in terms of taking money from Manitoba Hydro and how they did it and take responsibility for that.

This new legislation puts all revenues on the bottom line and balances on the basis of all revenues under the full-summary budget which, as I've said earlier, includes all Crown corporations, universities, public schools as well as the normal government

departments that we have been responsible hereto for.

So I move that we vote against this amendment, Mr. Speaker.

Mr. Cliff Cullen (Turtle Mountain): I certainly appreciate the opportunity to enter into the debate on Bill 38. It's certainly a very significant piece of legislation for all Manitobans and, hopefully, all Manitobans will be paying attention.

I do want to thank the Member for Brandon West for bringing forward his various amendments. Hopefully the Member for Brandon East (Mr. Caldwell) will be paying attention to these very important amendments that are being brought forward by his counterpart from Brandon.

I do want to say first, Mr. Speaker, that we do know this NDP government does have a tremendous spending habit. We've seen the provincial budget grow from \$6 billion when they took office back in '99 to close to \$10 billion today. So we know they're wrestling with quite a spending habit. They've been fairly fortunate and we've had relatively good economic times over the last few years.

They've had a tremendous support from the federal government as well but, at the same time, they still managed to increase the debt here in the province. I would assume by Bill 38 they recognize that there's going to be stormy waters ahead and that's why they've introduced this particular legislation to cover off some of their spending habits.

Mr. Speaker, the Minister of Finance is actually quite correct. This government is certainly, probably, king of the road when it comes to backdoor taxes. We've seen that in a lot of different departments and a lot of different areas. The government here is looking for any kind of revenue they can get their hands on.

We know that the government takes from Manitoba Lotteries about \$240 million each and every year and we know Manitoba Public Insurance turns over to the Province somewhere in the area of \$125 million per year. That is based on driver licence fees and vehicle registration fees. It's a very significant amount of money that comes into the government coffers.

In my view, Mr. Speaker, the increase we've seen in the driver licence fees and the vehicle licencing and vehicle registration fees, if you will, are basically a straight-out increase in taxes on the

backs of Manitobans. In fact, when we go to pay our insurance bill, attached to that is now a \$109 registration fee which ends up right over in the minister's pocketbook.

If we look at the big picture, about 15 percent of all the money collected by Manitoba Public Insurance is really a tax, a tax on the backs of Manitobans. So it's a very significant amount of money that the Province is putting on the backs of Manitobans.

If that wasn't enough—I use those figures \$125 million. That was based on income based on 2007, 2008. In the past budget, the government has seen fit to increase our vehicle registration fees by another \$10 or another 10 percent. So next year, the government is going to collect another probably \$15 million over and above the \$125 million, just on that one little tax alone.

Mr. Speaker, we talked about Manitoba Hydro in this amendment and we know that the Province collects water-rental rates in the neighbourhood of \$105 million each and every year from Manitoba Hydro.

The other thing that Manitoba Hydro has been asked to pay or forced to pay is a little—we'll call it—it's almost a tax is what it is, Mr. Speaker. Now the Province of Manitoba has guaranteed to pay the debt of Manitoba Hydro and, of course, Manitoba Hydro is at about a \$7-billion debt, but the Province has decided they will back the debt on Manitoba Hydro.

*(16:40)

In view of that, the Province charges Manitoba Hydro in the area of \$45 million a year for that particular service, so it's a very expensive undertaking for Manitoba Hydro. So you add those two together and it's about \$150 million a year that Manitoba Hydro writes a cheque to the government. Of course, if that's not enough, we know what happened a few years ago when the government had trouble trying to balance its books. They went over and just took \$203 million straight cash out of Manitoba Hydro, and, obviously, that's cash that Manitoba Hydro didn't have. But it certainly made the government look a little better in terms of trying to balance their books.

Now we see Manitoba Hydro certainly going into debt, further debt. We've had a \$300-million Taj Mahal downtown of Winnipeg that we, as ratepayers, are going to have to pay, and the kids that are in the gallery here this afternoon, obviously, they're going

to be paying that for years to come. We know the Public Utility Board has raised serious issues with potential development down the road, because we're not really sure what we're getting ourselves into in terms of capital cost down the road, in terms of hydro development down the road. So they're certainly raising some red flags in that regard.

Just straight decisions that this government's been involved with, with Manitoba Hydro, are in the east side-west side debate. Now, we know from Manitoba Hydro that the extra cost of the east side, pardon me, the west-side line is going to be at least \$400 million in capital costs alone, and, of course, we know with a longer line you have more maintenance, more line loss and all that. It certainly has a dramatic effect on all Manitoba ratepayers. So we know that the decisions the government are making with Manitoba Hydro are going to have an impact on the ratepayers of Manitoba, Mr. Speaker, so it's very important.

I just want to thank the member for bringing this particular amendment forward, his very valuable amendment to this particular legislation. If the government wants to bring forward bad legislation and refuses to withdraw it, well, we're certainly going to do whatever we can to make it better. Thank you, Mr. Speaker.

Mr. Gerrard: Mr. Speaker, just to speak briefly on this amendment, as you are well aware, we are trying to bring more accountability to Manitoba Hydro by having the board members screened through a legislative committee. We also believe that what the current NDP government did immediately before the budget, yanking hundreds of millions of dollars from Manitoba Hydro, was wrong. That that kind of last-minute, ad hoc, Hail-Mary attempt to balance the budget by grabbing money from Hydro was totally inappropriate and makes it very hard for Manitoba Hydro, which budgets over a longer term, to be able to operate in a responsible fashion.

I would suggest that that's the rationale for this amendment. That grabbing—I think it was something like \$280 million from Manitoba Hydro—at the last minute Hail Mary saved the Minister of Finance, and the government move is not appropriate. We need better long-run planning than that, and that's certainly what we're in favour of.

Mr. David Faurshou (Portage la Prairie): I really, truly, appreciate the honourable Member for Brandon West (Mr. Borotsik) bringing this amendment forward because it is extremely

revealing as to the government's hidden agenda and the true motive of this government. We're looking at Hydro, Workers Compensation Board and Manitoba Public Insurance Corporation as the entities that this government should not withdraw any cash from, because these entities are ones that receive their revenue from ratepayers, persons that pay for a service—in automobile insurance, in compensation in case of injury, and in the case of Hydro, our energy needs. These are actual services and they're governed by Manitoba's Public Utilities Board. No one can anticipate the rates being established if government intervenes and demands cash be withdrawn from these entities. So it is vitally important that this amendment pass because these are ratepayers of Manitoba, not taxpayers, and there's a significant difference in the case of these three entities. If the government votes down this amendment, it speaks very clearly that this government now treats the ratepayers of these three organizations as, in fact, taxpayers and another source of revenue which this government has, obviously, an insatiable appetite for. So, if the government votes this down, they truly do have a hidden agenda which all Manitobans should recognize. Thank you.

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

Some Honourable Members: Question.

Mr. Speaker: The question before the House is the amendment moved by the honourable Member for Brandon West (Mr. Borotsik).

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

Some Honourable Members: Yes.

Some Honourable Members: No.

Voice Vote

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

Some Honourable Members: Yea.

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

Some Honourable Members: Nay.

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

Mr. Hawranik: On division.

Mr. Speaker: On division.

Mr. Speaker: Okay, we'll now move on to the next amendment.

Mr. Borotsik: I would ask leave of the House to withdraw the next amendment which is Prohibition, 9.2. I wonder if I could have leave, Mr. Speaker.

Mr. Speaker: Is there leave for the honourable member to withdraw the clause 9.1 to the amendment to Bill 38?

Is there agreement to withdraw the amendment?
[Agreed]

Okay, the amendment is now withdrawn.

Mr. Borotsik: I wonder if I could ask the House for leave to withdraw the next amendment which is to be amended in clause 9(2). I wonder if we could have leave to withdraw this amendment.

Mr. Speaker: Is there leave to withdraw the amendment to clause 9(2) to Bill 38?

Is there leave to withdraw the amendment?
[Agreed]

This amendment is now withdrawn.

Mr. Borotsik: I move an amendment to Bill 38, moved by myself, seconded by the Member for Ste. Rose (Mr. Briese),

THAT Bill 38 be amended by adding the following after Clause 10(1)(c):

(d) *The Corporation Capital Tax Act.*

Mr. Speaker: It's been moved by the honourable Member for Brandon West (Mr. Borotsik), seconded by the honourable Member for Ste. Rose

THAT Bill 38—dispense?

Some Honourable Members: Dispense.

Mr. Speaker: Dispense.

Mr. Borotsik: Mr. Speaker, in this piece of this legislation, as there was in the previous balanced budget legislation, which was much better than this particular not-so-balanced budget legislation, there was a requirement under the legislation to go to a referendum if there was to be an increase in personal taxes or increases in retail sales tax. We agree that that should, in fact, be in place and is in place. But, if, in fact, there should be a referendum for increases of taxes in those areas, then there should be a referendum for increases in taxes in all areas.

This amendment just simply adds another section to the referendum section which, if there's

going to be an increase in The Corporation Capital Tax Act, that there should be done by referendum. We just heard today in question period, actually, the great pleasure that the Premier (Mr. Doer) and the Finance Minister took in the fact that the capital tax has been reduced almost to the same levels as our competitors in western Canada, but if there is going to be an increase in those capital taxes, Mr. Speaker, it should be done by referendum. So I don't see the Minister of Finance or the government objecting to this type of an amendment where, in fact, it could, in fact, be added to the referendum requirements.

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

Some Honourable Members: Question.

Mr. Speaker: The question before the House is the amendment moved by the honourable Member for Brandon West (Mr. Borotsik).

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

Some Honourable Members: Yes.

Some Honourable Members: No.

Voice Vote

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

Some Honourable Members: Yea.

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

Some Honourable Members: Nay.

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

Mr. Hawranik: On division.

Mr. Speaker: On division.

Mr. Speaker: We will now move on to the next amendment.

Mr. Borotsik: Mr. Speaker, I would move amendment to Bill 38,

THAT Bill 38 be amended by adding the following after Clause 10(1)(c):

(d) *The Motive Fuel Tax Act*

and that would be seconded by the Member for Pembina (Mr. Dyck).

* (16:50)

Mr. Speaker: It's been moved by the honourable Member for Brandon West, seconded by the honourable Member for Pembina,

THAT Bill 38 be amended—dispense?

An Honourable Member: Dispense.

Mr. Speaker: Dispense.

Mr. Borotsik: Well, Mr. Speaker, I'm very disappointed that the government would not see fit to add that last amendment to a referendum. This speaks to another potential increase in taxation, and we've already found out that this government certainly looks at any number of revenue centres. They need cash, they want cash, they want money, and this is one area—it's called The Motive Fuel Tax Act, and if there's going to be a referendum on other tax increases in other areas, then it only seems right and fair that there be a referendum on this particular tax as well, especially the motive fuel tax, where we know now there's such fluctuation in the markets. The gasoline taxes, motive fuel taxes, may well be some area that this government would like to see as an increase in revenue.

Why would they not want to send it to referendum if, in fact, they're looking at changing the tax regime? Or, perhaps, Mr. Speaker, it best be said the other way: maybe they don't want it to go to referendum because they see this as being a potential increase in taxes. Thank you.

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

Some Honourable Members: Question.

Mr. Speaker: The question before the House is the amendment moved by the honourable Member for Brandon West.

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

Some Honourable Members: Yes.

Some Honourable Members: No.

Voice Vote

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

Some Honourable Members: Yea.

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

Some Honourable Members: Nay.

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

Mr. Hawranik: On division.

Mr. Speaker: On division.

Mr. Speaker: We will now move on to the next amendment.

Mr. Borotsik: Well, if they didn't want to do it in motive fuel tax, Mr. Speaker, I would move, seconded by the Member for Lakeside (Mr. Eichler),

THAT Bill 38 be amended by adding the following after Clause 10(1)(c):

In (d), Mr. Speaker, I think it's only fair that the legislation be amended to include the gasoline—

Mr. Speaker: Order. Just read the amendment as is. You speak to it later, please.

Mr. Borotsik: The amendment is tabled, Mr. Speaker. I do apologize.

It's simply that we amend 10(1)(c):

(d) *The Gasoline Tax Act*

Mr. Speaker: It's been moved by the honourable Member for Brandon West, seconded by the honourable Member for Lakeside,

THAT Bill 38—dispense?

Some Honourable Members: Dispense.

Mr. Speaker: Dispense.

Mr. Borotsik: Well, Mr. Speaker, I did get a little ahead of myself, I have to admit. I really got ahead of myself because I was so disappointed that, in fact, the government would not accept a simple amendment not to raise taxes without a referendum. They hold themselves up to Manitobans and say that they have reduced taxes in so many areas, which, in fact, is true to the point where we're now almost competitive with other jurisdictions.

However, I would think that they would want nothing more or nothing less than to put into legislation the inability to raise those taxes unless there's a referendum. This one, Mr. Speaker, specifically speaks to The Gasoline Tax Act.

We know that Manitoba charges taxes on gasoline. We know that gasoline is now being affected by world markets to the point, Mr. Speaker, that the consumers in the province of Manitoba cannot afford that particular commodity. I believe if this government is honest in its belief that they don't want to raise taxes—if they should, in fact, accept this as an amendment, not raise taxes on gasoline through The Gasoline Tax Act unless it's by referendum. Thank you.

Mr. Selinger: Mr. Speaker, I simply have to point out that, for all the recent amendments that have been proposed in terms of referendum requirements, when they were in government, they never put those referendum requirements in place. Suddenly, in opposition, they want to have a referendum on everything.

If they were really serious about it, why didn't they do it when they were in government?

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

Some Honourable Members: Question.

Mr. Speaker: The question before the House, amendment moved by the honourable Member for Brandon West.

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

Some Honourable Members: Yes.

Some Honourable Members: No.

Voice Vote

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

Some Honourable Members: Yea.

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

Some Honourable Members: Nay.

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

Mr. Hawranik: On division.

Mr. Speaker: On division.

* * *

Mr. Speaker: We'll now move on to the next amendment.

Mr. Borotsik: We are coming to the end of these amendments very quickly.

Mr. Speaker, I would move, seconded by the Member for Carman (Mr. Pedersen),

THAT Bill 38 be amended by adding the following after Clause 15:

No increase in general purpose debt

15.1(1) The government must ensure that the general purpose debt does not increase in a fiscal year.

Salary reductions apply

15.1(2) If the government fails to comply with subsection (1), for the next fiscal year the salary of each minister—including any person appointed as minister in the next fiscal year—must be reduced in accordance with subsection 6(2).

Exception for change in government

15.1(3) If a different political party forms the government in the year that the salary reduction provisions of subsection (2) apply, the salary reduction does not apply to a minister in the new government.

Mr. Speaker: Is there agreement to accept it as printed? [*Agreed*]

THAT Bill 38 be amended by adding the following after Clause 15:

No increase in general purpose debt

15.1(1) The government must ensure that the general purpose debt does not increase in a fiscal year.

Salary reduction applies

15.1(2) If the government fails to comply with subsection (1), for the next fiscal year the salary of each minister—including any person appointed as minister in that next year—must be reduced in accordance with subsection 6(2).

Exception for change in government

15.1(3) If a different political party forms the government in the year that the salary reduction provisions of subsection (2) apply, the salary reduction does not apply to a minister in the new government.

Mr. Speaker: It has been moved by the honourable Member for Brandon West (Mr. Borotsik), seconded by the honourable Member for Carman,

THAT Bill 38—dispense?

Some Honourable Members: Dispense.

Mr. Speaker: Dispense.

Mr. Borotsik: Very briefly, and I know—I know—that the government won't accept this because they are hooked on debt.

All this says is we would like to see in this piece of legislation that there not be any increase in general purpose debt. I think it's a very valuable addition to this piece of legislation, but I can assure you that the government is not going to accept this because they are already addicted to debt. I know that they're going to continue to do so.

Mr. Selinger: Actually, Mr. Speaker, one could interpret the true motive of this motivation to allow a new government to run a general purpose debt because that's explicitly what they put into this and really what they're trying to do is they're trying to have a double standard.

They're trying to say that, if they were ever to become government, they could run a general purpose debt and blame it on the previous government. We're not prepared to allow them to have that kind of a loophole, Mr. Speaker, so we should vote against this.

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

An Honourable Member: Question.

Mr. Speaker: The question for the House is the amendment moved by the honourable Member for Brandon West (Mr. Borotsik).

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

Some Honourable Members: Yes.

Some Honourable Members: No.

Voice Vote

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

Some Honourable Members: Yea.

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

Some Honourable Members: Nay.

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

Mr. Hawranik: On division.

Mr. Speaker: On division.

* * *

Mr. Speaker: We'll now move on to the next amendment.

Mr. Borotsik: I would move, seconded by the Member for Arthur-Virden (Mr. Maguire),

THAT Bill 38 be amended by adding the following after Clause 17(3):

17(4) The following is added after subsection 65(1):

Summary financial statements to comply with GAAP

65(1.1) All summary financial statements under subsection (1) must be prepared in accordance with general accepted accounting principles for the public sector.

Mr. Speaker: It's been moved by the honourable Member for Brandon West, seconded by the honourable Member for Arthur-Virden,

THAT Bill—dispense?

Some Honourable Members: Dispense.

Mr. Speaker: Dispense.

Mr. Borotsik: Very briefly, I could not see the government voting against this amendment. The government has continually said that the legislation is required to comply with GAAP. Nowhere in this bill does the term G-A-P-P, GAAP, find itself.

I find it very difficult—

Some Honourable Members: G-A-A-P.

Mr. Borotsik: —I said, P, G-A-P-P.

GAAP, Mr. Speaker, is not identified in this legislation at all. Although they stand continually and say that they have to have it because the Auditor General says they must comply with GAAP. Not to have this clause in here is completely to speak against their reasoning for putting this legislation forward.

I cannot see them voting against having simply GAAP identified in the legislation.

Mr. Selinger: Mr. Speaker, this is an example of the member opposite going from one extreme to another. He wants to retain his old legislation, which is so out of sync with every accounting standard in the world that it would qualify as a unique and historic, prehistoric relic of the old legislation.

Now he wants to go to the other extreme and abdicate the entire responsibility of this elected House to be the master of its own affairs in terms of how it reports to the government. This bill moves us into modern compliance with GAAP. The member's

amendment would delegate responsibility for GAAP compliance outside of the Legislature.

It's not responsible, should be voted against.

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

An Honourable Member: Question.

Mr. Speaker: The question before the House is the amendment moved by the honourable Member for Brandon West (Mr. Borotsik).

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

Some Honourable Members: Yes.

Some Honourable Members: No.

* (17:00)

Voice Vote

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

Some Honourable Members: Yea.

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

Some Honourable Members: Nay.

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

Mr. Hawranik: On division.

Mr. Speaker: On division.

* * *

Mr. Speaker: According to the sessional order adopted by the House last June, the report stage on the following bills must be completed by 5 p.m. today.

Bill 37, The Lobbyists Registration Act and Amendments to The Elections Act, The Elections Finances Act, The Legislative Assembly Act and The Legislative Assembly Management Commission Act.

Bill 38, The Balanced Budget, Fiscal Management and Taxpayer Accountability Act.

It is now 5 p.m. I must interrupt the proceedings and, without seeing the clock, take all steps necessary to conclude report stage. If a motion for report stage was previously moved, the Speaker must put the question necessary to dispose of the motion without further debate or amendment.

The Speaker must allow each motion for report stage amendment that was distributed before 5 p.m. to be moved and spoken to by the mover of the motion. Immediately, after the motion has been moved and spoken to by the mover, the Speaker must put the question necessary to dispose of the motion without further debate or amendment.

Therefore, we will now deal with report stage amendments to Bill 37.

Mr. Borotsik: Seven?

An Honourable Member: 38

Mr. Speaker: Oh, is it 38? I am sorry.

Can I have agreement of the House to finish off 38 firstly and we'll move to 37? *[Agreed]*

We will continue now with amendments to Bill 38.

Mr. Borotsik: I would move, seconded by the Member for Minnedosa (Mrs. Rowat),

THAT Bill 38 be amended in Clause 20(1) by striking out "2008-09 fiscal year" wherever it occurs and submitting "2011-12 fiscal year".

Mr. Speaker: Order. Can I ask leave of the House to accept this amendment as printed? *[Agreed]*

THAT Bill 38 be amended in Clause 20(1) by striking out "2008-09 fiscal year" wherever it occurs and substituting "2011-12 fiscal year".

Mr. Speaker: It's been moved by the honourable Member for Brandon West (Mr. Borotsik), seconded by the honourable Member for Minnedosa,

THAT Bill 38—dispense?

An Honourable Member: Dispense.

Mr. Speaker: Dispense.

Mr. Borotsik: Yes, very briefly, all this asks is that the fiscal year for the implementation of this particular bill, rather than have it for the 2008-2009 fiscal year, which is this coming fiscal year, that it be changed to show that it's 2011-2012, after the next election.

This government should be responsible for budgeting and balancing over annual period until after the next election.

Mr. Speaker: Order. The question before the House is the amendment moved by the honourable Member for Brandon West.

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

Some Honourable Members: Yes.

Some Honourable Members: No.

Voice Vote

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

Some Honourable Members: Yea.

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

Some Honourable Members: Nay.

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

Mr. Hawranik: On division.

Mr. Speaker: On division.

* * *

Mr. Borotsik: I move, seconded by the Member for Lac du Bonnet (Mr. Hawranik),

THAT Bill 38 be amended by replacing the title with the following:

THE SUMMARY BUDGET ACT

Mr. Speaker: It's been moved by the honourable Member for Brandon West, seconded by the honourable Member for Lac du Bonnet,

THAT Bill—dispense?

An Honourable Member: Dispense.

Mr. Speaker: Dispense.

Mr. Borotsik: This is the last amendment put forward, and I know that the members opposite are going to be very pleased about that because they haven't accepted any reasonable amendments to this point in time, but this is a reasonable amendment.

The act, as it's named, is a misnomer. The Balanced Budget, Fiscal Management and Taxpayer Accountability Act is none of those. It's not balanced budget. It's, in my opinion, not fiscal management, and it certainly isn't accountability to the taxpayer. So, really, a more apt name for this piece of legislation that is now repealing the actual balanced budget legislation of 1995 that will no longer be in place when this legislation passes, is no longer in place, Mr. Speaker, for the citizens of Manitoba—let's name this bill as it should be: it's simply a summary budget act.

Mr. Speaker: The question before the House is the amendment moved by the honourable Member for Brandon West (Mr. Borotsik).

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

Some Honourable Members: No.

Some Honourable Members: Yes.

Voice Vote

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

Some Honourable Members: Yea.

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

Some Honourable Members: Nay.

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

Mr. Hawranik: On division.

Mr. Speaker: On division.

**DEBATE ON REPORT STAGE
AMENDMENTS**

Bill 37—The Lobbyists Registration Act and Amendments to The Elections Act, The Elections Finances Act, The Legislative Assembly Act and The Legislative Assembly Management Commission Act

Mr. Speaker: We will deal with the amendments to Bill 37, The Lobbyists Registration Act and Amendments to The Elections Act, The Elections Finances Act, The Legislative Assembly Act and The Legislative Assembly Management Commission Act.

We will now deal with the first one, clause 3(2)(4) of Schedule A.

Is it the pleasure of the House to adopt this amendment?

Some Honourable Members: Yes.

Some Honourable Members: No.

Voice Vote

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

Some Honourable Members: Yea.

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

Some Honourable Members: Nay.

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

Mr. Gerald Hawranik (Lac du Bonnet): On division.

Mr. Speaker: On division.

* * *

Mr. Speaker: We'll now move on to clause 5(1) of Schedule B.

Is it the pleasure of the House to adopt this amendment?

Some Honourable Members: No.

Some Honourable Members: Yes.

Voice Vote

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

Some Honourable Members: Yea.

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

Some Honourable Members: Nay.

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

Mr. Hawranik: On division.

Mr. Speaker: On division.

* * *

Mr. Speaker: We'll now move on to clause 6 of Schedule B 49.1(1).

Is it the pleasure of the House to adopt this amendment?

Some Honourable Members: No.

Some Honourable Members: Yes.

Voice Vote

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

Some Honourable Members: Yea.

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

Some Honourable Members: Nay.

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

Mr. Hawranik: On division.

Mr. Speaker: On division.

* * *

Mr. Speaker: We'll move on to the next, clause 12 of Schedule B.

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

Some Honourable Members: No.

Some Honourable Members: Yes.

Voice Vote

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

Some Honourable Members: Yea.

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

Some Honourable Members: Nay.

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

Mr. Hawranik: On division.

Mr. Speaker: On division.

* * *

Mr. Speaker: Clause 25 of Schedule B.

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

Some Honourable Members: No.

Some Honourable Members: Yes.

Voice Vote

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

Some Honourable Members: Yea.

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

Some Honourable Members: Nay.

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

Mr. Hawranik: On division.

Mr. Speaker: On division.

* * *

Mr. Speaker: We will now deal with clause 11 of Schedule C.

Is it the pleasure of the House to adopt this amendment?

Some Honourable Members: No.

Some Honourable Members: Yes.

Voice Vote

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

Some Honourable Members: Yea.

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

Some Honourable Members: Nay.

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

Mr. Hawranik: On division.

Mr. Speaker: On division.

* * *

Mr. Speaker: The hour being past 5 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Wednesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, September 30, 2008

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The Legislative Assembly of Manitoba Debates and Proceedings
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<http://www.gov.mb.ca/legislature/hansard/index.html>