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of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Ninth Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, April 30, 2009

The House met at 10 a.m.

PRAYER

ORDERS OF THE DAY

PRIVATE MEMBERS' BUSINESS

Mr. Gerald Hawranik (Official Opposition House Leader): Mr. Speaker, I seek leave that we proceed directly to Bill 218, The Balanced Budget, Fiscal Management and Taxpayer Accountability Amendment Act.

Mr. Speaker: Is there agreement that we go directly to Bill 218? [*Agreed*]

SECOND READINGS—PUBLIC BILLS

Bill 218—The Balanced Budget, Fiscal Management and Taxpayer Accountability Amendment Act

Mr. Rick Borotsik (Brandon West): I would move that Bill 218, The Balanced Budget, Fiscal Management and Taxpayer Accountability Amendment Act, be now read a second time and be referred to a committee of this House, seconded by the Member for Turtle Mountain (Mr. Cullen).

Motion presented.

Mr. Borotsik: Mr. Speaker, this is a very important bill, and I do know that the members opposite would probably look at it very seriously and support this bill because what it does effectively is do what Manitobans have been asking all along, which is to have an accountable government, a government that is going to be transparent and is going to show Manitobans exactly what it is with respect to their budgeting process going forward not only for this year but years forward.

As this House is aware, the government of the day, last year, put forward a piece of legislation called Bill 38 which changed the original balanced budget legislation that was put into this House in 1995. This government embraced that legislation. In the election of 1999, the Premier and his government ran on the promise of retaining balanced budget legislation. They kept it in place, and in the following election, Mr. Speaker, they also promised Manitobans that they would retain balanced budget legislation. They were able to live under the direction

of that piece of legislation and were able to put forward balanced budgets.

But in the past election, 2007, they didn't mention anything to Manitobans that they were going to change the way they did business. They didn't mention to Manitobans during that election that they were going to do away with balanced budget legislation and put forward a piece of legislation which, quite frankly, allows anyone to be able to balance the budget on what they refer to as a summary budget. They have so many safeguards, so many opportunities within that new legislation, Bill 38, that, quite frankly, anybody in this House could balance a budget based on that criteria.

As a matter of fact, in the Executive Council Estimates just recently, Mr. Speaker, and I'd like to quote the Premier's (Mr. Doer) views. The Premier said at that time: It's my view the former Filmon balanced budget legislation actually provided greater flexibility. For example, let me give you an example. He says: The Fiscal Stabilization Fund to be utilized under the former system, to be not considered above and below the line, was actually easier to balance. He also goes on to say: So actually I find, because you can count on this under GAAP to be counted as an expenditure in the sense of the above and below line, I actually believe, politically, that we would have had a greater advantage and flexibility by not changing the old Filmon balanced budget law.

Well, when the Premier says that, I would suspect that politically he would be better off retaining that legislation and not going into something else. He also says that we're going to disagree with him and I, quite frankly, do disagree with him. Well, he talks about the rainy day fund, the \$185 million and the \$75-million debt repayment. You know, here we had to build up the rainy day fund and our Minister of Finance (Mr. Selinger) implemented the Auditor General's report to comply with GAAP. Well, my flexibility preference would be to stick with the old Filmon balanced budget law. His preference would be to stick with that, Mr. Speaker.

Then I go back to one comment he made: In 2003, we promised to maintain the Filmon balanced budget law until the end of our term. We said we would balance the budget where possible.

And here's the key to the comments by the Premier: We would balance the budget where possible, and the '07 election wasn't as defined as tying back to that. So what he says is: We will balance if possible, and the '07 election wasn't as defined as tying back to that. Well basically, Mr. Speaker, what he's saying is: We never promised in 2007 to balance budgets. He said that, right there in Executive Council. Now, if that in fact is the case, I would like the government to stand up and say that they are in fact running a deficit under this new Bill 38.

Mr. Speaker, it doesn't take a financial genius to look at the financials and look on the core operating—and that's pretty simple. Core operating is revenue in, expenses out. Pretty simple. We generate revenue from the province in different areas; we expend money on other services. When you bring revenue in and expenses out, identified in this budget is a loss, a deficit of \$88 million. It's there, it's in brackets. It shows a loss of \$88 million in this budget, core operating. But they brought in \$110 million from the Fiscal Stabilization Fund. So that came in to offset a deficit of \$88 million. But that's okay under this legislation, they can do that.

They also have what's known as the summary budget. They have a summary budget that brings in all of the other entities, including Manitoba Hydro, Manitoba Liquor Control Commission, MPI. All of those retained earnings are now brought in to a summary budget, and they're saying that if we balance this summary budget, we're okay. But the Premier just said: If they can balance. Well, they can't balance it. They've proven that by bringing in \$110 million from the Fiscal Stabilization Fund.

*(10:10)

So Mr. Speaker, even with the summary budget, they're also having difficulties balancing the budget. So my question really is, if you don't want to balance budgets, tell Manitobans that. Tell them that we are in deficit so that you're transparent, you're up and you're honest and you're forthright to Manitobans. That's all we're asking. Or, as the Premier (Mr. Doer) has suggested in his own comments, he would much rather work under the old balanced budget legislation. Well, this bill allows the Premier that flexibility. All we're saying is go back to the previous balanced budget legislation, balance on a core operating basis and if you don't balance on that, then there are certain ramifications. If you don't want a balanced budget, tell us. If you want a balanced

budget, go back to the old legislation, and that's what this legislation speaks to. I think the government, if they listen to it honestly, would accept it, that they would go back to what previously happened.

The current legislation, Bill 38, is already going to be amended. In that piece of legislation there was a clause that said that there was a debt repayment schedule that was required under law. It meant that, this year, the government would have to put into debt repayment \$110 million. They were going to pay down the debt of \$110 million. That's in legislation. It's there; it's enshrined in Bill 38. But if you look at the budget, that's already been changed. Instead of \$110 million going across to debt repayment, there's \$20 million.

So, in effect, this government has already broken their own law that's in place, Bill 38. So rather than amend Bill 38 to make sure that they comply with legislation, the suggestion in this piece of legislation is we go back to the way it was. Then they don't have to worry about breaking their own law. They can go back to the bill from 1995 and say that, in fact, they were complying.

So, Mr. Speaker, I cannot for the life of me understand why anybody on that side would not support this bill. It's all about honesty, transparency and accountability. If this government wants to continue to hide behind Bill 38, continue to hide behind all of those checks and balances, if Manitoba Hydro does not generate the revenues that they say they're going to because of a natural disaster or a lack of water, they don't have to balance. If there's a natural disaster like a flood, extraordinary costs, they don't have to balance. If another level of government reduces revenues to this government, they don't have to balance. If Canada goes to war, they don't have to balance. They don't have to balance, and that's fine. I'm okay with that.

But, Mr. Speaker, they should be honest to Manitobans. Tell Manitobans they're running a deficit. Tell Manitobans that under this new legislation they'll never have to balance other than a four-year rolling average, and then they don't have to make up the losses going forward. It's a smoke-and-mirrors game. It's a shell game, Mr. Speaker, and the legislation allows the government to hide behind a philosophy that they don't care for, which is balancing budgets and, in fact, running deficits but saying that they are balanced. It's wrong. It's just wrong.

So I would really ask that the members opposite support this piece of legislation and get into place a balanced budget piece of legislation that speaks with truth and honesty.

Thank you, Mr. Speaker, for the opportunity of putting this bill forward.

Hon. Jim Rondeau (Minister of Science, Technology, Energy and Mines): I'm very, very pleased to follow the Member for Brandon West and put some accurate, positive information on the record.

I'm very pleased to talk about debt and investments. I'm also pleased, as a former financial planner, as a person who has done a lot of investment advice and as a person who has owned a number of businesses, I can assure the members opposite that I am familiar with business statements. I am familiar with generally accepted accounting principles. I do, on a regular basis, for the last 20 years of my life, read accounting statements and understand a lot of the issues and concerns of the members opposite, and in this area.

Mr. Speaker, why I'm pleased with this is because I look at the 1995 balanced budget law and what is concerning to me, as a person who has had a lot of experience in the financial community, is although the 1995 balanced budget legislation was an interesting step, it allowed certain things. It allowed off-book finances. In other words, there was one set of finances that was presented to the public and another set of finances that didn't exist. Simple things, like the fact that you can spend over \$100 million on expansion of two casinos, put it on debt and have no amortization of that debt. That's bad business practice and that's what went on under the Conservatives in the balanced budget legislation as introduced in 1995.

Same thing with Centra Gas. Centra Gas was almost a billion-dollar transaction. It's money that the former government bought Centra Gas and then folded it into Manitoba Hydro. But the interesting part is, that purchase price was never put on the books. It was never moved forward as something that you'd want to pay down.

Now, as a person who's owned a number of businesses, I understand that you have to purchase a business. You make a transaction because you believe that's going to create money in the future. I understand that, Mr. Speaker. What I've always done, though, is I've always taken that debt and made

payments so that it would go down. Because what you want to do is you want to invest in the future, you want to buy assets and you want to make payments and drop your debt and your obligations.

So under the 1995 balanced budget legislation, a billion dollars could be spent on Centra Gas and there was no plan to repay it, it was not shown on the books and it was not transparent. So, although the Member for Brandon West (Mr. Borotsik) was talking about accountability and transparency, there was no accountability and transparency on all debt and all obligations owed by the government. The one part I agree with the Member for Brandon West is that you need to have accountability, transparency and appropriate following of accounting procedures.

So I look at what happened before. It was interesting how, in 1995, you could sell an asset, you could sell a company, you could put the money into a bank account after you count once, and then you could take it from that bank account, the fiscal stabilization account, and count it the second time. That's not good math or accounting processes.

I'm pleased that now you can count it once and I'm pleased that what you can do is that you're transparent when you sell an asset that comes off your books, and when you buy an asset, it goes on your books and you have a system to pay it down, and that's what we have done.

I'm pleased that the Fiscal Stabilization Fund has gone up under our government without selling assets. I think it's very prudent that in a time of good that you increase the Fiscal Stabilization Fund, and when you have some difficulties, you bring it down. We show it once on our books.

I'm very pleased that we're following generally accepted accounting practices. The interesting part is that the Auditor failed to sign off on the Conservative government's books in the last two years that they were in charge of the province. That means that they did not have faith that the documents that were presented in this House were transparent, fair and had a real accounting of the real fiscal position of the government.

Now, I'm pleased that the Auditor has signed off on our books. I'm pleased that they said that it is a true, fair accounting process and follows generally accepted accounting procedures. I like that, and I like that because I think we do need to be fair and accountable and transparent. So I'm pleased that we are following GAAP as recommended by the Auditor

General, I'm pleased that we're following accepted accounting processes and I'm pleased that we're showing all items on the books, and that's important.

Now the member opposite talks about our increasing debt. Well, let's talk about some of that debt. Let's talk about the pension liability. A decision was made by a former government not to pay the pension liability. A liability is another form of debt; this means money that you owe. Unless you are not willing to pay it, you owe this money. You owe to retired people, you're going to give it them in pension. So in TRAF or the Civil Service Superannuation Board, the debt was about \$2 billion, and as people got older, the debt would have gone to \$8 billion under the Conservative system. I was kind of concerned about that, because the debt would have continued to go up.

I'm pleased that this government made a contribution to the pension plans to put real money in there so it could be invested and get real returns over time. I'm pleased that—[interjection]

And the members opposite are heckling because they don't understand that you do want to invest money in property and in different investments and stocks and shares and dividends. I know that the members opposite may not understand it. I'd be pleased to chat with them about it.

* (10:20)

But we did take this \$2-billion obligation that was going to grow to an \$8-billion obligation and we dealt with it. We started contributing. For all civil servants that were hired we paid their contribution as well they made their own contribution and so the funds become healthier. We got money and we put it into the fund so that they could invest, they could buy assets and get a return and that would make the pension plan stronger.

You know, it's important that unless the members opposite do not believe in paying that obligation to former civil servants, former MLAs, former teachers, then that's an obligation that you had to deal with, you had to fund. I'm pleased that our government took the initiative to fund that.

I'm pleased that we're making investments in Hydro. I know the Conservatives and the Liberal Party laughed at the developments at Hydro. They called it lemonstone. They said we wouldn't make money. I know the Conservatives strongly supported the development of coal fire to electrical generators.

It's interesting to read *Hansard*. My friend from Turtle Mountain, hopefully he'll read the *Hansard* at the time and what you'll find is you'll find some interesting comments about the negative comments about development of hydro. It's too far, too expensive, it was crazy. I find it nice and rather interesting that the investments in hydro are really creating huge benefits for all Manitobans as well as very low, in fact the lowest hydro rates in North America.

I'm pleased that we're now developing new hydro dams. A new hydro dam, you build the hydro dam, it lasts for a long time and then you sell the power to Wisconsin or North Dakota or Ontario or Saskatchewan and you pay off the asset. Again, follow the process where you buy an asset, you have a revenue stream to pay off the debt, and in a short period of time you then have paid for the asset and you have huge profits, and profits that continue to escalate, and I think that's an investment.

Now the members opposite don't understand on doing that. They do not believe in building hydro dams. They do not believe in the development of hydro projects, but we do, and I think that's an investment. Now, I have made many investments in my life and in each case what you do is you make a prudent investment. In my case, I often had to borrow the money. I had to take the money and pay it off over a few years and then I'd have benefits, but here's an example and you don't have to just trust me, Mr. Speaker. You can trust Deloitte Touche and others who have said that this is the way we need to go. We need to go to GAAP accounting, increase transparency and accountability and now just talking about debt.

Manitoba has earned six credit improvements since 2002 from Moody's Investors Service, Dominion Bond Rating Service, Standard & Poor's. The debt servicing has gone down about 50 percent from 1999, to 6 cents of every dollar, and we will continue to pay down the debt this year. While many, many other provinces and jurisdictions across the world are going into debt, we're still paying down debt and that's an important point, Mr. Speaker. The debt to GDP has decreased since 1999, and over the last 10 years—

Mr. Speaker: Order. The honourable member's time has expired.

Mr. Cliff Cullen (Turtle Mountain): Mr. Speaker, it's certainly a pleasure for me to enter in the debate on Bill 218. I do want to thank the Member for

Brandon West (Mr. Borotsik) for bringing in this important piece of legislation, and certainly a pleasure for me to second this piece of legislation.

I think it is important that we do take plenty of opportunities to debate financial matters here in the province. As you know, Mr. Speaker, when the current NDP government came in the provincial budget was somewhere in the neighbourhood of about \$6 billion. Today, we look at the budget that's been just passed here recently and that budget is over \$10 billion now in the province of Manitoba.

Another thing I think we have to make aware of, we have to keep reminding this government, reminding the people of Manitoba, that almost 40 percent of that entire budget comes from the federal government. So, you know, we're faced in quite an interesting time here economically, Mr. Speaker—[*interjection*] Yes, we're the welfare province. We're one of about the only welfare provinces left here in the country. You know, as times are tough in other provinces, historically, like Ontario and Alberta, that we've always turned to for support for our province, well, they're encountering some tough times right now.

So it's pretty clear that revenue stream that we've seen from the federal government is probably not going to last. So, obviously, the government of the day has recognized that their income isn't going to be there like it has been in the past. So what they've done, of course, Mr. Speaker, is they changed balanced budget legislation. So they're really trying to cover themselves in the event that the revenue does not add up, because we do know that they've got a real spending habit. These guys like to spend money and they've done that.

We, as Conservatives, don't mind spending money, but we want to make sure that we're getting value for the dollars that are spent here in the province of Manitoba. Now, Mr. Speaker, the Minister of Science, Technology, Energy and Mines (Mr. Rondeau) just went on at length about building hydro dams and transmission lines. Well, yes, we certainly agree that that's a good opportunity. I think it's a great opportunity for Manitoba. But, to have to go out and borrow an extra \$650 million, at least, to build a transmission line down the west side of the province almost into Saskatchewan doesn't make any sense to those on this side of the House.

We know we're going to have to borrow the money because Manitoba Hydro themselves are \$7 billion in debt. Of course, when we look at some

of the construction, the debt is going to increase for Manitoba Hydro alone close to \$20 billion. That's a very, very significant amount of money. Well, Mr. Speaker, we have to go back and remember that, not only has the budget grown here in Manitoba over the last nine years, but the debt of the Province has also grown. We now have over a \$21 billion debt to the Province of Manitoba.

I know the Minister of Finance (Mr. Selinger) likes to go on and talk about net debt, and net debt is still \$11 billion. But what's the minister going to sell off? If he's going to talk about net debt, what's he going to sell off as a provincial asset to cover that?

An Honourable Member: The Golden Boy.

Mr. Cullen: Oh, he doesn't talk about that, Mr. Speaker.

The fact of the matter remains we're paying interest on over \$21 billion of debt.

Mr. Speaker, here's how bad it's getting over on the other side, on the government side. The legislation currently says that we have to pay off \$110 million a year of debt. Well, the government has decided that, boy, I don't think we can afford that. We're going to spend money other ways. So now they're going to have to change their own legislation to reduce the amount of debt they're paying down each year. So now the provincial budget says they're only going to pay down \$20 million of debt. We'll never in our lifetime ever see the end of paying down the debt at that modest debt-payment structure.

Mr. Speaker, when the government brings out legislation it's usually the feel-good legislation, and it's all about public perception. We believe that government should be open and accountable to Manitobans. Manitobans, as taxpayers, put a lot of money into the province every year and it's important that they understand how the money is being spent and that we're getting good value for that particular money. We've seen this. We've seen a rash of public-perception type policy and legislation brought forward by the government. It's kind of the feel-good stuff. But they're really short on good public policy and bringing forward good public policy. This budget is a classic example of trying to mislead Manitobans in what they're doing.

Most jurisdictions in other provinces, if you spend more money than you're taking in, they're up front and telling the public that that is a deficit budget, but not here in Manitoba. If you spend

\$88 million more than you're taking in, that's a balanced budget, that's a surplus budget. Well, Mr. Speaker, I don't think Manitobans are that naïve to believe what this government is trying to tell them. It's almost laughable that they would try to sell that concept to Manitobans. That's why the Member for Brandon West (Mr. Borotsik) has brought in this particular legislation and in effect trying to put some proper legislation on there so that the government has to be open and accountable to Manitobans.

Mr. Speaker, I can certainly go on at length about the finances here in the province of Manitoba, but I certainly know there are other members that want to put their thoughts on the record. So I do thank you for my time in debating Bill 218 this morning.

*(10:30)

Mr. Daryl Reid (Transcona): It's my pleasure to rise to speak to this motion brought forward by the Member for Brandon West, Mr. Speaker. I listened to the member opposite quite often during his comments here in the House, with respect to usually financial matters, and I must say that, almost all the time, I disagree with the comments that he has brought forward with respect to how the financial affairs of this province should be managed.

I find that the Conservatives, for the most part, are a one-trick pony, that they focus solely—*[interjection]* The Conservatives of this province are a one-trick pony, Mr. Speaker. They focus in solely on the fact that the Province of Manitoba should be looking at tax reduction in this province instead of focusing in more on the services and the benefits that we can provide to the people of Manitoba for the tax dollars that are generated within this jurisdiction. That would include the funds that would be transferred from the federal government as part of the equalization formula of this country.

Mr. Speaker, we have made significant investments in our province, but, first, I want to focus in more on the comment that was made by the Member for Turtle Mountain (Mr. Cullen) who said that Conservatives of this province don't mind spending dollars or money, but they want value for that money. I hope I've quoted him accurately because I want to comment and focus in and around the value that we get for the money that we have invested, as a provincial government, on behalf of the people that we all collectively represent in this province.

Mr. Speaker, I don't know what the Member for Turtle Mountain and the Member for Brandon West have against the money that this provincial government has directed, the increase in money that this provincial government has invested in public education in this province. We spend a considerable amount of money on public education. In fact, this year alone, we've increased our investment by some \$53 million, a 5.25 percent increase in public education in this province. I think one of the largest increases in the history of the province of Manitoba.

In fact, Mr. Speaker, this provincial government, making that investment in the youth of our province for the future of this province, I think is the way to go. We have set that as a tone of our government, right from the very beginning in 1999, when we first assumed office in this province. We wanted to make our focus the young people and building for the future of Manitoba.

So, I don't know what the members opposite have against this government funding public education that will build for that future. In fact, we have exceeded our commitment to the people of Manitoba, where, in 1999, we had said that we would fund education comparable to the level of the growth of the economy of the province of Manitoba. Each and every year, of the 10 years that we have been in office, we have exceeded that level of commitment that we had made in '99.

In fact, Mr. Speaker, this year is one of the larger years. Last year and this year are the largest increases in public education support in the history of the province of Manitoba. I'm proud to be part of a provincial government that has made that investment into the young people, some of whom we have here in this Chamber with us today, and others around our province, we've made those investments.

We have made investments into post-secondary education in this province, whether it be our universities or our colleges. In fact, Mr. Speaker, we have made those investments into our youth of this province, University College of the North, where we have stated quite clearly there are hardship circumstances, where our youth around various parts of our province, usually in rural or northern communities, cannot or are unable to travel to the city of Winnipeg or to the community of Brandon, and to be part of the education system. So we have expanded our university and college education as a part of that process.

Mr. Speaker, I note that the member opposite, the Member for Brandon West in particular, didn't talk about the original, because he said the original balanced budget legislation came in in 1995. I remember when that legislation came in. I was a part of this Chamber at that time. I'm proud to have represented my community now for going on 20 years, and was here as a part of that time when that legislation came forward. It's been 12 years since that legislation was introduced, and it's quite clear that that legislation allowed for the government of the day—and I remember quite clearly the government of day selling a Crown corporation in this province and using the assets, running those assets on the sale of the Manitoba Telephone System and running them into the rainy day fund.

But I also remember quite clearly, Mr. Speaker, the government of the day, the Filmon government and the Conservative Party of Manitoba using those funds prior to the election of 1999, using those funds to balance their budget. The member opposite says: You shouldn't use those funds to balance the budget. Yet he is part of a provincial party that used those funds exactly for that particular purpose. In fact, they drained the rainy day fund just prior to the 1999 election. They drained the rainy day fund to make sure that those funds were expended and that any future government wouldn't have the opportunity to use those funds to help the people of Manitoba.

Mr. Speaker, going on the comments that were made by the Member for Turtle Mountain (Mr. Cullen) where the Conservatives say they don't mind spending dollars, but they want value, what's wrong with the value we get for the \$535 million that we invest in our transportation or highway system in the province of Manitoba? What's wrong with that investment? I say to the members opposite, the money that we're investing in our bridge structures and our culverts around the province of Manitoba, what's wrong with that investment? The \$125 million over four years that we're investing into that. Servicing many of their rural communities in addition to the city of Winnipeg. What's wrong with those investments that we're making into the people of Manitoba? We're making untold investments into the people of Manitoba. We're expanding not only the education opportunities, we're expanding the post-secondary education opportunities. We're making investments into our infrastructure, whether it be the sewer and water programs to improve our quality of our water systems in the province of Manitoba. We're in improvements that we're making

into the Winnipeg floodway system, to give flood protection and to the diking that we're providing for the people of southern Manitoba and hopefully for the people of north of the city of Winnipeg in the future. What's wrong with the investments that we're making into child care? What's wrong with those investments that we're making for the people of Manitoba?

These are all significant investments that we're making as a part of the funds that this province generates through own-source revenues and also monies that are transferred to the Province of Manitoba through the federal equalization formula that's in place. So we are making investments on behalf of the people of Manitoba into the vital services at the same time as we are using those funds to pay down the debt and the pension obligations that we have for the people of Manitoba.

I recall quite clearly back to my time, perhaps it shows my age to a degree, but I remember governments of past generations that showed that they were not making investments for the pension liabilities. This government has decided to take, as a part of the revenues that are generated here in Manitoba, and to pay the go-forward pension obligations to make sure that we don't have a growing liability on the pension side. I think that's the right step to take to make sure that pension obligations are protected in the future.

I know the members opposite have said in this House many, many times, they don't support the initiatives. I know the immobilizer program that this government has brought in through its Manitoba Public Insurance Corporation, and judging by the questions by the members opposite just this week in this Chamber, it appears quite clear that the members of the Conservative Party want to sell the Manitoba Public Insurance Corporation. That's quite clear to me.

This government, through its operations of the Crown corporations of this province, have grown the investment opportunities that we have in the province of Manitoba and have added value to those Crown corporations each and every year, Mr. Speaker.

So, while we've made investments in the key human services, we have also made investments in the infrastructure projects of this province on behalf of the people of this province, Mr. Speaker, and we will continue to make those investments. I'm proud to be part of a provincial government that recognizes

that we have an obligation to the people of Manitoba to make those human service investments, at the same time paying down our pension obligations and our debt obligations on a go-forward basis.

So I thank you, Mr. Speaker, for the opportunity to add my comments here today about this particular resolution that's brought forward by the member opposite. I have to say I will not support that resolution brought forward by the member opposite.

* (10:40)

Hon. Jon Gerrard (River Heights): Not very long ago, the Minister of Finance, the MLA for St. Boniface, stood up to present a budget. As he presented that budget, he presented the budget which had an \$88-million deficit in the core operations, and he said, Mr. Speaker, I present you and the people of Manitoba a balanced budget. Other Manitobans looked around, and they said, there's an \$88-million deficit, and the Minister of Finance said, yes, it's a balanced budget. And the people looked again, and said, there's an \$88-million deficit, and the Minister of Finance got louder and louder, this is a balanced budget. An \$88-million deficit, and the Minister of Finance and the Premier (Mr. Doer) are still saying this is a balanced budget.

Most of us, when we look at our household expenses, we look at the money coming in and the money going out, and we know that if there's more coming in at the end of the month than there is going out that we're okay, we've balanced. But this government, oh, they've presented a budget. There'll be \$88 million more going out than there are coming in. But this is an NDP balanced budget, Mr. Speaker. It's fine to have an \$88-million deficit, you just have to understand that the Minister of Finance has delivered a balanced budget with an \$88-million deficit. There's no confusion here. You just have to understand that an \$88-million budget, in NDP language, is a balanced budget. Did you know that an \$88-million budget deficit is a balanced budget? Well, there are a few people who seem to know this, but for most of us who have to live in the ordinary world—

An Honourable Member: The real world.

Mr. Gerrard: —the real world, where we're looking at the money coming in and the money going out, we look at the end of the month and if we have more going out than coming in, that's not balanced.

But the Minister of Finance has his own law, his own budget, his own lingo, an \$88-million deficit.

Mr. Speaker, I present to you an \$88-million deficit. It's a balanced budget. Well, you know, the only problem with it is that the Minister of Finance, the MLA for St. Boniface, and all his colleagues, are losing some credibility among the average person who looks at their own finances and understands if you have more going out than you have coming in, that that's usually a little bit of a problem.

So, Mr. Speaker, I put it for you. We know that the NDP have their own bill, their own budget, their own way of looking at it, an \$88-million deficit is a balanced budget in the NDP books, but for most of us, we see the world a little bit differently and, sometimes, to give the Legislature a little more credibility, to give the government a little more credibility, it makes sense to have a law which is a little bit closer to the way that the average person sees it, rather than the way that the Minister of Finance sees it. Thank you.

Hon. Greg Selinger (Minister of Finance): What can I say. It's a delight to talk about balanced budgets in Manitoba because we've had 10, and that's just a halfway mark on the way we're going in terms of trying to make sure that we keep a balanced approach in Manitoba.

Under the path-breaking legislation of '95-96, Crown corporations weren't included. Pension liability, \$3 billion and going up to \$8 billion: not included. It was okay to sell off a Crown corporation, put the money in the Fiscal Stabilization Fund, count it as revenue once, then take it out, put in the budget, count it as revenue twice. That's the rules that they balanced their budgets under all the years they were in office. They did double revenue counting. They had two sets of books and they ignored the Crown corporations and the pension liability, and that's the regime that the Member for Brandon West (Mr. Borotsik), in his wisdom, wants to return to. I like the 1955 Chevy, too, but we don't all have to drive one.

The retro thing is in, but not when it comes to GAAP accounting. These rules are the modern rules that have been advocated by the members opposite. They said, you should follow GAAP. We're following GAAP. The Member for Lac du Bonnet (Mr. Hawranik), when he was a Finance critic, demanded that we follow GAAP. The Member for Brandon West has demanded that we follow GAAP. We're following GAAP and they're not happy anymore. It's appalling.

So, Mr. Speaker, the budget that we presented this year was balanced. Under their old rules, it would have balanced. It would have balanced under their old rules because the Fiscal Stabilization Fund was available, and it balances under the new rules and it balances under rules that haven't been invented yet. It balances every way you look at it. Not only that, it balances in terms of addressing the priorities of Manitobans: for investments in infrastructure; investments in health care; investments in schools; investments in highways; investments in those things that grow the wealth of Manitoba. And we know that the net book value of the assets in Manitoba has grown by 18 percent as a proportion of our economy, while our debt has shrunk by 15 percent as a proportion of our economy over the last five years, more wealth available to the people of Manitoba, less debt per capita on the books for the people of Manitoba.

Now, the member opposite says, you can't have more debt and balance the budget. Well, you know what? Just about every Manitoban does that. Manitobans buy a house. They pay the mortgage every month. They balance their budget every month. They balance their budget on an annual basis as they pay down their mortgage and, because of the steady-as-she-goes approach that we have in Manitoba, people's housing values are still rising. They're not crashing as in other jurisdictions. We have not had a housing bubble. We're very fortunate in that regard. Manitoba housing values are increasing while remaining the most affordable in the country. So you can certainly balance your budget and have an investment in things that grow your wealth as a family or as a government or as a province, and that's what we're doing. We're growing the wealth of the people of Manitoba while investing in it in a prudent way. The debt that we are using, the finance instruments that we are using to grow the wealth of people of Manitoba, the total value of those financial instruments is shrinking as a proportion of our economy.

Now, this year, it's going to go up somewhat. The entire world has agreed, across all political boundaries, that we should have a stimulus program to lift the global economy up at a time of recession, the greatest recession since the 1930s. The only people that are not on side are the members of the opposition, as my colleague points out.

Mr. Speaker, Stephen Harper believes in a stimulative budget; Jim Flaherty believes in a stimulative budget. Conservative, Liberal and New

Democratic governments all across the country have agreed that we have a responsibility to promote and stimulate the Canadian economy. We're doing it in three ways. First, the Bank of Canada has reduced interest rates, monetary policy; they're now down to a quarter of a percent. There's no where else to go. Secondly, all governments have been asked to provide about a 2 percent stimulus to the economy through their fiscal programming, and all governments have done that across the country, and that's an unprecedented level of co-operation. As a matter of fact, all governments throughout the world, with very few exceptions, have tried to provide stimulus to the economy, and all central banks have been co-operating to reduce the interest rates and have strong monetary policy. And, now, we're seeing central banks move to the third stage of stimulus in the global economy, and that's what they call quantitative easing. They're actually buying corporate and government bonds to provide more liquidity, to provide more resources in the economy, to bring down interest rates and to encourage people to participate in the economy.

John Maynard Keynes, in the 1930s, was the first to make this concept viable. He was the one that said that during a recession or a depression, consumer demand dries up. People start hunkering down and saving their money because they're concerned about their jobs. He was the one that said that businesses stop spending money because they have less access to credit and they're interested in making sure they stop spending on capital in order to preserve their bottom line.

When the private sector stops spending and when retail consumers stop spending, the only engine left for economic growth is government, through stimulus spending. It was that breakthrough that started lifting us out of the Great Depression in the '30s and then, of course, that became standard policy as we went into the Second World War, where governments all over the world ran up massive deficits to fight the war effort, and that brought us to a position of full employment.

* (10:50)

After the Second World War, Keynesian economics kept the global economy moving along in the '50s, '60s and the '70s, and then we ran into an issue of stagflation. We ran into an issue where we had rising inflation at the same time as we had economic slowdown, and Milton Friedman and the monetarists came back into play and they clamped

down on government spending. They raised interest rates to fight recession, and we started going into further recession, further economic slowdown.

Well, the lessons have been learned from the '30s, and now we're back in a situation where government has to play a role in stimulating the economy. Most governments are doing it by running deficits. We are not. We are balancing the budget under anybody's accounting rules at the same time as we're increasing our capital spending to provide economic stimulus, but all of those projects will add wealth and value to Manitoba. All of those projects have a fiscal discipline built into them. They will be written off or amortized over the life of the project in order to manage our debt.

So we're in a far better position than we were the last time we hit this kind of global economic recession. We're doing it according to the modern accounting rules. We're doing it with a balanced budget. We have a very modest draw from the Fiscal Stabilization Fund of \$88 million, and I must say to the members opposite, in the '99-2000 election, they drew \$185 million out of the Fiscal Stabilization Fund, more than double what we're drawing this year, when the budget was much smaller. So the proportionate reliance they had on the Fiscal Stabilization Fund was far greater than what we've done today.

The approach we're taking is an even-handed approach that pulls our weight in terms of fiscal stimulus and maintains fiscal prudence in terms of balancing the budget. The member's motion would have the result of balancing the budget by closing down hospitals, by closing down schools, by laying people off, and by making Manitoba a poorer province with greater inequality. There'd be more unemployed people, less public assets, and as a result of that policy, there would be a greater length to the recession we're going through and people would suffer for a longer period of time. To vote for this motion would be irresponsible. To vote for this motion would be to visit pain and misery upon the people of Manitoba, and I heartily recommend that we strike it down when we stand to vote for it. Thank you.

Mr. Larry Maguire (Arthur-Virden): I appreciate the opportunity to put a few words on the record in regard to the differences between the bill the previous government had and the bill this Minister of Finance brought in last year. The difference is that what has been brought forward here by our Member

for Brandon West clearly is The Balanced Budget, Fiscal Management, and Taxpayer Accountability Amendment Act which is exactly what the title was that came forward in 1995 versus the one that has been put forward by the New Democrats which was The Balanced Budget, Debt Repayment, and Taxpayer Protection Act, by ourselves.

Mr. Speaker, I know the one from the NDP that they brought forward, they forgot about the taxpayer accountability and the debt repayment. It's no wonder Manitobans are confused. The Minister of Finance in this House just stood up and said he took \$88 million from the fiscal stabilization account this year. He should read his own budget. He took \$110 million out of the fiscal stabilization account. I understand why he's got 88 on the brain. That's the debt that he's left to Manitoba. That's the deficit that is in his own budget. No wonder \$88 million is sticking in his brain. It's because that's what the legacy is that he's left to Manitobans. He's got an \$88-million shortfall from revenue versus expenses in the core budget, and even he knows it because it comes out in times like this in debate.

Mr. Speaker, the stimulus economy issues the Minister of Finance just talked about in stimulating the economy have absolutely nothing to do with him. He can preach all he likes about what the Bank of Canada's doing. He has no control of that. He can preach about the liquidity of government buying out old debt. He isn't doing it and all of the other neighbours are so we're getting the benefit of that. He may feel he has stimulated the economy by 2 percent of his budget, but he certainly hasn't done it by leaving more dollars in Manitobans' pockets, and you can do it by reducing the taxes to help stimulate the economy as well.

I thought maybe we were going to hear a leadership speech from the minister today, but if that's the leadership we're going to get in Manitoba, he's going to have to do a lot better. The biggest problem with this minister's rant he just provided in the House is he actually believes the budget in Manitoba is balanced, and we know from his own comments just now that he knows he has an \$88-million deficit, or he wouldn't have had that number blurted out when he was talking about how much he took from the fiscal stabilization account when he really took \$110 million. That was just the start, Mr. Speaker.

Mr. Speaker, I want to just say that this is a tragic time in Manitoba's history. We are up to one of

the largest debts, the largest debt that this province has ever had in \$21.1 billion, higher than B.C., Alberta, Saskatchewan all added together. That's about \$18,380 for every man, woman and child if you were paying it off on your credit card or a bill in that regard. At a time—and this is key—at a time when the provinces that are our neighbours—if you want to just say our neighbours, it's other provinces, but let's just bring it home a little bit, bring it down to our homes—our neighbours are providing us with 40 percent of our budget. Now, who in their household would rely on 40 percent of their neighbour to keep them going?

Mr. Speaker, \$3.8 billion in the core budget, \$4.1 billion in the total budget coming from the federal government is an atrocity at times when other provinces are not receiving those benefits.

So I guess I could say that while the minister talks—and I know the Member for Transcona (Mr. Reid) talked about—the Member for Transcona will never be the Finance Minister in this government, and thank goodness for that—he talked about reducing taxes and spending more, a number of those areas. He's got two problems with that and that is that all others are reducing taxes to help spur their economy, which his government certainly isn't doing, and no other province relies on its neighbours as much as we do, which I've just said 40 percent for its budget.

So, Mr. Speaker, it might make sense if we were independent and if we were a have province, which we are not; we are the only have-not province west of Québec in this country now. In fact, we have the second highest tax levels for a family of four with two income earners and \$60,000 in all of Canada except for the province of Québec. Even the Maritimes are doing better.

I believe that this is a terrible legacy to leave to our young people when we want to talk about our young people in the province. It's a terrible legacy to leave to them to say, oh, everything's great, but you know, 20 years down the road, you're the ones that are going to have to pay this off.

That is not a responsible management skill. It's certainly not what my parents taught me. It's not what I've tried to pass on to my family, and it's not what every household in Manitoba strives for. They don't strive to leave 40 percent of their debt when they die down to the next generation. They try to at least break even in their households.

So, Mr. Speaker, I just want to say that, at this time, when we are not paying down our debt, when we are increasing our liability with our neighbours in Canada, that it's not Manitoba, it's not this government that's investing in education in Manitoba, it's not this government that's investing in roads or health care in this province, it's the government of Ontario that's investing in Manitoba. It's the government of Saskatchewan that's investing in Manitoba. It's the government of Alberta, British Columbia and other provinces that are supplying this government with 40 percent of its earnings, 40 percent of its budget, and that's where we're at.

So with those comments, I'd like to call a vote on this. Thank you.

Hon. Rosann Wowchuk (Minister of Agriculture, Food and Rural Initiatives): Mr. Speaker, I'm very pleased to have the opportunity to say a few words on this bill, and I also want to say how pleased I am to be part of a government that has been able to set a record, because this is the first time in 50 years that a government has presented 10 balanced budgets in a row. Members opposite couldn't do that. This government has followed all the rules and has balanced the budget.

You know, I wish that members opposite would think back. They want to criticize what's happening in the present and they want to imagine that everything that we're doing is not good and what they did was good. All they have to look at is, what did the Auditor say? Auditor Jon Singleton said in his 1998 audit of Public Accounts, this is what he said: I'm really worried about the potential of confusion in the minds of the public. It is unfortunate that this situation exists.

That was under the Conservative administration. Mr. Speaker, the Auditor gave—

Mr. Speaker: Order. When this matter's again before the House, the honourable member will have nine minutes remaining.

* (11:00)

RESOLUTIONS

Res. 5—Lack of a Long Term Plan for Manitoba's Economic Growth

Mr. Speaker: The hour now being 11 a.m., we will move on to resolutions and we'll deal with resolution 5, Lack of a Long Term Plan for Manitoba's Economic Growth.

Mr. Blaine Pedersen (Carman): Mr. Speaker, I move, seconded by the Member for Brandon West (Mr. Borotsik),

WHEREAS in its 2009 budget the provincial government did not provide Manitobans with a long-term vision on how it plans to curb Manitoba's growing dependency on federal transfer payments, how it will pay down the provincial debt and how it will meet the needs of the present generations without sacrificing future generations; and

WHEREAS the provincial government has put off economic decisions it should be making this year until next year, a year that will be even tougher to budget for than 2009; and

WHEREAS claims by the provincial government stating that its 2009 provincial budget is balanced are untrue and misleading given that the government is running a deficit with expenditures exceeding revenues by \$88 million; and

WHEREAS Manitobans cannot increase their personal debt by more than 10 percent, reduce debt payments by more than 80 percent and deplete their savings account by over 20 percent and still call their annual household budgets balanced; and

WHEREAS from budget 2008 to budget 2009 the provincial government increased the province's debt by over \$1 billion; and

WHEREAS according to the 2009 budget Manitoba's debt-to-GDP ratio grew to 23 percent, surpassing British Columbia's at 15 percent and Saskatchewan's at 6.3 percent; and

WHEREAS from 2008 to 2009 the provincial government drained Manitoba's savings account by \$185 million; and

WHEREAS in its recent budget the provincial government continues Manitoba's unhealthy dependence on financial support from Ottawa while it fails to provide any commitment to making Manitoba self sufficient; and

WHEREAS the provincial government cannot operate under the premise that it will always be able to rely on taxpayers from the rest of the country for nearly 40 percent of its provincial revenues, especially not when some of the have provinces are themselves struggling with the impacts of the recession including growing unemployment, reduced revenues and negative economic growth; and

WHEREAS further evidence that Manitoba is falling behind the rest of Canada is demonstrated by the fact that a family of four in Manitoba with two earners making a combined income of \$60,000 pays the second highest income tax in Canada; and

WHEREAS Manitoba is a diverse, vibrant province with tremendous assets, from its vast natural resources to its people who continually demonstrate an enviable entrepreneurial spirit and an unparalleled work ethic, but sadly this government is holding it back from fulfilling its full potential.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the provincial government to acknowledge that Manitoba requires a long-term plan for economic growth if it is going to compete and thrive nationally and internationally with the goal of ultimately becoming fiscally self-sufficient.

Mr. Speaker: Okay. The resolution is in order.

It's been moved by the honourable Member for Carman, seconded by the honourable Member for Brandon West,

WHEREAS in its 2009—dispense?

An Honourable Member: Dispense.

Mr. Speaker: Dispense.

Mr. Pedersen: Mr. Speaker, it certainly gives me pleasure to speak to this resolution as I really feel this is sadly lacking in this government.

We have every business, every government should and certainly every family does need a long-term plan, and, from what we see, obviously some are better at it than others. Businesses are very good at it. Most governments are good at long-term plans, and every family, whether they consciously sit down and do it or not, they do have long-term plans, but this government doesn't. They are intent on continuing to spend more than they bring in.

There is no financial plan for our growing debt and dependence on other provinces' revenue, on transfer payments from other provinces. As I said, our debt continues to rise. We're at a very high rate, and I know the Minister of Finance (Mr. Selinger) talks about lower interest rates, and that's great. Right now, it's saving money, a lot of money in interest payments. I'm sure the Minister of Finance will correct me, but if I read right in the budget, that Manitoba right now is spending somewhere around \$1 billion in interest payments per year. So at very

low interest rates we can only—we foresee what will happen when—and the interest rates always do rise and fall, and right now we're at the bottom. There's virtually nowhere for them to go but up and it's just a matter of how soon. It's not a matter of if interest rates go up, it's just a matter of how soon. So that's going to seriously affect the cash flow of the Province.

There's no provision in this past budget, or in any statements coming out of the government, how they're going to address that issue that everyone faces. This government is like—they've been spending like they've had a credit card with unlimited credit. All of sudden now their credit card is maxed out but there's no plan to how they're going to address that. People of Manitoba are very fiscally prudent, very fiscally strong and this becomes a worry to many people of how this government is going to face this. In fact, today being April 30, is tax deadline day, when personal income taxes are due.

Mr. Speaker, I did happen to come across a press release from the Saskatchewan government. It starts out as, many happy returns. It goes on to talk about the impacts of income tax reductions, the low income tax credit, indexation are combined, which Manitoba does not have. We do not have index, we have bracket creep in Manitoba. They go on and, of course, they're talking about how many millions of dollars that Saskatchewan taxpayers will save. It boils down to about a total tax savings per individual for Manitoba of some \$700-million total out of Saskatchewan. So you take the population and on \$700 million, I would certainly be for that. I know we're not going to see that in Manitoba. There's just no way that we will here in Manitoba because there is, again, no long-term plan. There's just generally no interest from this government in how we're going to get out of the financial mess that we're in.

Ms. Bonnie Korzeniowski, Deputy Speaker, in the Chair

When I talked about—in the resolution, it talked about the entrepreneurial spirit of the province diverse and we have natural resources.

I do want to take a minute right now to just thank the Member for Flin Flon (Mr. Jennissen) for arranging a tour last Saturday of the 777 mine at Hudson Bay Mining & Smelting in Flin Flon last Saturday. The Member for Portage la Prairie (Mr. Faurshou), the Member for Inkster (Mr. Lamoureux) and myself were part of that tour. The

Member for Flin Flon couldn't come because he has too much facial hair, at least that's what he told us, but actually that's true.

It was an interesting tour because—and I will certainly admit that I have no mining experience, so to be able to go into the mine, and we were down at the 1,200-metre level and wandering through the tunnels down there. But what really comes through from those—there is just two things I want to mention, is the safety protocol that the employees carry through in there. We spent, I think it was less than an hour underground, and we spent over an hour in safety training before we ever went down there, so that just speaks to the safety.

But also what came through in that tour was the pride that those employees have in the company, and we're talking about a large multinational corporation here. It's one the NDP loves to hate. Really though, this is a company that—*[interjection]*

It's the very existence of Flin Flon, and those employees, although they work for a large multinational, and as the one employee who was giving us part of the safety training, he just kind of joked. He said, we're not really sure who's going to be signing the cheque next week because the company keeps changing hands all the time. But they have a great deal of pride in their work, in the operations that happen at Hudson Bay Mining & Smelting and it certainly comes through. That's the type of spirit that we have all through Manitoba. It doesn't matter where you're from in this province, people have a work ethic. They have the entrepreneurial spirit. They want to succeed.

* (11:10)

So what we're asking from the government in this resolution is we're asking what plan do you have for the long-term, sustainable growth of Manitoba? That's very simple, and if you argue against this, I am sure there'll be some of the government members standing up and saying: We don't need this plan; we've got all these measures in the budget. But, really, what we're asking for, the essence of it all, is how we're going to get out of the mess that we're in right now and what measures it will take.

Because, as I said, as I mentioned, we have a large debt. We're facing a budget, and one of the comments from the Finance Minister in his address to a bill that we just were speaking on, and if I quote him properly, it says: 2009 budget, it balances under

rules that haven't been invented yet. *[interjection]*
Well, okay.

So, tell us what the rules are that haven't been invented then. If that's what it's going to take to pull Manitoba out of the economic disaster that we're in right now, let's see that. But all we see right now, all we see is hype and spin about putting money into the teachers' fund, but they put money in the teachers' fund, which is good, but then they're using that as an asset back.

So, there's no real economic long-term plan out of that because, again, when they talk about that, we ask, so how's the fund doing? They've invested that money, and how's the fund doing? We don't get an answer. Manitobans are asking for very simple answers here. It's not rocket science that we're doing. Of course, the unknown, it's hard to predict the unknown, but what you're doing is you're putting out a plan, whether Manitobans agree with it, whether the opposition agrees with it. We're still asking for a plan, at least somewhat of a blueprint, because right now all we see is more spending. Our savings account is going to be drained by the end of this year. That's a prediction that I would make, and let them prove me wrong. I hope I'm wrong, but I think, at the rate they're going, it will be.

But, what we're really asking for is give us some plans, show us how you're going to get this out. With the economic recession that's worldwide and in Canada, the federal government running some \$40-billion-plus, whatever deficit this year and projected again next year, at least they're putting out a plan as how their deficit is going to look, where we don't see that in Manitoba.

How do you expect to continue to have almost 40 percent of your revenues coming from other jurisdictions when they're facing a real financial crisis here? So what we're asking for—but we don't see any plan as to how you're going to get around that. Like, how are you going to handle this, and where is Manitoba going to be 2, 5 and 10 years down the road? At the rate we're going, we're not going to have anybody left in the province because nobody will be able to afford to pay their taxes here. *[interjection]*

Well, show me where I'm wrong then. Tell me what's going to happen 5 years out, 10 years down the road. What is—

Madam Deputy Speaker: Order, please. The member's time has expired.

House Business

Mr. Gerald Hawranik (Official Opposition House Leader): Madam Deputy Speaker, in accordance with rule 31(9), I would like to announce that the private member's resolution that will be considered next Thursday is a resolution on Bipole III: One Project, One Environmental Review, sponsored by the honourable Member for Turtle Mountain (Mr. Cullen).

Madam Deputy Speaker: It has been announced that the private member's resolution that will be considered next Thursday is a resolution on Bipole III, sponsored by the Member for Turtle Mountain.

It will be the resolution on Bipole III: One Project, One Environmental Review, sponsored by the honourable Member for Turtle Mountain.

* * *

Hon. Andrew Swan (Minister of Competitiveness, Training and Trade): I'm very pleased to speak to the resolution put forward by the Member for Carman (Mr. Pedersen). I was really going to be tough on the Member for Carman, but I was interested to hear and actually congratulate him for going up to Flin Flon and having a chance to tour the mine up at HudBay. I think that's something that I can certainly credit and I give the member and the other members who attended credit for doing that. I'm hoping when the member was there he didn't tell HudBay that he'd voted against the substantial cuts in the mining tax, which was contained in our budget, because he might have got a less warm reception, but I presume everything went well.

Mr. Speaker in the Chair

Now, when I listen to the member—and I want the member to know that I did listen very carefully to everything he had to say—I'm not sure how the member or any member on that side of the House could sit in this House, could listen to the excellent balanced budgets brought down year after year by our Minister of Finance (Mr. Selinger), how they could listen to the positive legislation being put forward, how they could read the budget papers and not see that, indeed, Manitoba has a long-term plan for economic growth.

So I was thinking, how could this be? I was prepared to give the Member for Carman the benefit of the doubt, seeing as he is still one of the newer members, being elected in 2007, but then I realized there are still members in that caucus that have been

around for a long, long, long time. I came to the only conclusion I could, Mr. Speaker, and that's that the Conservatives would not know a long-term plan for Manitoba's economic growth if it jumped up and bit them in the nose. That is quite apparent.

I waited to hear what the Member for Carman was going to say. What exactly was it that he wanted to see in that plan? I listened as carefully as I could; I heard him mention his concern that he couldn't find a plan. All I heard about was taxes, and he referenced the government of Saskatchewan. It's very ironic, and probably very telling, that we do listen to what the government of Saskatchewan has to say, and for the family of four earning \$60,000 a year, the government of Saskatchewan confirms that, indeed, Manitoba is the most affordable place in the entire country to be.

So I looked back—I know we don't like to—but to try and glean what the Conservatives may mean from this. I've taken a look back and you see what the Conservatives did when they were in power in the 1990s. Well, what was their long-term economic plan? Well, they didn't have one.

They had the highest business taxes—for all businesses, and certainly for small businesses—in the entire country. They had allowed tuition for university and college students to increase by more than 150 percent, resulting in fewer post-secondary students in Manitoba. They cut spending on our K-12 school system, which resulted in lower outcomes. They made little or no investments in apprenticeship to provide more skilled tradespeople for the province of Manitoba. They cut and they froze investments in infrastructure across the province.

They actually raised taxes on Manitobans, including—quite amazingly—increasing the portioning on farmland so they could tax farmers more than farmers had ever been taxed before, despite the fact that many of them purport to represent farming communities.

Of course, they managed to increase taxes on all property owners across the province by starving the education system and causing education property taxes across the province to go up, more so than almost any other province in Canada. They made almost no investments in our urban, our rural communities and, indeed, what was the result? Well, economic stagnation and a loss of people, great losses of people moving to other provinces when the

Conservatives were in power, and indeed tragically, losses of young people. Much of the future of Manitoba walked out the door when the Progressive Conservatives were in power.

* (11:20)

Let me address what I think is the resolution head on, because I'm still at a bit of a loss to understand exactly where it's coming from. Let's talk about the support that this government is giving to businesses. Again, let me repeat, Mr. Speaker. When the Conservatives ended their reign of error in 1999, the corporate income tax rate in Manitoba was 17 percent, the highest rate in the entire country. Since that time, we've announced seven reductions in the corporate income tax rate, and it is now going down to 12 percent. That's a reduction of 29 percent since this government has been in power.

It's even more astonishing when one looks at the small-business tax rate which, again, in 1999, was the highest in the entire country at 8 percent. Not only has this government over time doubled the threshold for the small-business tax rate, we've taken that tax rate down from 8 percent to 2 percent to 1 percent in 2009. And in the most recent budget, which the Member for Carman (Mr. Pedersen) and all of his colleagues in the Conservative caucus voted against, we have signalled that the small-business tax rate is going to be zero. We are going to eliminate small-business tax in this province in 2010. If that's not a strategy for economic growth, Mr. Speaker, I don't know what is.

Let's see what some other individuals have to say about Manitoba's plan. Let me quote a fellow named Jay Myers, who's an economist and who's the president of the Canadian Manufacturers & Exporters association. What did he have to say on CJOB just last month about this province's plan to assist Manitoba companies and Manitoba manufacturers? Well, to quote Mr. Myers: I think the partnership that we have with the Manitoba government and with manufacturing and with training organizations in this province are a model for building a very innovative and a stronger manufacturing sector here. I just wish that what's happening here in Manitoba could be replicated elsewhere across the country. Manufacturing in Manitoba has stood up pretty well, given all of the problems, and certainly companies are affected by this, but they are in a much stronger position right now, and I think a lot of that is because of the support that Manitoba government's been giving.

Now, that's only a Ph.D. in economics who's the president of the Canadian Manufacturers & Exporters association. I tend to think he knows what's going on, and he recognizes that Manitoba has partnerships with business, partnerships with labour—*[interjection]*

Well, I hear the Member for Brandon West (Mr. Borotsik) who wants to be engaged in the debate. I was so pleased just the other day to see the Member for Brandon West stand up and with pride, pride that I think everyone in this Legislature shares, stood up to talk about his city of Brandon. The city of Brandon, of course, has been recognized by *MoneySense* magazine as one of the top 10 cities in Canada in which to live. I join the Member for Brandon West. I celebrate the fact that *MoneySense* magazine, which uses a number of objective factors across a wide range of factors of liveability, of affordability, of safety. They do their calculations, and I'm delighted. I'm delighted, Mr. Speaker, that Brandon is one of the top 10 communities in the province of Manitoba. I'm proud the Member for Brandon West stood up in the Legislature and told all of us that.

I'm also very pleased that Winnipeg is also ranked in the top 10 communities out of 154 communities across the province which are ranked by *MoneySense* magazine. Of course, it's very interesting because I do hear the love that those Progressive Conservative members have for Saskatchewan, for Alberta. It's interesting, Mr. Speaker, there's not a single community in Alberta or Saskatchewan that was ranked above Brandon or Winnipeg. So, certainly, because of investments that we've made in our manufacturing sector, in our agricultural center, supports that we've given to our communities large and small across the province, on any objective means, Manitoba communities are doing very, very well.

What about individuals' tax rates? Again, meeting where I think is where the Conservatives were coming from, we know that when our government came into power, the personal tax rate for middle income earners in Manitoba was 16.6 percent, one of the highest in the country. Well, now, in 2009, that personal tax rate is 12.75 percent. We've reduced the tax rate in Manitoba for middle income earners by 23 percent. At the same time, we've continued to increase basic personal amounts. We've continued to increase spousal and eligible dependent amounts.

What else have we done? We've decided to take away some of the sting of the last Conservative government, which beat up on farmers—of all groups for them to take on—by allowing their property taxes to skyrocket, and this government has provided a farmland education tax rebate—*[interjection]* I hear more advice from the Member for Brandon West. I don't know why, year after year, he's stood up in this House—when he had a chance after the budget debate to stand up and support what this government's doing for farmers—and he votes against the farmland education tax rebate year after year after year.

What about the basic Education Property Tax Credit, \$250 in 1999. Where is it now? Mr. Speaker, \$600. It's increased by 140 percent, and I know why. I know why the Conservatives hate this. Because it's fully progressive.

Thank you very much, Mr Speaker.

Mr. Rick Borotsik (Brandon West): Mr. Speaker, it's always a pleasure to get up after the Minister of Competitiveness, Training and Trade. He leaves himself so wide open on most cases with respect to the competitiveness of this province, and it's his department that's supposed to make us competitive and, quite frankly, is not doing a very good job.

Mr. Speaker, the minister had indicated that a previous government, some 10 years ago, was the Conservative government, the reign of error. Well, for the last 10 years, unfortunately, we've had the reign of terror from the NDP government with respect to financials, with respect to competitiveness and, unfortunately, with respect to taxation here in the province of Manitoba.

I know Manitobans are getting tired of hearing the minister and other ministers compare to 1999 and 1990 and 1989 and 1992. The fact of the matter is we now live in 2009. Maybe just get this through your head. Lots of things have changed since the early '90s to 2009. There were different circumstances in the early 1990s. I was involved in different industry at the time, but there were a lot of differences in 1990 than there are in 2009. So I wish this government could focus on what the current situation is, not only within our own province, but within provinces that we compete with, within other jurisdictions that we compete with. Since 1990, Manitoba has now become more competitive with the globe. We are now globally competitive, not just simply with provinces to our west and to the east.

We have to be globally—we have to be globally competitive, and we're not.

Mr. Speaker, the Minister of Competitiveness, Training and Trade talks about what his vision is with respect to competitiveness here, and it's wrong. I would like to see a larger vision come from the government of the day. I would like this government to stand and tell us where they would like us to be five years and 10 years from now. Businesses do that. Individuals do that. Where are you going to be five years from now? Where are you going to be 10 years from now? How do you compete with those other corporations? How do you compete with those other jurisdictions? I don't have that.

I, personally, would love to have this government stand and say, Manitoba, 10 years or 20 years from now, should be self-sufficient. We should be able to stand and say that we are contributors to this great country of ours. We're going to be not only self-sufficient but we're also going to now contribute, as we've been taking all of those equalization payments and transfer payments from the federal government. We would now like to be able to contribute more back to those others who are less well off than us. But, no. There's no desire to give up the \$2.063 billion in transfer payments. There's no desire. There's no incentive on this government's part to go out and become more efficient or become more industrious, become more entrepreneurial, make sure we develop our economy here in Manitoba so that we aren't going to depend for \$2.063 billion in equalization all the time. I don't want to be dependent upon someone else for my livelihood. I would like to be able to be self-reliant, and I think the province should be self-reliant. But, no. This government doesn't want to be self-reliant. They want to continue to take, take and take, and that's the wrong vision, the wrong way to go forward for this province.

Mr. Speaker, I'd love to see the population grow here in Manitoba. I would love to be able to compete with Alberta and British Columbia. I would like to say, no, we're not growing to the degree that we should be growing. We've got resources here. We have opportunity here, and they're opportunities being wasted, wasted by this government unfortunately. We're not taking advantage of what we have, and you know why? Because this government has a social mentality. They don't want us to become more free with what we can do in this country.

* (11:30)

Let's talk about the lack of competitiveness. The minister started talking about taxes. Well, let me tell you right now, we have mining resources here that should be just booming. But, no, actually there are other jurisdictions, not only here in Canada, but across the world that are taking the capital that's there and developing those resources. Potash. We have the opportunity here in this province to develop potash. We have the resources. We have them in the ground, and where are they going to start developing the next potash mine? Saskatchewan.

Why is it that we cannot attract those corporations to develop those resources here in Manitoba? Because the Minister of Competitiveness, Training and Trade (Mr. Swan) are chasing them outside of the province so that they'll go other places to develop. We should be developing them here, not in other jurisdictions. We have the ability, if and only we had the political will, but we don't have that political will.

What we have here is a government who puts in knee-jerk policies to deal with issues. Knee-jerk policies. Let's talk about Bill 17 where we're destroying agriculture. We're destroying an industry that, in fact, was worth \$1.5 billion to this province, but we're destroying it because it's a knee-jerk policy reaction that this government puts in place.

Bill 37, knee-jerk policy. They should be looking at how we're going to become more competitive, but what do they do? What's the priority of this government, Mr. Speaker? Rather than suggest that Manitoba become more than what we are right now, what's their priority? A vote tax. A priority for this government is to look for more ways to put money into their party's coffers. That's the priority. Not a priority to help Manitobans keep more of their dollars in their own pockets, but put it in their pockets. That's a priority of knee-jerk policy, Bill 37, let's make sure we get more Manitobans' money to put into the NDP coffers. What a great way and what a good, great vision for this province.

Their position, their vision is not to make Manitoba better, it's to be government forever. They'll do anything, absolutely anything to keep that position forward, Mr. Speaker, to be government, not look after Manitobans but be government, and that's all what their priorities are.

I want to see Manitoba succeed. I want to see us, as Manitobans, to be proud when we walk out of our

communities and into other jurisdictions and say I'm a Manitoban and I'm proud to be a Manitoban.

Saskatchewan. Saskatchewan, many happy returns. Remember? Do you remember, Mr. Speaker, when we in Manitoba used to look down our nose at Saskatchewan?

Some Honourable Members: No.

Mr. Borotsik: Oh, that's not true. Do you remember when we referred to it as the gap? Do you remember when we said it would be a lot better if we were that close to Alberta that we didn't have to go through that flat land of Saskatchewan? Well, guess what? Saskatchewanites right now, when you talk to them, carry themselves with pride. Their heads are carried high and they are very happy to be residents of Saskatchewan now because Saskatchewan treats them with respect.

Here it is right here, many happy returns, let's put money back into the pockets of people who pay in Saskatchewan. In Manitoba? Let's take more money out of the pockets of Manitobans. Let's not have indexation on our tax brackets. Let's make sure we're the highest personal-taxed of anyone southeast—

An Honourable Member: In the world.

Mr. Borotsik: No, not in the world. We're getting there. We're getting there. The highest taxed west of Québec, the highest personal income taxes. It's there. It's proof positive. I can show you the numbers. We pay more today on April 30 tax filing. We should take pride in the fact that we're paying more provincial income tax than any other jurisdiction west of Québec, and I hope you're happy. I hope you're happy because Manitobans really aren't. They would like to be treated with respect. They would like to be able to use some of their own money to their own way of spending what they should be able to put into their own pockets.

Hudson Bay. Hudson Bay Mining & Smelting, great opportunity for us. We have them here. Let's keep them. Let's develop them. Let's make sure that they're going to do more development up there. But, you know what the first thing was that the Member for Carman (Mr. Pedersen) heard when he was at HudBay? There's a payroll tax in Manitoba, but there's no payroll in other jurisdictions. So, if I'm going to have capital to spend and I want to develop resources, am I going to develop them in Manitoba when I'm being charged? When I'm going to be charged with developing employment in this

province? *[interjection]* No, they aren't actually. Our taxes are the highest mining taxes around. HudBay has capital. They can go anywhere in the world. Let's make sure we have a vision to stay here.

Now, I give the government credit for one thing. Well, I give them credit for when credit is due. There is a vision, albeit a minor vision, called CentrePort Canada. I think it's great. I think it's absolutely wonderful that this government has embraced CentrePort Canada.

I had the opportunity, Mr. Speaker, just recently, to visit Dubai. Dubai has a similar concept but it's in place now. It's in practice. They spent billions of dollars on infrastructure. They've had the opportunity of attracting investment from all over the world, but they also have populations to deal with, and they also have capital that they have. They also have a mentality that says, we want to embrace a free trade zone.

Well, CentrePort Canada is a great concept and we'll support it. But this government doesn't support free trade. They never did. They were opposed to free trade back in the '90s. But now, all of a sudden, they think that they're going to embrace this. Well, it's not happening. Their labour component is going to be an issue when dealing with CentrePort Canada. So we have to.

Thank you, Mr. Speaker, I'm glad I had the opportunity to speak to this. To the Member of Carman, thank you very much.

Mr. Bidhu Jha (Radisson): It's a great pleasure for me to rise and speak on this PMR, particularly after the speech of the Member for Brandon West. I am going to be, and all of our members from this side will be, any time, on their antisocial and pro-exploitive corporate agenda endorsements. So here, Mr. Speaker, I am with great pride, standing on this side, to say that this PMR, and these issues, which we are already doing, and it looks like the Member for Carman should have read this PMR in 1996, because that would suit that particular agenda to say what are the long-term plans.

I remember, Mr. Speaker, here are the words that the PMR talked about, long-term plan, Manitoba's economy and growth. These three particular words are very, very suitably suited to what we are doing. I remember, some of them may not remember, that before entering politics I was in a small business. In '99, being fed up with what was happening to the economy, and as the Minister of Competitiveness,

Training and Trade (Mr. Swan) mentioned, youth were fleeing during those periods, including my children left. Two of my kids who are doctors, they left. So that was a period that I was so upset I wrote a very beautiful article in the *Free Press*. I think it was June '99 that they published. Precisely, I talked about the things that the PMR talks about: future economy and growth. I mentioned that the unemployment rate can be improved if all unemployed leave the province. Keep on shipping the people out of the province, unemployment would naturally not be rising because there would be nobody left here.

I think that particular article when I wrote, I got a lot of applause from business people, some of the small-business people and some of the people who are looking at the economy. Then I ran as a candidate and I was thrown out from a house thinking that I was—firstly, they allowed me to come in because they thought that I was perhaps a Conservative candidate with that article. But when I said NDP, I was thrown out. The same particular house, I think I mentioned it before, saw me, and now he realizes, the same gentleman, I shouldn't name, realizes that, yes, we meant what I said in that article, and now the government, our leader has demonstrated all three things, long-term plan, Manitoba's economy and growth.

* (11:40)

I think I'm a little bit disappointed with the members who are talking about Manitoba's economy, because they don't understand Manitoba. Manitoba is neither Winnipeg nor rural Manitoba. Manitoba is north. Manitoba is south. Manitoba is east. Manitoba is west. Go and look today what is happening. The University College of the North is something that has happened, hospitals in Brandon and rural areas have happened, MRI clinics in rural areas have happened. I think we understand that when you look at Manitoba, you look at the whole province. You don't look at one particular segment and say that this is where we need to grow. We need to look at the whole province and grow on that basis.

So population has grown; we are getting 10,000 new immigrants, and now more, per year coming out thanks to the Provincial Nominee Program that has been applied and worked. So I think that—I'm also very disappointed, as the Premier (Mr. Doer) once that he, while he was in opposition, when there was a good budget, he voted for it. He said, well, we are not going to reject everything that the government does, but here since last two terms I have been here, I

have not seen once—once—from the members opposite to support programs and projects and budgets that make sense, that make sense by people who are typically not supporters of our party.

Business community, Chamber of Commerce, you know, all these people have praised this budget that we have just passed. I wish they would have come as clean as, at times, non-partisan for the well-being of Manitoba to say, yes, this is a good budget and we support it. But no, it's very disappointing to see some of them have not really done things that I would have expected them from a point of view that is good for the province.

Now, we're talking about building, Mr. Speaker. It goes back again—unfortunately, I have to say this—that whenever there has been building, it has been done by the NDP government. It was Ed Schreyer's vision and Pawley's vision that built Hydro, that built MPI, that built schools and universities and colleges that are futuristic. It's a long-term plan. Economy based on education, based on investment is something called long-term plan.

They appear to me they're short-lived. They want to just look at the budget today and see whether I have yes or no, plus or minus and that's it. That's not really the vision. That's not even the vision of a family that they educate their children, they look at the future, they look at investment in the future but I'm sorry to say that is not suitable to their particular thinking when they say that.

Now, we're looking at—we are the government of builders and doers. We have been building and we will be building so we are moving forward, Mr. Speaker, and I am very, very proud to be sitting this side of the government that has seen this vision.

Let me talk about the international and national issues that they have taught. I congratulate the Minister of Competitiveness, Training and Trade (Mr. Swan) who has developed this internal trade, internal agreement by mobility of labours coming from all over Canada to work in Manitoba and vice versa. So we are building that, and I also feel that there are a lot of things happening. I particularly like to share this with my colleagues here that international trade is a very, very tough thing to do, and I now take a great pride that when the Premier took the trade mission in 2006 to India, the largest trade mission, the economy of the world, India, China, that world, is emerging market which was never recognizing Manitoba. Now we are very well-known in that region, and we are developing the

market. I think our exports to that region have been growing. It has now fivefold growth. Again, this speaks for vision and vision and the future.

The Member for Brandon West (Mr. Borotsik) should understand that the vision is not only in marking on a piece of paper but acting, and we have done that. So trade mission to India has been very successful, and now I'd like to really endorse the second trade mission, which was taken by the Minister for Agriculture, Food and Rural Initiatives (Ms. Wowchuk). She took the trade mission right into the farmers of a rural area that normally would not permit us to take, but she was there, and I think the development of agribusiness, which we are proud of, is going to happen in that part of the world because of our expertise, because of the hard work of the staff for both agriculture and industry and trade. They're working with us. We are building the projects. We are working with the new development and new economies and, Mr. Speaker, we are building. So I think that this is something very unfortunate that for the past 10 years the growth which has come they don't recognize, and they are not even participating in some of the positive things that we are doing.

So, Mr. Speaker, I'd like to say—I don't have too much time, but there is an article when they said socially motivated people of a noble [*inaudible*] wanted a more decent world, and I think that I am passionate about the leader of my party who says, courage, my friends, it's not too late to a better world. We are building a better world and I'm very, very proud to be this side of the government that is moving ahead with passion and deliveries. Thank you very much.

Mr. Cliff Graydon (Emerson): Mr. Speaker, it gives me great pleasure to rise today to speak to the resolution that was presented by my colleague from Carman. I think it was a timely resolution, and I'm sure that a number of the members, especially in the back benches on the other side, will be more than pleased to agree with a lot of the points in there. We can debate the ones that they don't agree on and come to a consensus and a resolution. I believe that resolution will probably include going back to the balanced budget legislation that existed prior to Bill 38.

But as it stands today, Mr. Speaker, the mode that we're in is a steady-as-she-goes mode. I think I've made mention to this once before in the House, that steady as she goes pretty much would indicate

that you're just kind of floating along. If you're just floating along, you're probably going downhill. You're certainly not going upstream. That's an easy thing to do, maintaining the status quo going into the recessionary period that the rest of the world has gone into, and trying to make Manitobans believe that we're an island, that we are immune to such a recession I think is foolhardy on the part of the Minister of Finance (Mr. Selinger) and on the government itself.

I would strongly suggest that the Minister of Finance would pay attention to what's happening and the government would pay attention to what's happening in other provinces with a plan, with a plan going forward, and there's certainly a lack of that. I thought that in the 2008 budget that they perhaps had the beginning. It made an announcement that there would be a plan, a five-year plan to reduce personal income taxes by up to 2011 and going forward, and that was a nucleus, at least a start, an embryo of a plan going forward. Unfortunately, they weren't able to even carry that forward for eight months from the time that it was announced.

So, Mr. Speaker, it's terribly, terribly important to lay the plan out in front of Manitobans, the entrepreneurs in Manitoba, the small businesses which are the driving force. They're the lifeblood or our province. It's nice to have the large corporations as HudBay was pointed out, good solid corporate companies and businesses, but, in reality, it's the many, many small businesses in our province that are the driving forces. They are the taxpayers of the province that bring in a good portion, a big portion of the revenue for the government to operate, and they have been penalized.

* (11:50)

They're being penalized in a number of ways, and perhaps I'll just outline a couple of them. A small business like a small pizza place, his business licence goes up \$15, \$20, \$100 for this, MLCC licence goes up. We have these types of taxes. They don't seem to be a big tax, but if we see the—I'll just give you an example to put things in order or in relevance. We had a misprint in the licences for MPI. It was a two-month period that this misprint carried on, and the cost of that is a lot of money but, at the same time in that two-month period, 45,000 people were affected, 45,000 people. So, Mr. Speaker, out of those, how many of those were entrepreneurs? Probably 10 percent, we had 4,500 of them. Now, we'll multiply them by \$100 increase in their licence,

either for their MLCC licence or for their business licence and their small businesses, or the extra cost because they use their van to deliver six pizzas a week. Mr. Speaker, it's that type of taxation that hurts our business communities, our small, driving business communities.

Mr. Speaker, the government changed the balanced budget legislation so that it could run deficits. In Alberta, they agree when they take money out of their rainy day fund that their budget is a deficit. In Manitoba, we take the money out of the rainy day fund and we call it a balanced budget.

The Crown corporations have come into the picture in a great way, Mr. Speaker, and we see that 265 million comes out of Hydro, the revenues. They use this to call our budget a balanced budget. So, Manitoba Hydro, it's obligated to try and keep the lowest rates that they can for Manitobans, and that's been a tradition for many, many years. Going forward, they're going to have to build new facilities, and these new facilities are going to be built with today's dollars, which certainly don't buy the same as they did back 20 years ago or 10 years ago. So, I would suggest that the power that is going to be created is going to cost more money, and here we are, we're loading down Manitoba Hydro with debt that really should not be Manitoba Hydro's debt. We're subsidizing the budget with a Crown corporation.

So what does that leave Manitoba Hydro with opportunities to do? They can do a couple of things. They can raise their rates, which they will do and which the government has said that they've already applied to raise—not the government, the Manitoba Hydro, and they'll say that that's at arm's length. However, I'm sure that having dinner with the board of directors can certainly influence what the outcome will be. At any rate, they raised the commercial rate right now.

But Manitoba Hydro has to be innovative. They can't just be raising rates. That's controlled by the PUB. So what have they done? As recently as a week now, they have sent out notices to many, many of the people that own land that the transmission lines go over, and I agree that they have bought a lease on that land or a caveat on that land that they can trespass on it at any time. But at the same time, through the farms that these transmission lines went through, the operators of those farms, whether that happened to be a beef farm or hay land or whether it was grain land, the people that owned the farm

beside that, they did farm that at no cost, but they also kept this land in nice shape. They kept it free of weeds and kept it from being a fire hazard, and they maintained it in the proper husbandry fashion that it should be done.

Manitoba Hydro says, well, we're going to have to charge you rent. So, Mr. Speaker, I can see that some of these farmers are going to say, we don't want to rent it. We don't want to rent your land. Why would we? We've been keeping it clean for you for a number of years. Now, what you're going to be faced with, Manitoba Hydro, is you're going to build a fence. You're going to build a fence down there just to protect your land, and you will have the obligation, then, of going out and spraying the noxious weeds that are there. You will have the obligation of keeping your fence up. You're going to have the obligation of keeping people off of there. Up till now, the farmer that owns the land around there tries to protect that for Manitoba Hydro's benefit.

So, these are just some of the hidden ways that the tax base has gone up that affects the everyday working people on the street that this government opposite says, we are there to help you. Well, I'm telling you that people out there, Mr. Speaker, are beginning to wonder if they're really being helped or whether they're being pushed over the edge. We start talking about how our debt has risen. Our debt has risen by \$5 billion under this administration. That's a shame. When we take a look at the combined debt of the three provinces west of us, they have lowered their debt. Their combined debt is less than what our combined debt is; for three provinces, nine million people versus one million people.

I would suggest, Mr. Speaker, that, at this point, this resolution was necessary to come on the floor to give the opportunity to some of the backbenchers that may not have quite understood what was going on in the front bench. Perhaps they would like to either cross the floor and visit with us or at least talk to the minister and see if he would like to change the act or the budget or the bill, 38, back to the balanced budget that was in effect in the '90s.

Thank you very much for the opportunity, Mr. Speaker.

Hon. Jim Rondeau (Minister of Science, Technology, Energy and Mines): I know I have a few minutes to put a few points on the record on this PMR. I'm pleased to say that members opposite now believe that there should be a plan. I know that past

practice and their plan from the past certainly was abysmal. If their plan was to have people move out of the province, businesses go broke, have the highest taxes and basically decimate education, training and the high value, high skill work force, they had a plan.

Mr. Speaker, we have a plan that is very different from theirs. An example would be, we believe in having a high skill, highly educated, highly competitive, world class industry and operations, and we do that. An example would be the life sciences industry. Right now we have one of the fastest-growing life sciences industry in North America. It's high value, high skilled. If you take the level 4 lab, which is now one of the leading labs in the world as far as the current issues, that's an opportunity, an economic opportunity that, under our government, has blossomed and will continue to grow with Cangene, Apotex, and many other industries. I'm pleased to see that the life science industry continues to grow. I'm pleased to see that we've made the investments in the research and development refundable. Notice that we made it refundable. The members opposite will vote against that. That's what the industry wanted, and it's a plan that we're working on with the industry. The training plan for all the people who work in that industry, developed by the government, the NDP government, which will be voted against by the Conservative government. In fact, they cut all the training programs for lab techs, for nurses, for doctors, and then they wonder why we don't have those people here.

Mr. Speaker, we believe in educating people for the next generations, for the next industries, for high-value industries. I'm pleased that this Minister of Finance (Mr. Selinger) has made the investments in the post-secondary, in the secondary, so that people have a good opportunity.

Another example, Mr. Speaker, this Minister of Finance had a new media tax credit. It's a new thing; was not there under the Conservatives. This Minister of Finance worked through that with the industry, worked through the training programs. I'm pleased to let the House know there are 232 companies, not individuals, companies. It had a growth rate of 850 percent. I know a growth rate of 850 percent would be foreign for the Conservatives; it isn't for this government.

There are hundreds of people involved in new media and gaming. We're exporting that expertise around the world with companies like Frantic Films. There's New Game [*phonetic*]. That's a gaming company that's actually working with NASA and Discovery Channel to do a Mars exploration landing, a game company that was incubated by Fortune Cat that was produced in Manitoba and exported to the world.

That is a plan, Mr. Speaker. We've had population increases. Why? Because you can have a high skill, high value-added. This side of the House believes that you try to have good wages, a good lifestyle. We want decent training, high skill, high value-added. The Conservatives wanted a race to the bottom. They wanted low skill, low value-added. We don't believe in that. We believe in working with industry to have high skill, high value-added jobs.

Another example would be the energy industry. I'm pleased that, under our government, we've moved forward on a tax credit, a green tax credit, for geothermal. Well, that saves energy. Energy is going to be needed. The demand—

Mr. Speaker: Order. When this matter is again before the House, the honourable Minister of Science and Technology will have six minutes remaining.

The hour being 12 noon, we will recess and we will reconvene at 1:30 p.m.

LEGISLATIVE ASSEMBLY OF MANITOBA

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