Second Session - Thirty-Ninth Legislature

of the

Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

Official Report
(Hansard)

Published under the
authority of
The Honourable George Hickes
Speaker

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*Vacant*
The House met at 1:30 p.m.

ROUTINE PROCEEDINGS

PETITIONS

Long-Term Care Facility–Morden

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

The background for this petition is as follows:

Tabor Home Incorporated is a time-expired personal care home in Morden with safety, environmental and space deficiencies.

The seniors of Manitoba are valuable members of the community with increasing health-care needs requiring long-term care.

The community of Morden and the surrounding area are experiencing substantial population growth.

We petition the Legislative Assembly of Manitoba as follows:

To request the Minister of Health (Ms. Oswald) to strongly consider giving priority for funding to develop and staff a new 100-bed long-term care facility so that clients are not exposed to unsafe conditions and so that Boundary Trails Health Centre beds remain available for acute-care patients instead of waiting placement clients.

This is signed by Peter Fehr, Adeline Peters, Marjorie Falk and many, many others.

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

Hard Surfacing Unpaved Portion– Provincial Road 340

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

These are the reasons for this petition.

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

Provincial Road 340 is a well-utilized road.

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

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

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

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

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

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

We petition the Legislative Assembly of Manitoba as follows:

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

This petition signed by Ron Seafoot, Dwayne McLean, Lloyd Paulson and many, many others.

Education Funding

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

The background to this petition is as follows:

Historically, the Province of Manitoba has received funding for education by the assessment of property that generates taxes. This unfair tax is only applied to selected property owners in certain areas and confines.
Property-based school tax is becoming an ever-increasing burden without acknowledging the owner's income or owner's ability to pay.

The provincial sales tax was instituted for the purpose of funding education. However, monies generated by this tax are being placed in general revenue.

We petition the Legislative Assembly of Manitoba as follows:

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

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

Mr. Speaker, this petition is signed by Rhonda Cameron, Eileen Myskiw, Bob Beck and many other fine Manitobans.

Air Canada

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

The background is as follows:

On September 29, 2008, the Member for Inkster stated in question period: "... when Air Canada was privatized, there was a moral, if not a legal obligation, for Air Canada to protect the bases here in Winnipeg."

On September 29, 2008, the Premier (Mr. Doer) responded by saying that: "... the wording of the law and the spirit of the law is consistent with the member's analysis that the presence would stay."

We petition the Legislative Assembly of Manitoba as follows:

To request the Premier of Manitoba to consider taking whatever action possible to keep both the Air Canada flight attendant base and the Air Canada pilot base here in Winnipeg.

This is signed by S. Phillips, M. Phillips, J. Easton and many, many other fine Manitobans.

Neepawa, Minnedosa and Areas—Local Hospitals

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

These are the reasons for this petition:

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

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

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

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

We petition the Legislative Assembly of Manitoba as follows:

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

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

This petition is signed by Bobbi-Lee Ehr, Bernice Syryk, Theresa Stanick and many, many other fine Manitobans.

Physician Recruitment—Southwestern Manitoba

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

These are the reasons for this petition:

The Town of Virden has the last hospital in Manitoba on the busy Trans-Canada Highway travelling west.

For the safety of recreational travellers, long-haul truck drivers, oil and agricultural industry
workers and its citizens, Virden, a town of nearly 4,000, requires emergency services at its hospital.

On June 30, 2008, the emergency room at the Virden Hospital was closed due to this government's failure to recruit and retain doctors for southwest Manitoba and its failure to plan for the departure of doctors whose contracts were expiring.

We petition the Legislative Assembly of Manitoba as follows:

To request the Minister of Health (Ms. Oswald) to consider creating a health-care environment in which doctors want to work and build their careers in Manitoba.

To request the Minister of Health to consider making it a priority to recruit doctors to southwestern Manitoba so emergency rooms do not have to be closed when they are needed most.

Mr. Speaker, this petition is signed by R. Didluck, Keith Gardner, Gloria Smith, Melissa Cosgrove and many, many others.

COMMITTEE REPORTS
Standing Committee on Public Accounts
Sixth Report

Mr. Leonard Derkach (Chairperson): Mr. Speaker, I wish to present the Sixth Report of the Standing Committee on Public Accounts.

Madam Clerk (Patricia Chaychuk): Your Standing Committee on Public Accounts presents the following as its Sixth Report.

Some Honourable Members: Dispense.

Mr. Speaker: Dispense.

Your Standing Committee on Public Accounts presents the following as its Sixth Report.

Meetings

Your Committee met on the following occasions:

- May 7, 2008
- May 14, 2008
- September 23, 2008
- October 8, 2008

All meetings were held in Room 255 of the Legislative Building.

Matters under Consideration

- Auditor General's Report – Audit of the Public Accounts for the year ending March 31, 2007
- Public Accounts for the year ended March 31, 2007 (Volume 1)
- Public Accounts for the year ended March 31, 2007 (Volume 2)
- Public Accounts for the year ended March 31, 2007 (Volume 3)
- Public Accounts for the year ended March 31, 2007 (Volume 4)

Committee Membership

Committee Membership for the May 7, 2008 meeting:

- Mr. BOROTSIK
- Ms. BRAUN
- Mr. DERKACH (Chairperson)
- Ms. HOWARD
- Mr. JHA
- Mr. LAMOUREUX
- Mr. MAGUIRE
- Mr. MALOWAY (Vice-Chairperson)
- Mr. MARTINDALE
- Hon. Mr. SELINGER
- Mrs. STEFANSON

Committee Membership for the May 14, 2008 meeting:

- Mr. BOROTSIK
- Ms. BRAUN
- Mr. DERKACH (Chairperson)
- Ms. HOWARD
- Mr. JHA
- Mr. LAMOUREUX
- Mr. MAGUIRE
- Mr. MALOWAY (Vice-Chairperson)
- Mr. MARTINDALE
- Mr. PEDERSEN
- Hon. Mr. SELINGER

Committee membership for the September 23, 2008 meeting:

- Mr. BOROTSIK
- Ms. BRAUN
- Mr. DERKACH (Chairperson)
Reports Considered and Passed

Your Committee considered and passed the following reports as presented:

- Public Accounts for the year ended March 31, 2007 (Volume 1)
- Public Accounts for the year ended March 31, 2007 (Volume 2)
- Public Accounts for the year ended March 31, 2007 (Volume 3)
- Public Accounts for the year ended March 31, 2007 (Volume 4)

Report Considered but not Passed

Your Committee considered the following report but did not pass it:

- Auditor General's Report – Audit of the Public Accounts for the year ending March 31, 2007

Mr. Derkach: I move, seconded by the honourable Member for Springfield (Mr. Schuler), that the report of the committee be received.

Motion agreed to.

TABLING OF REPORTS

Hon. Peter Bjornson (Minister of Education, Citizenship and Youth): Mr. Speaker, I'm pleased to table the Annual Report 2007-2008 for Manitoba Education, Citizenship and Youth.

Hon. Dave Chomiak (Minister of Justice and Attorney General): Mr. Speaker, I'm pleased to table the following report, Victim Services Complaints Annual Report 2007-2008.


Hon. Diane McGifford (Minister of Advanced Education and Literacy): Mr. Speaker, I'm pleased to table the Manitoba Advanced Education and Literacy Annual Report for 2007-2008.

Hon. Stan Struthers (Minister of Conservation): It's my pleasure to table, for all members, the Annual Report for 2007-2008 of the Manitoba Round Table for Sustainable Development; and on behalf of my colleague the Minister of Intergovernmental Affairs
Mr. Ashton) the Annual Report of the Public Utilities Board for '07-'08.

* (13:40)

**Introduction of Guests**

Mr. Speaker: Prior to oral questions, I'd like to draw the attention of honourable members to the Speaker's Gallery where we have with us today Mr. George Hay from Ottawa, Ontario, who is the uncle of the honourable Minister of Education (Mr. Bjornson).

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

Also in the public gallery we have from Kildonan East Collegiate 23 grade 9 students under the direction of Mr. John Thompson. This school is located in the constituency of the honourable First Minister (Mr. Doer).

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

**ORAL QUESTIONS**

**Provincial Debt**

**Government Plan for Economic Instability**

Mr. Hugh McFadyen (Leader of the Official Opposition): Over the last 10 years, during booming times through the international economy, provinces across Canada have taken advantage of the opportunity by paying down taxpayer-supported debt and preparing in the event that their province should go into an economic downturn.

Mr. Speaker, here in Manitoba, we've done the opposite. The debt of the province went from $7.7 billion in 1999 to $10.8 billion today—an increase in debt of over $3 billion—so that the total taxpayer-supported debt of Manitoba today is more than double that of the province of Saskatchewan.

Mr. Speaker, the debt, which stood at $7,000 for every man, woman and child in the province, now stands at $9,000 for every man, woman and child in Manitoba, an increase of $2,000 per person in this province.

Now, in the Fiscal Stabilization Fund, to be fair, they have replaced some of the money that they had taken out earlier. That fund today stands at $670 million, which is $558 for every man, woman and child in Manitoba.

Mr. Speaker, they have put Manitobans in the hole with $558 per person in the savings account and an added debt of $2,000 per person. Every person in Manitoba is $1,500 further in the hole because of their mismanagement.

I want to ask the Premier: Why has he increased the risk and the debt for all Manitobans over the past 10 years when he had a golden opportunity to reduce the risk, reduce the debt and prepare Manitoba in the event that we're heading into stormy waters?

Hon. Gary Doer (Premier): Mr. Speaker, first of all, we've dramatically reduced the taxes in Manitoba. We've dramatically reduced the corporate tax, the small-business tax, education tax with the increase in property tax credits and the elimination of the ESL. We've eliminated the corporate capital tax for manufacturers. I think there was $186 million in last year's budget for tax reductions.

We actually have implemented the fair tax commission, the so-called fair tax commission of Mr. Manness, who recommended that we increase some of the taxes to decrease some other taxes. We've actually done it without increasing any taxes here in Manitoba, a report that was commissioned by Mr. Manness, or chaired by Mr. Manness.

We've also gone from $220 million that was in the rainy day fund, the last remnants of the theft of the telephone system with the proceeds going to the rainy day fund—we've actually taken that amount of money and it's actually—the member opposite, he hasn't read the Public Accounts report. I think it was released three weeks ago. The number in the rainy day fund is $818 million.

I would also point out, Mr. Speaker, that 10 years ago the Auditor General would not attest to the Conservative books. I would suggest that they wouldn't attest to the—there was the reserve statement from the Auditor General in '98, and when the member opposite was in the chief of staff position in '99, again the Auditor General would not attest to the fact that the books accurately reflected the true situation in Manitoba.

So when you have an unfunded pension liability off the books and you put it on the books, that's why the balanced budget law amendments are going to go from two sets of books—one having numbers off, the debt numbers off the books, and one having it on the books. That's why we're bringing in this legislation which, of course, the Tories are voting against because they want to have the old two-sets-of-books rule. They want to have one set of books under the table and the other set of books over the table. We're
going to one set of books with this proposal, and that is a lot better for the finances in Manitoba.

More money in the rainy day fund, less taxes, more investments in health and education, all debt represented in the financial position of the Province of Manitoba, Mr. Speaker.

Mr. McFadyen: That response is so riddled with inaccuracies it's hard to know where to start. The fact is that there is $670 million in the Fiscal Stabilization Fund available to deal with contingencies. They're holding $147 million on behalf of the federal government for wait-time initiatives in health care which we support. It's here in the annual report just released by the Minister of Finance (Mr. Selinger). He's got $670 million available in the savings account for other purposes, and so he's got to be clear with Manitobans about the state of the savings account.

The fact that he would talk about the telephone system, Mr. Speaker, the telephone system, I think it was two weeks ago today—and he talks about the theft of that telephone system—there was a black tie gala at the MTS Centre to celebrate 100 years of great service on behalf of MTS. And who was there in his black tie as a guest of honour, sipping martinis and accepting awards? The Premier of Manitoba was there accepting awards on behalf of the government of Manitoba.

It gets even better, Mr. Speaker. He got up on stage at the MTS Centre, celebrating 100 great years for MTS, and accepted an award on behalf of Sir Rodmond Roblin who founded MTS. That's who he accepted the award on behalf of. It's too bad members of his caucus weren't there. But, you know what? He's got one message for the MTS Centre, He's got a different message for his caucus and this House. I think he should stop attacking the men and women, the thousands of people who work for MTS. I think he should stop referring to them as thieves.

I want to ask the Premier to come back to his economic failures over the past nine years. The fact is that we have every Manitoban in the province now $1,500 further in the hole today than they were nine years ago during a time of unprecedented economic [inaudible]

Mr. Speaker, the other thing he's done is he has stood by and allowed the government to become more and more dependent on transfer payments from Alberta, Ontario, Saskatchewan and other provinces across the country to the point where in this year's budget, which spends $8,300 for every person in Manitoba, $3,000 out of that $8,300 is coming from people in other provinces in the form of equalization and transfer payments.

Why is he standing by and crossing his fingers hoping that the $3,000 out of the $8,300 is going to arrive safely this year and in the years to come?

Mr. Doer: I know the member doesn't read anything, but the O'Brien report clearly identifies some of the negotiations that have gone on between the federal and provincial governments and identifies the per capita payments for various transfer payments going up in Alberta, British Columbia and Ontario at a higher percentage in the last five years than in Manitoba.

* (13:50)

There are programs, such as unemployment insurance, where Manitoba sends a lot more money, quote, to Ottawa with a much lower unemployment rate.

So I know the simplicity of the question is mind–

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer: Mr. Speaker, I want to make a point. When you have the pension liability off the books and when the government placed the pension liability on the books, that is actually reflecting a more honest position about Manitoba's finances. When we decided to amend the legislation dealing with pension paybacks, we now have a plan where instead of the pension liability going to $8 billion in the 30-year period where the general operating debt was going to be eliminated, it's now going to be all eliminated in 40 years by having the liability on the books.

A second measure: When we came into office, the health-care-waiting money was for three years. They actually spent it in the '99 budget. There wasn't a nickel left in a three-year health--[interjection] And you were the legislative assistant to the Minister of Health. You're now heckling from your seat. They spent it all. We looked–

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. The honourable First Minister has the floor.
Mr. Doer: A three-year fund spent in three months under the Conservative government, still leaving us, under Deloitte & Touche, a massive deficit that we had to manage when we came into office.

I'm proud of the fact that we have a five-year-waiting-list amount of money. We haven't taken any money out of that in the last two years because our own source revenues have been so positive because the economy is doing so well in Manitoba that we didn't have to take any money out of it, Mr. Speaker.

Bill 240
Government Support

Mr. Kelvin Goertzen (Steinbach): Mr. Speaker, earlier this session I introduced a private member's bill that will provide a measure of justice for victims of child pornography and punish child predators.

This legislation would allow the Province to sue child predators in civil court on behalf of the unidentified victims of child pornography. The legislation is supported by Beyond Borders, and the NDP members have said that they agree with the intent of the legislation.

I'm asking the Minister of Justice today: If he's unwilling to pass the legislation today, will he commit to supporting it when I reintroduce it in the next session of this House?

Hon. Dave Chomiak (Minister of Justice and Attorney General): I've had conversations with the department. We are in agreement with the principle of the bill, and we are prepared to work with the member to have the bill passed.

There are some concerns of a constitutional nature from my department that have been raised that I think we can work on. I think there's also a fundamental issue of—I am anticipating the federal government introducing legislation on reporting of pornography at a federal Criminal Code level. I'd like to see that fitted in with the bill.

But, notwithstanding that, in principle we do support the member and the bill, and like we have on many other private members' bills, a good idea is a good idea. We're prepared to work on it.

Mr. Goertzen: I do appreciate the answer because I do believe that all members of this Legislature want to do whatever they can to reduce child pornography and to help the victims of child pornography.

So I just want to confirm and ensure that the member will contact me during the break that this House will be on, and I can meet with him and department officials to work to strengthen this legislation, and when I introduce it, then, in the new session of the Legislature, will confirm to pass it on behalf of the victims of child pornography. I appreciate that, Mr. Speaker.

Mr. Chomiak: As the first jurisdiction in Canada to have the mandatory reporting of child pornography and as a jurisdiction that has worked with the other provinces to persuade the federal government to actually have Criminal Code amendments to have mandatory reporting of child pornography and anticipating that that will happen, this matter of compensation—pardon me, this matter of fining, et cetera, I am very prepared to work with the member on because it's a natural extension of that particular effort. So I am prepared to work with the member.

In terms of timing, I can't promise specific timing, but I think I am prepared to say we can try to get a bill passed through the next session of the Legislature, similar to the pledge I've made to get a new police act passed at the next session of the Legislature.

Emergency Room Patient Death: Nursing Staffing Levels

Mrs. Myrna Driedger (Charleswood): When the Premier (Mr. Doer) was being asked questions about the death of Brian Sinclair, he very carefully avoided talking about the nursing shortage in the Health Sciences Centre ER. At least 10 times he skirted the issue and assured everybody that there were enough doctors, but he never once made a reference about nurses. But, according to about five years of FIPPA's, the Health Sciences Centre ER has been chronically short of nurses.

So alarm bells started to go off for me, and I made some phone calls.

I'd like to ask the Minister of Health to tell me: How many nurses was the ER short on the Friday afternoon when Brian Sinclair came in? Were they short one nurse, two nurses, three nurses? How many were they short?

Hon. Theresa Oswald (Minister of Health): I appreciate the opportunity to respond to the question.

I'd like to ask the Minister of Health to tell me: How many nurses was the ER short on the Friday afternoon when Brian Sinclair came in? Were they short one nurse, two nurses, three nurses? How many were they short?

Hon. Theresa Oswald (Minister of Health): I appreciate the opportunity to respond to the question.

Certainly, Mr. Speaker, when we all learned of the tragedy of Mr. Sinclair, checking the staffing situation, the complement of nurses, the complement of reassessment nurses, the complement of doctors that were available on staff that evening was a
priority for us. We checked into this immediately. We received assurances that for the majority of the time over which the tragedy occurred that staffing did not present itself as an issue that contributed to the death.

We did know that there was a complement of one nurse, a reassessment nurse that was filled in from another position, but the inquest and the critical incident review is going to further determine any details on this front.

Mrs. Driedger: Mr. Speaker, on CJOB the Premier (Mr. Doer) said, and I quote, what was the nursing coverage, it was, it wasn't 100 percent, but it was very, very significant and positive.

So he admitted they weren't fully staffed, and he made it sound like the nursing shortage was no big deal. I want to tell the Premier, as a former ER nursing supervisor, being short even one nurse, one ER nurse in a busy ER, is a big deal. It creates chaos.

So if there are 15 or 16 nurses that would be working a shift when Brian Sinclair came in, I would like to ask the Minister of Health, because she would know this answer now, how many nurses were they short, one, two, five? How many was a positive nursing shortage?

Ms. Oswald: Certainly, I can inform the House that when we immediately began the review to learn what went so terribly wrong in this tragic situation, of course one of the initial questions that we asked concerned staffing. We were initially led to understand that there was an 87 percent full staffing level on the Friday and that any gaps that existed were certainly transferred into a reassessment process. We know that part of that process did not work effectively.

We know that the staffing on Saturday was somewhere between 97 percent and 100 percent.

But that's what this inquest is going to show us, Mr. Speaker, is where the errors have occurred. We do not want to presuppose the answers to that.

1999 Election Campaign Expense Rebates

Mr. Kelvin Goertzen (Steinbach): Mr. Speaker, yesterday, at a time when Manitobans were worried about their homes, when they were worried about their jobs, when they were worried about their retirement savings, this Premier (Mr. Doer) was in the Legislature and in the hallways defending a decision by the NDP government to take a million dollars from taxpayers and put it into the NDP account.

Some Manitobans may have been wondering if this was just simply a temporary loss of judgment by the Premier, but, sadly, it's a pattern of this NDP.

In 1999, 13 candidates for the NDP, including five members who are sitting on the government side, filed false election returns and, as a result, wrongly claimed $76,000 of taxpayers' rebates.

Will this government admit today that the decision to take a million dollars from taxpayers wasn't a one-time offence but, in fact, was the work of a repeat offender?

Hon. Dave Chomiak (Minister of Justice and Attorney General): Mr. Speaker, I thought the member had legal training, and when one is trained legally, one is generally trained to be very careful with what you say.

Now, you may have immunity in this Chamber, Mr Speaker, but you don't have immunity in the hallway, and I think you ought to respect people's reputations.

The only person that I think that was convicted for violating The Elections Act was the former Member for Provencher, the present head of the Treasury Board in Ottawa, Mr. Vic Toews. That's the only person that I know of that was actually convicted.

That's the only one that I know of that was convicted. So, Mr. Speaker, allegations made by members opposite that are always made in this House, so often, 99 percent of the time, are proved to be wrong. So I think you ought to be careful in making allegations in this Chamber.

*(14:00)*

Mr. Goertzen: Mr. Speaker, it's not a false allegation. Seventy-six thousand dollars they had to return to Elections Manitoba, and it included the members for Burrows and St. James, the Minister of Aboriginal Affairs, the Minister of Labour, the Minister of Finance, were all caught up in this NDP scheme.

When Manitobans are caught in an illegal act, they are required to pay the fines or restitution, and they're often required to pay interest on those fines or restitutions. Can the government indicate: After they
were caught in this 1999 election financing scheme and repaid the $76,000 to Manitoba taxpayers, what rate of interest did the NDP pay on that $76,000?

Mr. Chomiak: Mr. Speaker, the Manitoba elections officer has the ability to make decisions, and if something is inappropriate or overspent or under-spent, one has the ability to remedy that.

That's very different than when Judge Monnin looked at what the Conservatives did on The Elections Act and said that charges should be laid against officials of the Conservative Party but that they'd already suffered enough and no charges would be laid in the scheme, where the judge said he'd never seen so many liars in his life as when he investigated the Conservative Party.

There's a big difference between a criminal investigation and a criminal conviction, Mr. Speaker, and overspending or under-spending, indirectly or indiscreetly. That is a big difference and the member who has legal training ought to know that. If he's not sure of the difference, read the Monnin report, where they said, in the Conservative Party, they'd never seen so many liars in their life.

Mr. Goertzen: I take it by the minister's answer that they didn't pay any interest. They were getting a sub-prime loan before we ever heard of the term.

Mr. Speaker, yesterday they defended taking a million dollars from taxpayers. Today they're defending the $76,000 that they tried to get from taxpayers under the scheme in 1999, all of this at a time when families are worried about their jobs, when they're worried about their homes, when they're worried about their retirement funds--NDP priorities versus the real priorities of Manitobans.

Can the government tell Manitobans how much more money was improperly claimed in rebates from taxpayers prior to 1999 using the same scheme that they were forced to pay back $76,000 from?

Mr. Chomiak: All I know is, Mr. Speaker, if the member wants to be consistent, they took a million dollars of taxpayer funding for the election campaign. They took a million dollars in funding for the election--

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Chomiak: Mr. Speaker, the Conservative Party took a million dollars in taxpayer funding for the election on a bill they opposed and said they would, and if they want to be consistent they should give the money back.

But if the member wants to know what the priorities are, he can remember when we came to office in '99, the first thing we did was move cancer patients to the United States. He could look to the Minister of Health (Ms. Oswald), two weeks ago, that brought in seven oncologists, some from out of the province to deal with cancer patients.

He could talk about CentrePort, the legislation that we've passed this session.

You want to talk about priorities for women and men in this province: more jobs, a $20-million economic fund for Aboriginal people, rather than a scheme to fix votes of which they found some.

Manitobans know the truth, Mr. Speaker. They know who to trust in regard to these kinds of issues.

Bill 37
Time Line of Implementation

Mr. Hugh McFadyen (Leader of the Official Opposition): Mr. Speaker, they want to have a debate about that last taxpayer funded bailout that they provided in the 1980s and that's fine. Parties across the province have been accepting their rebate cheques, and we'll have a discussion about rebates received by the NDP in respect of the last few elections. I think that would be a good debate to have.

But, Mr. Speaker, the member just asked about the $76,000 that they took from taxpayers based on false returns after the 1999 election. They held that money for three years. They were allowed to give it back without interest. At 5 percent, it's $11,400 in interest that they should have paid on it. They won't even pay the $11,400 to Manitoba taxpayers for the 5 percent in interest.

Now, let's look at the next million dollars they want to take from Manitoba taxpayers. The bill, Mr. Speaker, that we just passed yesterday that will get royal assent today doesn't come into effect until January of 2009.

I want to ask the Premier: How anxious is he to get his hands on the vote tax money? Is he going to try to apply for vote tax money for the 2008 year, or is he going to be able to wait until his filing in 2010 with respect to the 2009 year, the year the bill comes into effect? Is it going to be retroactive or is he going to be able to keep his hands out of Manitobans' pockets until 2009?
Hon. Gary Doer (Premier): Well, Mr. Speaker, I'm sure the member opposite has read the bill. We know that the Tories have consistently stated that they opposed partial public financing of political parties. We know that they've taken $2.5 million in rebate, the Leader of the Opposition, $1 million more than what we claimed in the 2007 election. We did not go over, or to our spending limits, because, quite frankly, we were fairly confident of how the election would turn out so we didn't have to spend as much money in the last week of the campaign as the member opposite.

Mr. Speaker–

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I'm going to ask the cooperation of members, please, because when there are some issues that could be deemed to be a little contentious, that sometimes some members might, on the record or maybe off the record, say something that is unparliamentary or against our rules, if that does ever happen, I know that one of you would be the first to jump up and say, Mr. Speaker, deal with that.

So I want the opportunity to hear every word that is spoken here so if there is such a case, I will deal with it. But I need your cooperation, please.

The honourable First Minister has the floor.

Mr. Doer: Yes, thank you, Mr. Speaker. Now, I just want to make a point about the issue of—and I don't believe the law is retroactive. I'm certainly just trying to recall the language, and it certainly wasn't our intent that it would be retroactive.

On another factual issue, the member opposite has been talking about a, quote, vote tax. Mr. Speaker, I just voted in the advance elections for the federal election. I did not pay $1.95 in a, quote, vote tax. I think it's really important—I understand the ability of members opposite to oppose public financing of political parties and then take a million dollars. I understand that kind of issue from members opposite. It's got a term that you can label it.

But, notwithstanding that, as Professor Paul Thomas said, it's really wrong to misrepresent the ability to vote in a democracy and label it in a negative way. I did not pay a $1.95 vote tax when I voted in the federal election. Mr. Speaker, I think it's really important, in terms of democracy, for the member to be honest and encourage participation, not discourage participation in democracy.

Mr. McFadyen: Mr. Speaker, I think it's an important point. There are hundreds of thousands of dollars in taxpayers' money riding on this. He's had plenty of opportunity to get the answer to the question because he was asked about it yesterday in the scrum. His government is sending conflicting signals about when the vote tax money starts to apply. The bill comes into force in 2009. Some are saying that they're going to be eligible for it with respect to 2008. Others are saying they're not eligible until 2009.

I want to ask the Premier: Are they going to file, with their 2008 return, which needs to be filed by March 31, 2009, just about six months from now, will they be filing a request for vote tax money for 2008? Yes or no?

Mr. Doer: Mr. Speaker, I did not pay $1.95 vote tax to a federal political party when I voted. If the member opposite wants to continue to misrepresent it for political purposes, he can do so. I assume today they're going to the Conservative rally and rally up and ask that this vote tax be removed in federal partial financing of political parties. I wonder if they'll do that as they give back the $1 million that they took a year ago.

Having said that, I do not believe, and I'm pretty sure, the bill is not retroactive.

* (14:10)

2003 Election Returns
Personal Expenses

Mr. Hugh McFadyen (Leader of the Official Opposition): I appreciate the Premier confirming that they're going to wait till their 2010 filing. I want to ask the Premier: He's made reference—and speaking of misrepresenting, incidentally, the former Member for Wellington, an NDP member, was also charged and convicted under the act, contrary to what the Attorney General just finished saying. So, while we're on the topic of misrepresentations, that might be one that they want to apologize for.

Mr. Speaker, the Premier made reference to the rebates received by political parties after they file their returns after elections. Following the 2003 election, every MLA in the province filed their returns, and one MLA in the province made a filing for $6,183.60 for so-called personal expenses. That MLA's filing was more than all of the other 56 MLAs who were elected combined. All 56 MLAs combined filed for a personal amount less than this
MLA. That MLA was the Member for Concordia (Mr. Doer).

I want to ask the Premier: The personal filings that were rebated by taxpayers that he made in 2003, was this a typo? Did they have the decimal point in the wrong spot in his 2003 return?

Hon. Gary Doer (Premier): Mr. Speaker, the filing at 2007 under the–and the member opposite has raised these questions with Elections Manitoba at committee. But the central party filing of 2007 was $603,000 for the Conservatives and $585,000 for the NDP in the 2007 election.

In other words, Mr. Speaker, the member opposite who professes to be against public financing of political parties, the candidates took $460,000 and the leader filed a claim for $603,000. Is this a typo, that he took a million dollars from public taxpayers of Manitoba? Is this a typo or just hypocrisy?

Election Campaign Expense Rebates
Request for Referendum

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

Mr. Hugh McFadyen (Leader of the Official Opposition): Mr. Speaker, he's 0 for 3 in responding to questions. The question was about personal expenses of more than $6,000. There's a category for lawn signs. There's a category for staff, and a whole bunch of other things, for travel. Then there's a category called personal. One MLA filed more for personal expenses than every other MLA in the House combined after 2003.

In any event, so he doesn't want to respond to that question. So I want to ask him, Mr. Speaker, on a new question: He didn't campaign in the last election on a new vote tax for Manitobans. Nowhere was that disclosed to the people of Manitoba when he was campaigning.

If he's so confident when he changes the rules of democracy in Manitoba, if he's so confident that he's got public support for his vote tax, will he put it to the people? Will he have a referendum on the vote tax, Mr. Speaker?

Hon. Gary Doer (Premier): Well, Mr. Speaker, there's a referendum on a vote tax right now in the federal election. I did not pay $1.95. You know, the Progressive Conservative--

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. Let's give the opportunity for a response, please.

Mr. Doer: Mr. Speaker, I recall that every political party in Ottawa will be eligible for this levelling off of democracy that all parties have supported. Professor Paul Thomas, an expert in democracy, said that using the term vote tax is inaccurate and not proper in democracy.

We recognize a number of other jurisdictions have it. I'm sure he will stand up today in front of Stephen Harper and say, don't take the $1.95 per vote. Don't take the $1.95 per vote, Mr. Harper, and all the Conservative candidates in Manitoba that are running and all the Conservative candidates across Canada.

I'm sure that the great hypocrite that took a million dollars in 2007--

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I know some issues get heated, but we still have to have decorum.

We have rules in this House. One of the rules is referring to another member besides being–every member in this House is an honourable member and they should be treated as such.

I ask the First Minister to withdraw that comment.

Mr. Doer: I apologize and withdraw it.

Now, continuing on in my answer, the practice of hypocrisy in taking money from a public financing of political parties has been around for a long time. I remember there was a referendum on this issue in 1986. Mr. Speaker, at that time, the then-Conservative government, or opposition, said if they were elected they would eliminate this tax, this partial financing of political parties.

Yes, that's exactly what they called it. They took it, Mr. Speaker. They then went in the '86 election, filed in '86, got elected in '88, filed again and took public financing. They said they didn't like it, but again in 1990, they filed again. In 1995, notwithstanding the fact that they were ripping up cheques at central office from the Conservative Party--we're not perfect, Mr. Speaker. We're not perfect, but members opposite have an interesting past.

Mr. Speaker, they, again, in government–there were two former Cabinet ministers sitting on the front bench. They said they wouldn't take it. They
took it in '88, they took it in '90, they took it in '95, they took it in '99 they took it in 2003 and then, the great reformer across the way took more money from public financing in 2007 than we, the NDP, did after the filing in the election campaign.

Mr. McFadyen: He's got 34 strong supporters in Manitoba for his vote tax, Mr. Speaker. They're all sitting in this Chamber today.

I look forward to seeing the reaction of their constituents when they go to the door and say, you know, the last NDP government put in all of these grants. We've taken all of them. In fact, we've taken $2 million from taxpayers in the last four years. Now we need another million on top of that. Oops, sorry about the $76,000 we took when we filed the false returns in 1999, and, no, you're not going to get the $12,000 in interest that we kept on it, and now we're going to come back for another million dollars.

I'm not sure what the Premier was spending more than $6,000 in personal expenses on that were reimbursed by Manitoba taxpayers. They'll have to ask him that question.

So my question to the Premier is will he respond to at least one question that's been put to him in this session: If he's so confident in his position, will he have a referendum?

Mr. Doer: Well, Mr. Speaker, if the member opposite has a principled position, as allegedly former Premier Filmon had–allegedly–because he had, you know, twice and once the hedgecock crowed.

He had a chance in '88 when he was in government to get rid of the law. He had a chance in 1990 to get rid of the law. There are two former Cabinet ministers that were in that Cabinet that are sitting here now, one on the front bench. He had a chance, and in '95—[interjection] Well, the member yells aloud. She yells loudly, Mr. Speaker.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I hear a lot of conversation going back and forth. If members wish to have that conversation, we have two empty loges. That way maybe they could hear each other a lot better because I sure can't hear anything from here. So I ask the co-operation of members, please.

The honourable First Minister has the floor.

* (14:20)

Mr. Doer: Thank you, Mr. Speaker. We've already identified the duplicity of a position that people could take when they claim money and say they're against it.

Mr. Speaker, I would respect members opposite if they had a consistent principled position. That's a legitimate issue in a democracy. But you can't do one thing, take a million dollars, and then say you don't believe in partial public financing of political parties.

Why are other jurisdictions, other countries in the world, other provinces, changing election laws? They're changing it to get rid of the influence of money on decision making. They're changing laws to get rid of special interests, sometimes determining, directly or indirectly, what is the public interest. They're going to fixed election dates, which, of course, we brought in this session, not fixed elections. They're going to have greater partial public financing.

In the U.K., Mr. Speaker, they have all kinds of issues of access to public broadcasting and private broadcasting. There's a whole attempt in Conservative provinces, in the House of Commons, supported by political parties, to get rid of the influence of special interests.

We want to have more people voting. We want more polling stations available closer to home. We brought in laws to provide less electors for purposes of voting. There are many changes in this election law, and I want to know why members opposite have voted against a fixed election date, which is supposed to be a democratic reform for Manitoba. Let's get on with raising the level of democracy, instead of debasing it as the members opposite always do.

Mr. Speaker: Time for oral questions has expired.

Hon. Jon Gerrard (River Heights): Mr. Speaker, I ask leave to ask my question and two supplementaries.

Mr. Speaker: Does the honourable member have leave to ask his question and two supplementary questions? Is it agreed? [Agreed]

Federal Liberal Green Plan
Government Support

Hon. Jon Gerrard (River Heights): Mr. Speaker, the Premier has been championing the cap and trade
system as a magical answer to climate change. Yet the reality is that the Western Climate Initiative only calls for reporting of some emissions starting in 2011, and it will only affect large and very large emitters who contribute a minority of the greenhouse gases in Manitoba. The other agreements the Premier signed are even more vague and later.

How can the Premier say that the cap and trade system is a magical answer and will quick-fix the climate change when it won't start reporting until 2011 and won't address the majority of Manitoba's emissions?

Hon. Gary Doer (Premier): Mr. Speaker, I'm glad the member opposite is taking such great interest in the cap and trade system that we support, as opposed to the carbon tax, which is not supported by us.

I would point out that this House, in this last session–and I know when we're trying to tear each other down, we forget how to build each other up, but in this Chamber last session, in this current session of the Legislature, we passed a law, the first law in any state or any province in North America, to confirm that Manitoba is committed to the Kyoto targets of being 6 percent below 1990 levels in the year 2012. We should be proud of the fact. I know when we tear each other down, we should look at how we build this province up.

Manitoba is the first province in Canada, the first province in this beautiful country of Canada, to pass a law that commits Manitoba to our international obligations under Kyoto. I think we should all be proud that we live in a province that is going to have our international treaties respected and that we're going to live under the international agreement of Kyoto.

We should be proud of that, first in Canada, Mr. Speaker.

Mr. Gerrard: Mr. Speaker, I'm glad we've got a target, but I point out to the Premier that his cap and trade will do virtually nothing to help him achieve that target. Therefore, why doesn't he look more seriously at the Liberal green shift which will come into effect much more quickly and will actually help Manitoba achieve the target?

Why is the Premier so opposed to addressing climate change quickly? Why is he so opposed to the green shift which will put dollars in the pockets of ordinary Manitobans, of single mothers with children, of people all over Manitoba? Why is the Premier so opposed to effective measures which are going to benefit Manitobans? Why is he arguing only for the cap and trade?

Mr. Doer: You know, Mr. Speaker, it's interesting, a little while ago, I think the leader and the former Liberal leader of Alberta was talking about bitumen being brought into Manitoba, great editorials about that, notwithstanding the issues of the climate and other issues.

Mr. Speaker, we're proud of the fact that we've been recognized as doing some good work in this area. We know we have more work ahead of us. We're proud of the fact that this Legislature, this session of the Legislature, is the first. There are 50 states in United States. There are 10 provinces in Canada, three territories. We're the first ones. In this session of the Legislature, we're the first ones to commit to Canada's commitment to Kyoto.

Now, I know Canada signed Kyoto. I know they signed on to an international agreement, but they didn't bring in legislation to require Canada to follow it and they didn't bring in a proper plan. I'm hoping after this election on October 12--and we don't know what's going to happen after October 12, but I hope that whoever's elected to government and the provinces can work together.

I hope they use some of the thinking that's gone on in this Legislature as a model to move Canada forward to protect our lakes, to protect our forests, to protect our polar bears and to protect our future for our children and our grandchildren, Mr. Speaker.

Mr. Gerrard: Mr. Speaker, we are on the same page in terms of reducing emissions successfully in Manitoba. We are on the same page that the cap and trade eventually is going to do some good, but we believe that we need some effective measures in the interim and that, in fact, we have an opportunity to support the green shift which will not only help us achieve the targets that we all want, but it will bring in dollars to Manitobans because we have so much hydro-electric power.

We should benefit from that hydro-electric power. We should support the green shift for the benefit of Manitobans and for the benefit of the planet and achieve the targets which we all want to achieve.

Mr. Doer: Mr. Speaker, we certainly respect his loyalty to the platform articulated by his national leader. I assume now that this--I've read all the quotes
for the Leader of the Liberal Party is now the provincial Liberal position. I haven't heard the Member for Inkster (Mr. Lamoureux) asking a question about a carbon tax yet, but I guess this is a caucus decision of the Liberal caucus here in Manitoba.

I assume the member opposite is going to take this platform in the next provincial election to northern Manitoba. I assume he's going to go to Churchill where the fuel prices have gone up 20 percent, where food prices have gone up 20 percent. I assume he's going to go to Thompson. He's going to go to Norway House. He's going to go to Lac Brochet. He's going to go to Pukwitonei. He's going to go to Pukatawagan. He's going to go to Flin Flon. He's going to go to Swan River. He's going to go to Dauphin. He's going to go to Neepawa, and he will be arm in arm with the Member for Inkster talking about raising carbon taxes all across Manitoba.

I look forward to that debate when it takes place during our next set election date three years from now. I'm sure the people will vote for our sensible way of protecting our environment with the cap and trade system rather than the carbon tax proposed by the caucus opposite, Mr. Speaker.

Mr. Speaker: Order, please.

As previously agreed, question period is now over.

* (14:30)

I just have a very brief statement for the House.

As the Assembly will be adjourning today, I'm asking members, please empty the contents of their desk before leaving today. I encourage members to recycle their Hansards and copies of bills by depositing them in the blue bins here in the Chamber. Any other material members have to recycle should be placed in the larger blue bins in the two message rooms. I thank all honourable members for their anticipated co-operation.

**Introduction of Guests**

Mr. Speaker: Before moving on to members' statements, I'd just like to draw the attention of honourable members to the public gallery where we have with us 20 participants with Canada World Youth who are here from across Canada and India. They are the guests of the honourable Member for Radisson (Mr. Jha), Member for The Maples (Mr. Saran) and the Member for Wolseley (Mr. Altemeyer).

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

**MEMBERS' STATEMENTS**

**Manitoba Student Leadership Conference**

**Mr. Bidhu Jha (Radisson):** I'm pleased to speak today about student leadership events, the 20th Manitoba Student Leadership Conference and the Career Internship Program that took place at Windsor Park Collegiate.

This year's leadership conference entitled, Take the Lead, was held from September 25 to 27 and welcomed students from 40 schools across the province.

**Mr. Daryl Reid, Acting Speaker, in the Chair**

I had the pleasure of speaking at the opening ceremonies, along with the Premier (Mr. Doer) who opened the conference after a great stage show performed by the students.

Louis Riel School Board trustee, Hugh Coburn, the president of the Louis Riel Teachers' Association, Madeline McKenzie and the superintendent and CEO of the division, Terry Borys, also greeted the students with motivational messages.

The event, designed to encourage the youth of Manitoba to discover their inherent leadership qualities, was a grand success. This year's conference was made up of a variety of diverse workshops where students could learn valuable skills that they can create their own futures.

I congratulate all the students and advisers who took part in the conference. I hope they have learned things valuable to them.

Mr. Acting Speaker, I also thank Lori Howarth and Cynthia Remedios from the conference organizing committee, as well as the MSLC committee members, the Windsor Park Collegiate Parent Council and the school division board office.

I would like to also recognize the very successful career internship program at Windsor Park Collegiate.

I congratulate and thank teachers, Adriano Magnifico and Chip Berry for inspiring their students.
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to learn skills that help them for tomorrow's workshop.

Congratulations to Ms. Heather Spenceley, a participant in the program, who received the Bidhu Jha Work Place Excellence Award.

I take great pride in stating that my passion to build a better world starts right at the foundations of our society, our youth. I was extremely proud to be part of these events at Windsor Park Collegiate and I thank them all for the participation. Thank you, Mr. Acting Speaker.

Prairie Forest Products Ltd.

Mr. Stuart Briese (Ste. Rose): I rise today to congratulate Prairie Forest Products Ltd., the town of Neepawa and the R.M. of Langford for their recent opening of a brand-new wood preserving plant.

Mr. Acting Speaker, along with Conservation Minister Stan Struthers, other honourable members of this House and over 200 citizens, I had the pleasure of attending the grand opening of the plant on October 2.

These facilities are the result of a $6-million expansion to the industry. It took 10 months to build and begin operating. The plant produces wood products for many uses including utility poles, fence panels, fence posts and residential decks. Besides providing local Manitoba communities with these materials, Prairie Forest Products Ltd. transports them to Saskatchewan, Alberta, Ontario and down into the northern United States.

The plant employs about 100 people at the moment, but due to an ever-increasing volume of demand for their superior products is looking to expand their labour base.

Prairie Forest Products is proud to be part of the Neepawa community and is a significant economic contributor to the region. The company is a division of the Prendiville Industries which began when Joe Prendiville arrived in The Pas from Ireland in 1949. Mr. Prendiville's hard work and integrity built up a small company in what is today a conglomerate of divisions with the same high standards and respected reputation. Today, Prendiville Industries is owned and managed by Joe Prendiville's four children who work to continue the legacy of quality service and products that started with their father.

Please join me in congratulating the Prendiville family and Prairie Forest Products Ltd. for the opening of their plant and acknowledging their substantial economic contribution to Neepawa and the surrounding area. I wish them all the best in continuing to provide high quality wood products and customer service to the people in this province and beyond.

The Acting Speaker (Mr. Reid): Just a reminder for all honourable members, the Chair would appreciate it if you would refer to members by their constituencies.

Canadian Parents for French

Ms. Sharon Blady (Kirkfield Park): I rise in the House today to pay tribute to an organization of parents, the Canadian Parents for French, for its hard work in supporting and enhancing learning in second-language instruction programs in Manitoba. Canadian Parents for French is a great parent and volunteer organization that provides support and activities for parents of students in French as second language courses.

On October 4, I had the delight to attend the Canadian Parents for French annual general meeting. These parents recognize that learning French is crucial to the upbringing and future success of their children. Knowing two languages increases our children's ability to compete in the global economy, enhances their appreciation of other cultures and expands their educational potential.

In Manitoba there are more than 102,000 people who speak French as a first or second language. There are French immersion programs available in 22 communities in Manitoba with 58 schools in Winnipeg alone. My children are currently enrolled in French immersion programs, and I am pleased to say that I have watched them learn and embrace French. Their potential is boundless and I credit that to the high-quality French programs we have right here in our province.

I would like to encourage parents in Kirkfield Park to learn more about and become involved with CPF for the supports it provides to parents of children in FSL programs. Kirkfield Park is home to two of the three early years schools that offer French immersion programs in the St. James School Division. Parents can visit the Canadian Parents for French Web site at www.frenchforlife.ca to learn more about the wonderful programs and opportunities they provide for FSL families. Opening our children to new languages, experiences and cultures will enable them to grow to become active
members not only of our community, but of the global community as well.

Manitoba has a strong and viable French population—both first- and second-language speakers.

Je veux remercier Canadian Parents for French pour leur travail. I commend them for their dedication to French language instruction in our province.

Merci, Monsieur le Président suppléant.

Translation
I want to thank Canadian Parents for French for their work.

Thank you, Mr. Acting Speaker.

Rivers Gazette 100th Anniversary

Mrs. Leanne Rowat (Minnedosa): It’s been 100 years since Thomas W. Offen shipped a printing press from Ontario to the newly settled village of Rivers and the Rivers Gazette began. Mr. Offen remained the editor for 37 years and worked hard at serving the community. The first editor of the Rivers community newspaper laid the foundation for an informative and friendly news publication.

The first issue of the Rivers Gazette was issued on July 9, 1908, from 540 Second Avenue, the former Louis Café. A year later, in November 1909, the business was moved to 209-211 Main Street where at that time it was the only structure on that side of the street. The subscription rate was $1 a year and customers enjoyed current and international events, recipes, patterns, human interest stories and three columns of local news. The 100-year-old printing equipment used to publish the Rivers Gazette has been donated to area museums.

Through changes in name, location, editors and printing technology, the newspaper in Rivers remains a part of the fabric of the town. Now known as the Rivers Banner and edited by Ken and Chris Waddell, the Rivers Banner continues to be a pillar of the community. With a circulation of over 1,600 readers, the Rivers Banner supplies the community with regional news.

I would like to thank the current editors, Ken and Chris Waddell, for continuing the newspaper in Rivers and for being active members in supporting rural Manitoba. I would also like to recognize the local contributors and advertisers.

Mr. Speaker in the Chair

Mr. Speaker, today I am very pleased to celebrate this 100th anniversary of the Rivers Banner Gazette-Reporter. I congratulate the community on their achievement. The town of Rivers would not be the same without its local newspaper. Thank you.

Winnipeg Walk for Darfur

Ms. Jennifer Howard (Fort Rouge): Mr. Speaker, today I ask us all to acknowledge the hard work of the organizers and participants in Winnipeg’s 2008 Walk for Darfur. Many people committed their time and energy this past Sunday to run or walk to raise awareness and funds in response to the ongoing humanitarian crisis occurring in the Darfur region of Sudan.

Conflict has engulfed the Darfur region for the last several years, resulting in tens of thousands of deaths and roughly three million people displaced from their homes.

* (14:40)

The United Nations has described the situation as one of the worst humanitarian crises to face the region. One of the greatest concerns for Darfur is the security of food aid that three million people depend on. Piracy in the waters around the Horn of Africa is causing the situation to deteriorate. Fear, hunger, poverty and disease grip the region.

This past weekend, Manitobans once again showed their compassion and took a stand for change. The Walk for Darfur is intended to raise the public’s awareness, to raise funds urgently needed to provide food, water, shelter and health care to the millions of displaced refugees and to inspire fellow citizens to be globally-minded, willing to make a tangible difference in the lives of the people of Darfur.

In 2007, over 500 people attended the walk and run and over $15,000 was raised. I was pleased to attend this important event, along with the Member for Wolseley (Mr. Altemeyer) and Member for River Heights (Mr. Gerrard).

On behalf of all of us in this House, I would like to thank the organizers, participants, speakers and performers. The Walk for Darfur reminds us that there is hope amidst the suffering and that every person, no matter how close or how far, can be a force for change in our world. Thank you, Mr. Speaker.
ORDERS OF THE DAY  
(Continued)  
GOVERNMENT BUSINESS  
DEBATE ON CONCURRENCE AND THIRD READINGS  

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

 Mr. Speaker: Okay. We'll call concurrence and third reading of Bill 38, The Balanced Budget, Fiscal Management and Taxpayer Accountability Act, standing in the name of the honourable Member for Lac du Bonnet (Mr. Hawranik).  

What is the will of the House? Is it the will of the House for the bill to remain standing in the name of the honourable Member for Lac du Bonnet?  

An Honourable Member: No.  
Mr. Speaker: No, it's been denied.  
Mr. Rick Borotsik (Brandon West): Mr. Speaker—[interjection]  

We're not taking the money. Actually, the Finance Minister is taking the money from all taxpayers of the province of Manitoba.  

Mr. Speaker, it's a sad day, it's a very sad day in this House, it's a very sad day in Manitoba, it's a very sad day for Manitobans. After today, this will be the last day that Manitobans can demand accountability of their Finance Minister, accountability of this government to be forthcoming with Manitobans, to be accountable to Manitobans in a fiscal manner.  

Mr. Speaker, today with Bill 38, there will no longer be the requirement to balance an annual operating budget. To put it in proper perspective, what that means, if you were a family and you were bringing in income to your household and you had expenses in that household, you could in fact only expend what it is that you brought in on income. That's a balanced budget. When you bring in a dollar, and you spend a dollar, and you have either a surplus at the bottom or nothing left, that's a balanced budget.  

Well this Finance Minister has brought forward a piece of legislation, Bill 38, which now says, Mr. Speaker, that he does not have to balance. He does not have to spend the same amount of money that he brings in on revenue, even though that revenue has been increasing quite dramatically over the last nine years that they've been in office, and they can thank the Progressive Conservative government previously for that, and they can thank Canadians because their equalization payments have been increasing quite dramatically over the past nine years. So they're spending more money.  

But the bottom line is the bottom line. When this bill passes, Bill 38 passes, the Finance Minister no longer has to balance the budget on an annual operating basis. He's going to stand up and he's going to say that he was forced into this, that the Auditor General has insisted that the Finance Minister be GAAP compliant, and we agree with that. You can be GAAP compliant, Mr. Speaker. You can do a summary budget. You can bring in the other entities that we have in the province of Manitoba that do, in fact, generate revenue, such as Manitoba Hydro, Manitoba Liquor Control Commission and Manitoba insurance corporation. You can bring in that, and you can show a summary statement. You can do that, but you could also put an annual operating budget forward that's going to be balanced. You can do that.  

But the Finance Minister, not that he doesn't want to—I honestly believe that the Finance Minister would like to be able to bring forward to Manitoba a balanced budget. I think he would like to. The problem is, Mr. Speaker, in the next numbers of years I don't think he's going to be able to. He's not going to be able to because of some overzealous spending. The Finance Minister can't control his ministers. He can't control the spending that's going on in his government right now.  

As a matter of fact, last budget year, they increased spending by 6.2 percent. We know that the growth of the economy is not growing by that much, so we know right away that they're not going to be able to maintain. It's not sustainable spending, but he can't control his ministers.  

Mr. Speaker, so we know the spending's going up. We know, we know as we stand here today, that the revenue streams are going to become less this fiscal year than they were in previous fiscal years. We know that retail sales tax generation is going to be less this year than it was last year. We know that equalization is going to be impacted. We know right
now that Ontario and Québec aren't going to be able to continue to force-feed Manitoba the equalization that we've been dependent on for the past nine years.

So we know that the revenues are going to dry up and we know that the Minister of Finance (Mr. Selinger) is not going to be able to balance his budget. So he's going to stand up and say today, I have to comply with the Auditor General; I have to do a summary budget. That's the law because the law is Bill 38, and he's going to force it down our throat.

But what he isn't going to tell you is they're going to have a four-year rolling average which means he doesn't have to balance it even in the next four years. He can bring in all the revenues and all the incomes from the other Manitoba corporate entities. He can do that, but he doesn't even have to balance in four years. Not that he has to balance an operating budget on an annual basis, he doesn't have to balance on four years.

But the worst part is, if he runs a deficit even with all this other revenue, he doesn't even have to make up for those losses in the following year.

My colleague from Carman was speaking on third reading. I know he wasn't being derogatory when he said it, but he said that, with this piece of legislation, even the Member for Brandon West could balance the budget. I know he wasn't being derogatory. He was just being a realist.

As a matter of fact, not only could I balance this budget based on this legislation, I think every member of this House could balance this budget based on this legislation, even those who have never had any financial experience. There's a lot of those on the government bench, I can assure you of that; even they could balance the budget based on this legislation. So that's what we have.

Today in this House, we are going to pass a budget that is not ever going to have to be balanced again and that's wrong. In 1995, the Progressive Conservative Party brought forward legislation that said, in the best interests of the financial longevity of this House and of this province, it's best that we balance our budgets. They fought it at the time. They didn't want balanced budgets. They said it was a financial straitjacket.

Now they get their wish that they no longer have to balance budgets, but I'm not so sure that that's really the wish of Manitobans. I'm not so sure that, if you went out there on the streets and you asked the people today, particularly today when we're having a severe economic correction in not only this country but the globe, if you went out there on the streets and said, oh, by the way, the Finance Minister of Manitoba has decided today that he doesn't want to balance the budgets on an annual basis, I don't know what their answer would be, but I can guess.

I think that they would probably say: Why today? Why does he want to be so reckless with our fiscal future? Why does the Finance Minister want all of this power to run deficits in such an economic situation as we have today?

I think they would be opposed to it. In fact, they are opposed to it. When we had our hearings, when we had our committee sessions, when we had our committee hearings, we had an awful lot of presenters. The only presenters—I can only think of two presenters that actually spoke in favour of the Finance Minister's new legislation. They were both unions, by the way, who felt that balanced budgets were the wrong way to go, that they in fact should be able to overextend on an annual basis.

We had the CFIB. We had the Manitoba Chambers of Commerce. We had the Winnipeg Chamber. We had the Taxpayers' Association and we had literally dozens of private individuals who came forward and said, don't do that to us. Don't make our children pay for the folly of today. However, the government didn't listen. The minister didn't listen.

Mr. Speaker, in this legislation, not only do we have a summary budget with a four-year rolling average, this minister has put in some safeguards that, as the Member for Carman (Mr. Pedersen) had indicated, even I can balance. The safeguards are there. Are you aware that if there's any reduction, any reduction of income or revenue from another level of government—[interjection] I apologize for that delay, but I'm getting some instructions. The Finance Minister has put some safeguards in this piece of legislation, and, as I was saying, if there is a reduction in revenue from any other level of government—and I mean any reduction in revenue—then the Minister of Finance doesn't have to balance the budget.

Now we just said that we've got an inordinate amount of dependency on equalization payments, so, if the federal government in their calculation reduced those equalization payments, and by the way, they
have to reduce it only by a dollar, because we tried put an amendment forward to say, well, there should be at least a 5 percent clause in there. If there's a reduction of 5 percent of revenues, then at least you could, up to 5 percent you can adjust. You can look at the efficiencies within a department and you can make some changes over a fiscal year and you can still balance the budget. But no, the Minister of Finance in his wisdom said, no, no, we don't want to have any kind of percentage clauses in there. If there's one dollar change in revenue from another level of government, and that's within 30 days of the budget, he does have a little safeguard there that within 30 days of the budget being tabled. That's okay, he can just hold back. He can just hold back, Mr. Speaker, on the budget, table the budget, and if there's a one dollar change, he doesn't have to balance the budget.

By the way, there's another safeguard in there and it's about weather. If there's a severe weather occurrence, not in Manitoba because he wouldn't accept that amendment either, but if there's a severe weather occurrence that affects the budget, and we assume he's referring to Manitoba Hydro because with water levels and the amount of energy that's being produced, obviously, it relates to the amount of revenue that can be generated from Manitoba Hydro. If there's a weather occurrence, he doesn't have to balance the budget.

So, quite frankly, Mr. Speaker, the Finance Minister can go to a summary budget with this legislation. He can bring in all the other revenues that he has from the other government entities. He can spend as much money as he wants to. He can borrow as much money as he wants to, and he doesn't have to balance the budget. So it is, as I started out, I said, it's a black day for Manitobans.

It's the first time since 1995 that there is no accountability. There is no fiscal responsibility, and there is no opportunity for Manitobans to be able to understand exactly how bad this government is mismanaging the finances of this province. It's a sad day. It's a black day, and unfortunately, Mr. Speaker, will not be fixed for three years because we now have a fixed election date. I know, in three years, we can fix the mismanagement of this government. Thank you.

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, thanks for this opportunity to speak on this Bill 38. I think we need to go back and just put this in historical perspective. When the balanced budget legislation was brought in, in 1995, it was within just two years after that that the Auditor General made it very clear that it did not comply with generally accepted accounting principles and that the definition of a surplus in that budget was unique and, unlike any definition of a balanced budget anywhere else in the world where generally accepted accounting principles are used—which is all the developed nations of the world—and said, in effect, there are two sets of books here.

The one set of books is based on the narrow government reporting entity, and the broader set of books, which the public was not being made aware of, included the government business enterprises, as well as health authorities, as well as school divisions, and that information needed to be included in the original, in the full financial statement. It also said that the pension liability for civil servants and teachers had been completely ignored and had been left out of the reporting entity.

So, with all of those gaps in the legislation, the Auditor General demanded in no uncertain terms that we move away from this idiosyncratic piece of legislation to legislation for balanced budgets that was more fully in synchronization with what other governments were doing across Canada, both at the provincial and federal level. We have done that in this legislation. We have gone from two sets of books to one set of books. We have put the pension liability on the books. We have eliminated the ability of the Fiscal Stabilization Fund revenue to be counted twice; once, when the money goes in the door counted as revenue once, and then you leave it there for a year and you yank it out and you count it as revenue twice. No accounting in the world allows you to count money twice as revenue. This new law eliminates the right or the ability under law to count revenues twice. Then, in that regard, it is more transparent, more honest and has a lot more integrity attached to it.

It also no longer allows Crown corporations or government assets to be sold off to balance the books. You can't privatize Crown corporations like the telephone system anymore, put the money in the Fiscal Stabilization Fund and then yank it out to balance the budget. Meanwhile, the telephone rates are going up from the third lowest to the third highest in the country. So those things are no longer possible under this legislation, Mr. Speaker.

This change was not entered into lightly. We hired a consulting firm, an accounting firm,
Deloitte & Touche, that went out and did vast number of interviews with all sectors of the Manitoba community. It talked to the business community, it talked to the labour community, the non-profit community. It talked to experts. It reviewed how legislation was structured elsewhere across the country and it came back and made a number of recommendations on how we should improve this legislation, and we followed those recommendations. We followed those recommendations to put in place a system of accountability that follows generally accepted accounting principles. It is the widest reporting entity in the history of the province in terms of what's included in the bottom line that maintain the Fiscal Stabilization Fund as an internal mechanism for holding resources until they're required, and it prevents the sale of Crown corporations to balance the budget.

Mr. Speaker, this legislation positions us very well to be accountable going forward. For the first time ever, it requires a financial management strategy to be published and to be reported on on an annual basis, and in that financial management strategy is how we're doing on managing debt as a portion of GDP. It requires us to have performance measures for government programs. It requires us to show how revenues in Manitoba—what portion of revenues are raised in terms of our local economy, what portion of revenues come from transfer payments.

It does all of those things while also committing us to annual debt repayments and debt and pension liabilities have been paid down by over $900 million since we've come to office. The amount we're paying down on an annual basis, the $110 million, is a historic high level. It is a permanent form of discipline that we maintained in this legislation, and it has allowed us to reduce debt servicing costs by 50 percent. When we first came into office, debt servicing costs were 13.2 cents on the dollar. They're now 6.5 cents on the dollar. Those costs have allowed more money to be invested in programs which help people. They've also seen the debt as a proportion of the economy. The debt as a proportion of the GDP has shrunk from about 32 percent to 21 percent. It's gone down by a third. Last year's financial statements, which were published on a full-summary basis, saw the net debt go down by $277 million.

Mr. Speaker, all of these things, plus a long-term plan to deal with pension liabilities, which was never dealt with before. We changed balanced budget legislation actually once before when we first came into office in '99-2000, and we started putting money every year into the pension liability for teachers and civil servants, and that money has made an enormous difference in the ability of those funds to be sustainable in the future.

With all of those measures that we've taken, including every new civil servant being hired in Manitoba having their employer's pension paid from the get-go, from day one, not 40 years of neglect, and now with this last budget all pensions being paid for by the government on a go-forward basis for all current civil servants, we are reducing future risk and future liabilities.

Now that has resulted in six credit rating improvements since we've come to office, from Moody's Investors Service which has now ranked us a AA1, to the Dominion Bond Rating Service which ranks us at A-high and Standard & Poor's bond rating service which ranks us at AA-minus with a positive outlook.

* (15:00)

All of those things have made an enormous difference. They have allowed us to provide prudent fiscal management while making significant and important investments in health care, important investments in education, important investments in infrastructure while reducing taxes. We've eliminated the surtax and the net tax that the members opposite maintained for 11 years. We've brought taxation for families down to the lowest level they've been in over 30 years. We've got the lowest small business tax in the country, and we'll eventually eliminate small business tax. We're eliminating the capital tax inside of Manitoba on businesses which allows them to reinvest in capital. We've brought down the general corporate tax rate from 11 percent to 13 percent, and we will go to 12 percent as we move forward, Mr. Speaker.

All of those commitments have been made subject to us balancing the budget. We've said we will do all of these things to improve our ability to function in Manitoba, subject to balanced budgets, and now the balanced budget legislation has none of the massive loopholes that it used to have before. You can't double-count revenue. You can't privatize assets to balance the budget. You can't ignore the pension liability. You can't leave all kinds of things out which are part of the broader government responsibility in this province, and we have to do it.
on the basis of sound accounting principles in the public sector.

Those are the measures we have taken in bringing forward this legislation. This legislation is more transparent than the previous legislation. It's more accountable than the previous legislation. It has more discipline built into it because there are no escape hatches. If you have to have the unfortunate situation of a deficit in a year where, for example, Hydro revenues decline by $450 million, you have to make that up as you go forward. Mr. Speaker, you can't write that off, and there are special provisions that within 30 days of a budget, if there's a significant reduction in revenues through another level of government or a very significant event, a natural disaster or a government download, you get some time to accommodate that as you go forward.

The reality is, Mr. Speaker, we tried to structure this legislation to ensure that essential services in this province were protected, that the stability of the financial system in this province was protected while retaining full responsibility for transparency and accountability. All of those things are structured into this legislation and, as I said earlier, the first time ever there is a financial management strategy of which we are accountable.

The financial management strategy is one that looks at government performance with respect to programs. There has to be performance measures put in place to measure the effectiveness and the efficiency of various government programs and what they are trying to achieve. We've seen some of that already with our climate change legislation.

We've seen a report this year, a performance report published this year showing what the government's objectives are and what measures we've taken to achieve those measures. That's never been done before. That's on the Web site. It's available to the public if they want to look at that.

Now the rainy day fund stands at $818 million. No question some of that money has been set aside for health wait list reductions, and some of that money is there for climate change initiatives. But the reality is, Mr. Speaker, the Fiscal Stabilization Fund is at a historic high no matter how you measure it. It's available to be used to meet difficult circumstances if they should emerge inside of Manitoba.

The reality is, Mr. Speaker, that debt-to-GDP has declined. In other words, our ability to support our investments has significantly improved, and that test has been acknowledged and recognized through bond rating improvements across the country.

The Auditor General, on March 31, 2005, said: The government's budget is an important accountability document and it is used as a benchmark against which their performance is measured. As a result, the budget should be presented on a basis that is consistent with, or at least reconciled with how information is presented in the summary financial statements. He said, prior to that, in 1998–1998, three years after the old legislation had been brought into force: I'm really worried about the potential for confusion in the minds of the public. It's unfortunate this situation exists.

Well, Mr. Speaker, with this bill coming to vote today, that situation no longer exists. What we have done is we've taken the two sets of books, we've made them into one set of books and we've provided that increased transparency. We've done it in a way that protects Manitobans from dramatic knee-jerk reactions in difficult times, while allowing us to have a commitment to debt repayment and pension liabilities, while we've seen a dramatic improvement in the accumulated deficit in the province. We've seen an improvement in the debt-to-GDP ratio by 33 percent. We've seen an improvement in tax competitiveness in Manitoba. When a manufacturing company operates in Winnipeg, in Brandon now, it has among the lowest overall costs for any business across the country. It certainly is among the most competitive in North America by independent studies done by other independent consulting and accounting firms. When you look at the affordability advantage in Manitoba, Manitobans remain in the top three in this country for the ability to have an affordable cost of living which puts more disposable income in their pockets. We've seen personal disposable income rise last year by over 5 percent. In the '90s the people actually had less money in their pocket. In this decade up to now for the first eight years, we've seen year-over-year improvements in people's personal disposal income which is giving them more purchasing power which has allowed them to be more confident consumers in the marketplace.

So these measures are all reflected in this budget. These measures are already reflected in this balanced budget legislation. This legislation will allow us to be more transparent, more accountable, clearer about how we do things as we go ahead, greater synchronization with other jurisdictions who
are following similar methodologies across the country, and it leaves us with the sense that we have improved the ability and the transparency of the financial reporting requirements in this province. That reality is one that actually members opposite demanded themselves. Former critics of finance on the other side of the House demanded that we go to full summary budgets. All of them have demanded that. Now they're going to vote against the very thing that they demanded. They're going to flip-flop at the last minute and vote against the very changes that they were demanding in this House time and time again.

I've seen quotes in the past–on the old balanced budget legislation the Member for Lac du Bonnet (Mr. Hawranik) said in '05 that the old financial statements for the operating fund are easily manipulated to show a surplus no matter what happens in the province. That is no longer possible. It's no longer possible to double count revenue out of the Fiscal Stabilization Fund. It's no longer possible to privatize assets to balance the budget. The budget has to stand on its own merits and I believe it will. We are showing already this year, in '07-08 revenues exceeded expenditures by 238 million and that was before we paid $110 million into the debt retirement fund and we transferred $128 million to the Fiscal Stabilization Fund.

Mr. Speaker, these tests that we've put in the budget for accountability have been thoroughly thought out by respected accounting and consulting firms. They have been discussed with wide members of the public across this province. We've had private business groups endorse this. We've had accounting organizations support these measures that we have taken here. We have taken the time to thoroughly do this. We have let the public know that we intended to do this before the last election, that we intended to follow the Auditor General's reports. We released the report that gave us guidance on how to do that before the last election and now we are following through subsequent to that election that gave us a mandate to follow the Auditor General's recommendations, and we are putting this legislation in front of the people of Manitoba through this Legislature over the last several months. We're going to vote on it later on today I presume, and I think it will give us an opportunity to catch up with the rest of Canada in terms of transparency and accountability.

With those few words, Mr. Speaker, thank you for the opportunity to speak today.

Mr. Hugh McFadyen (Leader of the Official Opposition): Mr. Speaker, regrettably, the Minister of Finance (Mr. Selinger) has left on the record several misinterpretations and misrepresentations of the positions adopted by members of this caucus and members of this Legislature who have, in the past, advanced positions with respect to financial matters in the province. Of the many misrepresentations contained in that speech, the most important that needs to be addressed is his statement that members on this side called for a summary budget and yet today are going to vote against a summary budget.

What members have said is that it is fine to present all the numbers in a consolidated statement reflective of Crown corporations and the core operations of government, but we have never said, and never would say, because it would be reckless and irresponsible, that the government should then have the ability to change the balanced budget requirement to allow the counting of net revenues in Crown corporations against the operating budget to arrive at a phony balanced budget calculation. That is at the core of our concerns with respect to Bill 38, Mr. Speaker.

As usual, when this government introduces legislation, they use one or two positive small initiatives to build a Trojan horse and to contain within that Trojan horse a number of other very significant measures that are negative and regressive for the people of Manitoba and for the health of our public finances. It is a one step forward, four steps backward piece of legislation, and for that reason we will today vote against it.

Mr. Speaker, the notion of not counting one-time revenues as revenue within the budget is a sound one. To not count transfers from the Fiscal Stabilization Fund or revenue from asset sales as revenue is a sound move. It should not be included in a budget because it creates a misleading picture of the sustainability of a revenue stream. But this bill is not about making those changes. This bill is about gutting a balanced budget law that was passed and applauded by all parties in 1995 and beyond.

The current balanced budget law would provide all of the safety mechanisms and restraints that would be required as we enter into the current phase of economic uncertainty. The balanced budget law that was opposed by members opposite before they flip-flopped in 1999, it was opposed by members opposite in 1995 when it was introduced. They

Four years later, members opposite flip-flopped, having realized that they were far out of step with the desires and the values of Manitobans on the issue of financial prudence. They flip-flopped, they changed their position when they campaigned in 1999 on a very simple promise. It was actually five so-called doable, achievable promises that the then-Leader of the Opposition, Leader of the NDP, campaigned on. One of them was, keep Manitoba's balanced budget law. It was a very simple, easy-to-understand, straightforward, black-and-white commitment.

One of the others was end hallway medicine in six months with $15 million. The other one was make Manitoba communities safer. I think we all remember that promise that was made in 1999. The other two had to do with—of which had to do with Hydro. They didn't tell Manitobans that they planned to run up the debt of Hydro to build a west-side power line and undermine the reliability of the power system, but they did make a promise about trying to keep Hydro exactly as it was. That promise, more or less, has been kept. One out of five, Mr. Speaker, from that 1999 campaign. They are batting 20 percent; they're batting 0.200 when it comes to keeping election promises, and this is the fourth promise made and broken since this government came to power nine years ago. Keep balanced budget laws. That was the commitment in 1999. It was reiterated in 2003. The people of Manitoba were comforted by that commitment, and again that commitment was made going into the last election campaign. This is something that the current government provided comfort to Manitobans on.

Now what has happened, after getting the votes in the bank, they have unveiled for Manitobans what the true, hidden agenda was. They are right back to the 1995 agenda of opposition to balanced budgets, right back to the old agenda of reckless spending and the old agenda of failed economic policies that led Manitoba into the recession of the early 1990s and into the major and difficult challenges that were faced by governments through the 1990s to restore the health of Manitoba's finances.

This bill, Bill 38, does a number of things that are completely unacceptable and which send the wrong signal to investors, the wrong signal to those who want to create jobs and opportunity, the wrong signal to those who might want to lend money to our province and to the next generation of Manitobans who might be concerned about the level of NDP debt that they are going to inherit and have to pay for.

The fact is, Mr. Speaker, as a result of the reckless and irresponsible decisions of this government, that those today who are in school are going to have to work longer hours for less pay in order to repay the debt that has been built up by this government.

Now they are asking with Bill 38 for a blank cheque. They effectively are attempting to legalize operating deficits in Manitoba after saying that they wanted to ensure that operating deficits were illegal. That is what Bill 38 is all about.

Let's look at the record of the last nine years. With record revenue growth coming from transfers from Ottawa and also from economic growth that has taken place throughout the world, with record growth and revenue, rather than addressing the debt of the province, rather than putting money away into a savings account, they have recklessly gone out and spent every nickel and then some that has come in.

They've put us in position today where we have more than double the debt of the people of Saskatchewan as we enter into this period of economic uncertainty, Mr. Speaker. The Province of Saskatchewan just made a $2.2-billion payment on their debt bringing their taxpayer supported debt to below $5 billion. The total debt for the people of Saskatchewan is now at a level of below $4,500 for every man, woman and child in the province compared to $9,000 for every Manitoban. That is what they have done. They've taken the debt load for every individual in the province from $7,000, which is what they inherited in 1999. They've had explosive revenues and yet they have increased that debt for every person to $9,000. A $2,000 increase in the debt for every single individual in the province of Manitoba.

The Minister of Finance (Mr. Selinger) points to the Fiscal Stabilization Fund. Let's look at what has happened. They have made draws on that fund in the past nine years. They've raided Manitoba Hydro to balance their budget and today that fund has $670 million available to the government in order to meet any kind of short-term or long-term shock to the provincial finances. That equates to $558 in the savings account when we've got $9,000 in debt.
Mr. Speaker, we have a situation today where we have a net debt on the part of every Manitoban of $8,400 in the hole, which is $1,400 behind where we were in 1999. This is an unbelievable record when you consider that every other province in the country has gone in the exact opposite direction. They have taken the money that they have received from worldwide growth, they've taken the money that they've received from the federal government and they have done the prudent thing; they have paid down debt so that the total debt of those provinces has actually come down at the same time as the total debt of Manitoba has gone up.

The other thing that has happened over the past nine years is that we have come to rely on transfer payments from other provinces. We've come to rely on payments coming in from Alberta, Saskatchewan, Ontario, even Newfoundland now, Mr. Speaker, and the people of other provinces around the country in order to keep this government afloat.

When they took the reins of power in 1999, 28 percent of the total budget came in the form of outside transfer payments including both equalization and other program transfers, Mr. Speaker. Twenty-eight percent, meaning that 72 percent of the government's revenues came from within the province as a result of the hard work and the energy and the ideas of Manitobans.

Today, that number has shrunk from 78 percent to 63 percent of the revenue coming to government, coming from Manitoba businesses and individuals who are working hard and contributing to the province.

* (15:20)

At the same time as they have increased the dependence on payments from Ottawa, the government has left in place the most punishing tax regime of almost any province in the country. We have the highest taxes in Canada west of Québec. We have a payroll tax, which they always forget to mention whenever they talk about business taxes. We have a corporate tax that kicks in at $400,000 so that anybody but a home-based business, Mr. Speaker, is taxed at this high rate of corporate tax, a high rate, certainly, compared to the other provinces across the country.

They can point to the small-business tax rate, Mr. Speaker, but it is a drop in the bucket in comparison to what companies are paying today in Manitoba, when you combine the general corporate tax rate with the payroll tax applied to every company, every job that every company in Manitoba creates.

So, on top of this significant tax burden, most of which was put in place by the prior Pawley-Doer NDP government in the 1980s, it was frozen through the 1990s because the government was meeting the challenges of cleaning up the financial mess left behind by Howard Pawley, by Eugene Kostyra, the Premier's top adviser, and by others who drove the province's finances into the ground.

It took years, Mr. Speaker, to recover from the financial carnage created by the last NDP government, and we have a fear today that they are taking us back down the very same path they were taking us in the 1980s.

What we have today is a bill introduced that could have been introduced by Eugene Kostyra. It's got his fingerprints all over it, Mr. Speaker. This is a Kostyra-like bill that will give the government a green light to run up deficits, increase the debt of the province and continue to put us in an even more precarious financial position than we are already in.

When we're leveraged to the point of $8,400 for every single man, woman and child in the province of Manitoba and when we have a very insufficient balance in the savings account and when we have reliance on outside parties for 37 percent of the budget, we are not on sound financial ground.

Mr. Speaker, the government's most recent budget spends $8,300 for every person in the province—$8,300 in operating spending for every man, woman and child in the province. Three thousand of that comes in the form of gifts being mailed in from Saskatchewan, Alberta and other provinces—Ontario and other provinces around the country—5,300 comes from our own source revenues. We know that we have a diverse economic base that has been created over many decades, thanks in large part to the foresight of governments in years gone by.

We have a diverse economic base which everybody is proud of and which we believe in but that base, Mr. Speaker, is contributing only $5,300 of the revenue within a budget of $8,300. The other 3,000 is coming in from out of the province, and so we are in a position where the Finance Minister has crossed his fingers. He's hoping for the best, that that $3,000 is going to show up.
Manitobans are becoming increasingly concerned that that $3,000 may now be in jeopardy because of a global, economic downturn created by debt. Created by debt, Mr. Speaker. It is debt that is undermining the financial markets of the world today, as people who became indebted in terms of their personal finances, governments that became indebted at record levels, limiting their ability to borrow at reasonable rates and creating a lack of certainty on the part of lenders that they'll be repaid, creating a clog in the financial system.

The New York Times in 1999 had it exactly right, Mr. Speaker. The New York Times, not exactly a conservative Republican newspaper, wrote in 1999 that the pressure being applied by the liberal Democratic Clinton administration on Fannie Mae and Freddie Mac to extend credit and put people into debt was going to lead to an eventual restructuring of the world's finances on a scale that we've never seen since the Great Depression.

That was the New York Times writing in 1999, warning that the policies of the liberals in charge in the United States were encouraging debt and were going to lead to a massive financial bailout and restructuring on a scale that we hadn't seen since the Great Depression. As a result, all those policies which encouraged the build-up of debt, betting that property values would increase in the future, we are in the current crisis. It is a crisis created by debt. It is a crisis created by betting on future property-value increases, and it is a reckless, irresponsible series of decisions under successive governments that have put the financial markets into the position that they're in today and that have created the stress that is currently being felt by Canadians from all walks of life.

Mr. Speaker, Manitobans tell us that they're worried about what they're paying for gas. They are worried about the fact that their water and sewer rates are quadrupling, and wanting to know that that money is going to do something worthwhile. They are disturbed to know the scientists are saying that money is going toward doing things that will actually make Lake Winnipeg worse rather than better. Paying more to get a worse, less healthy Lake Winnipeg; that's what the NDP is doing with water and sewer rates.

Hydro, $640 million in added debt on Manitoba Hydro. Now, this is above and beyond the 10 billion that we were discussing earlier. The 10 billion doesn't include the growth in Hydro debt. That's on top of the money that Manitobans already owe; the $9,000 that they owe doesn't include the Hydro debt. You've got to add several thousand dollars on in order to arrive at a true view.

Mr. Speaker, $640 million dollars in unnecessary spending going down the west side of the province, resulting in the PUB looking at the projected debt levels of Hydro and concluding that they are unsustainable, increasing hydro rates on Manitobans by 5 percent at a time when they can least afford it.

Pharmacare up 5 percent every year except election years; Hydro up 5 percent because of debt projections under the NDP; water and sewer rates quadrupling because they want to proceed with a plan, not based on science, that is going to make our lakes worse; putting a knife in the heart of a billion-dollar industry in Manitoba when hundreds of people are losing their jobs in other sectors, and campaigning with Jack Layton to increase the taxes on DeFehr and other Manitoba companies at a time when they can't afford it.

That is their record. That is where this NDP government is taking us today. It is all consistent with a plan under Bill 38 to take Manitoba back to the days of operating deficits, increasing debt, financial recklessness, and more hardship for the next generation, who are going to have to work longer hours for less money in order to repay this massive ton of debt that this government has created already, and which they clearly are signalling today, with Bill 38, that they intend to pile on in the years ahead.

It's wrong for Manitoba. The current balanced budget law contains all of the mechanisms that might be required to deal with extreme situations. In the event of a significant revenue drop in government, the current balanced budget legislation allows the government to run a deficit, if they need to, in that scenario. They're allowed to run a deficit under the current balanced budget law if there are natural disasters that put huge pressure on government revenues in a year when the government must spend the money, doesn't want to cut back on program spending, and shouldn't cut back on program spending, but has to deal with the natural disaster.

It also deals with financial disasters. The current law works. It has worked very well for 13 years. That's why they campaigned on it in 1999. That's why they campaigned on it again in 2003. That's when they promised to keep it, again, just one and a
half years ago, when they went back to the people of Manitoba for a mandate. Today, after getting the votes in the bank, they come in with a hidden agenda to repeal the balanced budget law, to bring in a vote tax that they didn't talk about in the election, to run the hydro line down the west side of the province, even after the Premier (Mr. Doer) said twice during the election campaign, we will not run the next major power line down the west side of the province. He gets past the election, and he reveals the true agenda.

So Bill 38 is a betrayal of Manitoba taxpayers. It is a betrayal of the next generation of Manitobans who are going to have to work to pay it off. It is a betrayal of the commitments made to Manitobans in the last election campaign, and it is not worthy of the support of any member of this Chamber, and, particularly, those members who have come and been elected for the first time on the promise that they were running for a party that believed in fiscal responsibility. Members like the new Member for Kirkfield Park (Ms. Blady) and the new Member for Southdale (Ms. Selby), who went around saying, no, no, this isn't like the old NDP; this is the new New Democratic Party. These people believe in fiscal responsibility and that's why I'm running for them. You don't need to worry. Trust us, they said, at the doors to Manitobans, and you know what? Enough Manitobans did trust them, and today they are betraying that trust if they stand up and vote for Bill 38. They are betraying the trust of those people whom they looked in the eye at the doors in the last election campaign and said, no, this is a new NDP government. We're fiscally responsible. We'll balance the budget. We'll do it each and every year. We're not going to leave more debt to the next generation.

That's what they said at the doors. That's what they said in their literature. Today they're going back on that less than a year and a half after earning the trust of those voters, and the people of Manitoba have been let down.

So, Mr. Speaker, this is a bill that scraps the balanced budget law that they promised to run on. It allows them to run deficits three out of four years and then try to make up for it in the fourth year. It allows them to take Crown corporation revenues and count those toward the budget of the Province, the operating budget, and claim a balanced budget even as that cash stays with the Crown corporation and they go out and borrow. As they go out to Americans or they go to the Chinese or whoever it is that they're going to borrow the money from, as they go out and borrow that money, that is going to add to the debt of the province, reduce our flexibility into the future, and it will result in a darker economic future for the young people of Manitoba.

So, Mr. Speaker, I know that they're good at day-to-day headline management. They govern from one day to the next. It's all about what is tomorrow's headline going to look like. How are we going to spin our way out of this story? But there is no commitment. There is no commitment on the part of this government to the long-term interest of the people of Manitoba, the people who they were entrusted with the power to run this government. They are the best spin doctors going, but they are reckless and irresponsible. They are going to leave a legacy for the next generation of Manitobans that will never be forgotten.

That will be their legacy, a legacy of debt, the same kind of debt that's creating the current crisis, the legacy of damaged financial markets created by their mismanagement of Crocus, even as they are out telling the people of Manitoba—and that's the other thing about this debate. That is the other thing about this debate, that this is not the first time we have heard soothing, reassuring words from this Minister of Finance (Mr. Selinger).

If we roll the tape back, Mr. Speaker, when we look at what he was saying about the Crocus Fund, if we look at the way they got up, phony indignation, in this House, demanding apologies from members on this side of the House, demanding apologies because members on this side of the House had the integrity and the temerity to ask questions about what was happening in Crocus, they were outraged. They demanded apologies, and, as it turns out, they were misleading Manitobans. Members on this side were being straightforward and doing their jobs by asking the tough question.

Now, Mr. Speaker, we heard the soothing words before: Crocus is strong, you can count on Crocus. The Minister of Finance actually put it right into his budget; he put it right into his budget in 2003 that talked about what a great job Crocus was doing. This is two years after he wrote a briefing note to his Cabinet colleagues saying that Crocus was headed for a liquidity crisis. Two years later he puts it right in his budget: Crocus is doing a great job for the economy of Manitoba.
We hear it again today. Bill 38, he says, is going to be good for the finances of Manitoba, and we know that the real story is different from what the Minister of Finance (Mr. Selinger) is telling Manitobans today. He cannot run away from his prior false statements with respect to Crocus. He cannot run away from a record of piling on debt during years of record revenue. He can't run away from a record of waste at Hydro. He can't run away from a record of waste in a variety of areas, and that is why Bill 38 is so wrong for Manitoba.

The government is today saying that Manitoba is strong, that we've got nothing to worry about. The finances are stable, and Manitobans should just know to trust us because we've got a lot of money in the savings account and everything is going to be just fine. Well, those are words that some 12 months from now we will look back on. We will have the benefit of 12 months of experience, and we'll be able to compare what they're saying today with what actually happens in the next 12 months, and they will be interesting. We hope, incidentally, Mr. Speaker, that they're right. However, we fear, based on their track record that they are wrong.

So we cannot, at this uncertain time in the economic and financial history of our province, we cannot vote to give them a blank cheque to increase the debt of the province. We will not vote for a policy that says we're going to run deficits three out of four years. Manitobans know that they have to balance their household income each and every year. They think their government should do the same. Their government's saying, no, we're not like you; we're going to run deficits three out of four years. We're going to count revenue from Crown corporations which really doesn't belong within the operations of government. We're going to increase the debt of the province and tell you that the budget is balanced. That's not the way Manitobans do it with their household finances, and it's not the way governments should do it with their money.

I would remind members opposite this is not their money. This is the money of the people of Manitoba. It is the money that the people of Manitoba send to this government by getting up early, working long days, paying their taxes, and abiding by the rules, and they have a duty and a trust to spend that money on behalf of those people in a way that benefits those people and that doesn't leave the next generation saddled with debt.

So we are concerned about where we stand today: $3,000 out of an $8,300 budget being mailed in from out-of-province. We are concerned about the stability of that $3,000. We are concerned, of course, about the future of the Manitoba economy and jobs with respect to the other $5,300 in income. We are concerned that we are now $8,400 in the hole and counting, even after you credit what's in the savings account today, more money in debt than what we had before.

We are not going to support a bill that provides a blank cheque for going back to deficit and increasing the debt, increasing the mortgage on the people of Manitoba. That's not what they need; they need mortgage relief. They need the debt to go down. They need a government that's on their side. They need a government that isn't going to vote at 5 p.m.—on the day their retirement savings have crashed—vote at 5 p.m. to give themselves a million-dollar taxpayer-financed payout, which is just going to be added to the deficits that are going to be allowed under Bill 38.

They're passing Bill 38 so they can run deficits, so they can run wild, lining their own pockets. They should be ashamed. They are not on the side of Manitobans. They are on the side of the NDP. They are on the side of themselves. They've come here, they've put their own interests ahead of the interests of Manitobans, even after they've told Manitobans that they were on their side. Mr. Speaker, they are taking this province in the wrong direction. We won't support it. That's why we'll vote against Bill 38, and we call on all members to stand up on the side of Manitobans and vote against going back to the days of deficit and rising debt. Vote against Bill 38.

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

Some Honourable Members: Question.

Mr. Speaker: The question before the House is concurrence and third reading of Bill 38, The Balanced Budget, Fiscal Management and Taxpayer Accountability Act.

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

Some Honourable Members: Yes.

Some Honourable Members: No.
Voice Vote

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

Some Honourable Members: Yea.

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

Some Honourable Members: Nay.

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

Formal Vote

Mr. Gerald Hawranik (Official Opposition House Leader): A recorded vote, Mr. Speaker.

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

Order. The question before the House is the concurrence and third reading of Bill 38, The Balanced Budget, Fiscal Management and Taxpayer Accountability Act.

Division

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

Yeas

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

Nays

Borotsik, Briese, Cullen, Derkach, Driedger, Dyck, Eicher, Faurschou, Gerrard, Goertzen, Hawranik, Lamoureux, Maguire, McFadyen, Mitchelson, Pedersen, Rowat, Schuler, Taillieu.

Madam Clerk (Patricia Chaychuk): Yeas 31, Nays 19.

Mr. Speaker: I declare the motion carried.

Mr. Chomiak: Mr. Speaker, I was wondering if you would call for Royal Assent, please.

Mr. Speaker: We'll prepare for His Honour.

ROYAL ASSENT

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

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

Mr. Speaker: Your Honour:

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

Madam Deputy Clerk (Bev Bosiak):

Bill 17–The Environment Amendment Act (Permanent Ban on Building or Expanding Hog Facilities); Loi modifiant la Loi sur l'environnement (interdiction permanente visant la construction ou l'agrandissement d'installations réservées aux porcs)

Bill 31–The Freedom of Information and Protection of Privacy Amendment Act; Loi modifiant la Loi sur l'accès à l'information et la protection de la vie privée

Bill 32–The Personal Health Information Amendment Act; Loi modifiant la Loi sur les renseignements médicaux personnels

Bill 35–The Statutes Correction and Minor Amendments Act, 2008; Loi corrective de 2008

Bill 37–The Lobbyists Registration Act and Amendments to The Elections Act, The Elections Finances Act, The Legislative Assembly Act and The Legislative Assembly Management Commission Act; Loi sur l'inscription des lobbyistes et modifiant la Loi électorale, la Loi sur le financement des campagnes électorales, la Loi sur l'Assemblée législative et la Loi sur la Commission de régie de l'Assemblée législative

Bill 38–The Balanced Budget, Fiscal Management and Taxpayer Accountability Act; Loi sur l'équilibre budgétaire, la gestion financière et l'obligation de rendre compte aux contribuables

Bill 47–The CentrePort Canada Act; Loi sur la Société CentrePort Canada

* (15:50)
Bill 232–The Public Schools Amendment Act
(Anaphylaxis Policies); Loi modifiant la Loi sur les écoles publiques (politiques sur l'anaphylaxie)

Bill 300–The Royal Lake of the Woods Yacht Club Incorporation Amendment Act; Loi modifiant la Loi constituant en corporation «The Royal Lake of the Woods Yacht Club»

Madam Clerk (Patricia Chaychuk): In Her Majesty's name, His Honour assents to these bills.  
His Honour was then pleased to retire.

Hon. Dave Chomiak (Government House Leader): Monsieur le Président, convenons-nous qu'il est cinq heures? Could we call it five o'clock, Mr. Speaker?

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

The hour being 5 p.m., this House is adjourned and stands adjourned until the call of the—we will return at the call of the Speaker.
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