

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

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The Honourable George Hickes
Speaker*

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Eighth Legislature

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, May 9, 2006

The House met at 1:30 p.m.

PRAYER

ROUTINE PROCEEDINGS

PETITIONS

Civil Service Employees—Neepawa

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

These are the reasons for this petition.

Eleven immediate positions with Manitoba Conservation Lands Branch, as of April 1, 2006, Crown Lands and Property Special Operating Agency, are being moved out of Neepawa.

Removal of these positions will severely impact the local economy with potentially 33 adults and children leaving the community.

Removal of these positions will be detrimental to revitalizing the rural and surrounding communities of Neepawa.

We petition the Legislative Assembly of Manitoba as follows:

To request the provincial government to consider stopping the removal of these positions from our community, and to consider utilizing current technology, as an example, Land Management Services existing satellite sub-office in Dauphin, in order to maintain these positions in their existing locations.

This petition is signed by Kathy Kuharski, Hilda McEachern and Lionel Dagg.

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

* (13:35)

Crocus Investment Fund

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

These are the reasons for this petition:

The Auditor General's *Examination of the Crocus Investment Fund* indicated that as early as 2001, the government was made aware of red flags at the Crocus Investment Fund.

In 2001, Industry, Economic Development and Mines officials stated long-term plans at the Crocus Investment Fund requiring policy changes by the government were cleared by someone in "higher authority," indicating political interference at the highest level.

In 2002, an official from the Department of Finance suggested that Crocus Investment Fund's continuing requests for legislative amendments may be a sign of management issues and that an independent review of Crocus Investment Fund's operations may be in order.

Industry, Economic Development and Mines officials indicated that several requests had been made for a copy of Crocus Investment Fund's business plan, but that Crocus Investment Fund never complied with these requests.

Manitoba's Auditor General stated, "We believe the department was aware of red flags at Crocus and failed to follow up on those in a timely way."

As a direct result of the government ignoring the red flags, more than 33,000 Crocus investors have lost more than \$60 million.

The relationship between some union leaders, the Premier (Mr. Doer) and the NDP seems to be the primary reason for why the government ignored the red flags.

The people of Manitoba want to know what occurred within the NDP government regarding Crocus, who is responsible and what needs to be done so this does not happen again.

We petition the Legislative Assembly of Manitoba as follows:

To strongly urge the Premier to consider calling an independent public inquiry into the Crocus Investment Fund scandal.

Mr. Speaker, this is signed by John Blatz, Flora Schalla, Jon Penner and many, many others.

Funding for New Cancer Drugs

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

These are the reasons for this petition:

Cancer is one of the leading causes of death of Manitobans.

Families are often forced to watch their loved ones suffering the devastating consequences of this disease for long periods of time.

New drugs such as Erbitux, Avastin, Zevalin, Rituxan, Herceptin and Eloxatin have been found to work well and offer new hope to those suffering from various forms of cancer.

Unfortunately, these innovative new treatments are often costly and remain unfunded under Manitoba's provincial health care system.

Consequently, patients and their families are often forced to make the difficult choice between paying for the treatment themselves or going without.

CancerCare Manitoba has asked for an additional \$12 million for its budget to help provide these leading-edge treatments and drugs for Manitobans.

Several other provinces have already approved these drugs and are providing them to their residents at present time.

We petition the Legislative Assembly of Manitoba as follows:

To request the Premier (Mr. Doer) of Manitoba and the Minister of Health (Mr. Sale) to consider providing CancerCare Manitoba with the appropriate funding necessary so that they may provide leading-edge care for patients in the same manner as other provinces.

To request the Premier of Manitoba and the Minister of Health to consider accelerating the process by which new cancer treatment drugs are approved so that more Manitobans are able to be treated in the most effective manner possible.

Signed by Jason Zemore, Teresa Logan, Roy Heximer and many others.

Removal of Agriculture Positions from Minnedosa

Mrs. Leanne Rowat (Minnedosa): I would like to present the following petition to the Legislative Assembly.

These are the reasons for this petition:

Nine positions with the Manitoba Agriculture, Food and Rural Initiatives (Crown Lands Branch) are being moved out of Minnedosa.

Removal of these positions will severely impact the local economy.

Removal of these positions will be detrimental to the revitalization of these rural agriculture communities.

We petition the Legislative Assembly of Manitoba as follows:

To request the provincial government to consider stopping the removal of these positions from our community, and to consider utilizing current technology in order to maintain these positions in their existing location.

This petition signed by Arlene Motuz, Cecile Huntinghawk, Suzanne Ross and many, many others.

OlyWest Hog Processing Plant

Hon. Jon Gerrard (River Heights): I wish to present the following petition to the Legislative Assembly of Manitoba.

The background for this petition is as follows:

The Manitoba government, along with the OlyWest consortium, promoted the development of a mega hog factory within the city of Winnipeg without proper consideration of rural alternatives for the site.

Concerns arising from the hog factory include noxious odours, traffic and road impact, water supply, waste water treatment, decline in property values, cost to taxpayers and proximity to the city's clean drinking water aqueduct.

Many Manitobans believe this decision represents poor judgment on behalf of the provincial government.

We petition the Legislative Assembly of Manitoba as follows:

To request the provincial government to immediately cancel its plans to support the

construction of the OlyWest hog plant and rendering factory near any urban residential area.

Signed by Arlene Rodriguez, Jodie Leary, Holly Penner and many, many others.

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, I wonder if I might have leave to read my petition when the Premier (Mr. Doer) is here.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mentioning of the presence or absence of members have always been ruled out of order in this Chamber.

The honourable member, do you have a petition?

* (13:40)

Crocus Investment Fund

Mr. Lamoureux: Mr. Speaker, I wish to present a petition to the Legislative Assembly of Manitoba.

The background to this petition is as follows:

The Manitoba government was made aware of serious problems involving the Crocus Fund back in 2001.

Manitoba's provincial auditor stated "We believe the department was aware of red flags at Crocus and failed to follow up on those in a timely way."

As a direct result of the government not acting on what it knew, over 33,000 Crocus investors have lost tens of millions of dollars.

The relationship between some union leaders, the Premier (Mr. Doer) and the NDP seems to be the primary reason as for why the government ignored the many red flags.

We petition the Legislative Assembly of Manitoba as follows:

To request the Legislative Assembly of Manitoba to consider the need to seek clarification on why the government did not act on fixing the Crocus Fund back in 2001.

To urge the Premier and his government to cooperate in making public what really happened.

Signed by E. Collins, R. Collins, D. Collins and many, many other Manitobans.

TABLING OF REPORTS

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, I would like to table the following Supplementary Information for Legislative Review 2006-2007 Departmental Expenditure Estimates for Manitoba Finance.

Hon. Stan Struthers (Minister of Conservation): Mr. Speaker, I would like to table for all MLAs the Supplementary Information for Legislative Review 2006-07 Departmental Expenditure Estimates for the Manitoba Sustainable Development Innovations Fund.

As well, Mr. Speaker, I would like to table the Supplementary Information for Legislative Review 2006-07 Departmental Expenditure Estimates for Manitoba Conservation.

Hon. Christine Melnick (Minister of Family Services and Housing): Mr. Speaker, I am pleased to table the Supplementary Information for Legislative Review 2006-2007 Departmental Expenditure Estimates.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the gallery where we have with us today Mrs. Donna Portz of Trochu, Alberta. This visitor is the guest of the honourable Minister of Industry, Economic Development and Mines (Mr. Rondeau).

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

ORAL QUESTIONS

Eugene Kostyra

Communications with Premier

Mr. Hugh McFadyen (Leader of the Official Opposition): Mr. Speaker, my question is for the Premier. Has the Premier had any communications with his closest adviser, Mr. Kostyra, since yesterday's Question Period?

Hon. Gary Doer (Premier): Mr. Speaker, we had a briefing on the success of the Flyer bus company. We are very happy that there is another \$185 million in contracts. Unlike members opposite that lost \$40 million of MIOP, we are making money on that MIOP loan.

Mr. McFadyen: Mr. Speaker, given that Mr. Kostyra was yesterday alleged in a very serious \$200-million lawsuit to have abused his public

office, I wonder whether the Premier asked him anything today in their discussion about whether there was anything to the allegations.

Mr. Doer: Well, Mr. Speaker, the Auditor General's report speaks for itself. The Province of Manitoba was named in a lawsuit, added to Wellington West, Coopers & Lybrand, the Manitoba Securities Commission, Nesbitt Burns, the officers of the fund who were hired by members opposite and to the board of directors. They were added to the fund.

The individual, Mr. Kostyra, was quote, not named, in the lawsuit. The government of Manitoba was. It was named back to March of 1992, and certainly we will defend the actions of our government for four years. We will be required to defend the actions of the previous government for seven and a half years.

* (13:45)

Mr. McFadyen: I take it from the Premier's answer that he was not sufficiently curious to ask Mr. Kostyra about the allegations contained in the statement of claim. I would just say for the record that if my senior adviser had been accused of abusing public office to prevent, block and otherwise shield a fund from adequate investigation from the Crown, if my senior adviser had been alleged to have abused public office, the properly shielded fund from compliance with legislation and was alleged to have engaged in intentional and unlawful action, I might have been curious enough to ask him about it.

So my question to the Premier then is: Given that he did not ask Mr. Kostyra about these serious allegations, is this just a continuation of the Premier's do not know, do not ask policy?

Mr. Doer: Well, Mr. Speaker, Mr. Kostyra's record is public knowledge. It speaks for itself. Certainly the issues that are alleged in the lawsuits are contradicted dramatically, contradicted dramatically in the Auditor General's report, so I would assume that members opposite would go by the Auditor General's report rather than allegations in a lawsuit.

I would ask the member opposite, given the fact that Wellington West company has been also named in a lawsuit, named as the Province of Manitoba has, it is the position of the member opposite that his good friends in Wellington West should be fired from having the role of promoting and selling the HydroBond shares through the Department of Finance. Is that the standard of accountability he is

going to have, or does he have one standard for his friends and another one for other people?

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. McFadyen: Thank you, Mr. Speaker, with a new question to the Premier.

Did the Premier's top official, his economic go-to guy, brief him on the 2002 Solidarité disguised loan?

Mr. Doer: Well, Mr. Speaker, I would refer the member opposite to the Public Accounts Committee where the Auditor General completely deals with that matter. If he would read that he would not have to ask this question in the House.

Mr. McFadyen: Mr. Speaker, given that the Premier does not seem to want to answer the question, I will ask him again. *[interjection]* I am sure the Premier will be happy to answer the question more than once.

Did his senior adviser, Mr. Kostyra, brief the Premier on the 2002 transaction referred to in the statement of claim that was filed in the Manitoba Court of Queen's Bench yesterday?

Mr. Doer: The Auditor General deals with that matter completely in the Public Accounts Committee. The statements the Auditor General makes are on the public record. They are in Hansard. I have read them. I will provide copies to the member opposite. It answers the question he asked.

I would ask whether his adviser, Mr. Jim Downey, did he advise him of writing off the \$2 million in Treasury Board in January 1994? Was he advised by his other adviser, one Eric Stefanson, about the statement of the allegation the Crown—*[interjection]* Let me quote—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer: Mr. Speaker, the Crown has multiple and conflicting roles in the direction and supervision of funds since its inception. That date is March 21, 1992. I have a memorandum of agreement signed off by his adviser, Eric Stefanson.

The Auditor General basically deals with the issue that he has raised, Mr. Speaker.

Will he deal with his advisers, Mr. Speaker?

* (13:50)

Mr. McFadyen: Mr. Speaker, it would seem from the Premier's answer that he is trying to create the impression that he was not briefed on the highly improper disguised loan that was provided by Solidarité in 2002 to Crocus.

Given the fact that the Premier has been intimately involved in transactions of a much more minor nature, including a very interesting \$1.5-million loan to Maple Leaf Distillers, where in his news release there is a quote: "The unprecedented support and assistance that Maple Leaf Distillers has received from the Government of Manitoba, and in particular Premier Doer, has rendered possible what otherwise would not have been achievable," added Costas Ataliotis, president of Maple Leaf Distillers."

Given that the Premier and his staff must have been absolutely delighted when they drafted that quote for Mr. Ataliotis, as they floated this \$1.5-million loan to Maple Leaf Distillers, how can the Premier expect anybody to believe that he would have intimate knowledge of a \$1.5-million loan, which to be fair to the Premier, I am sure he thought was a good news story at the time the news release was written? Can we be expected to believe that he would be intimately familiar with a \$1.5-million loan and have no knowledge of a \$10-million disguised loan to Crocus in 2002?

Mr. Speaker: Before recognizing the honourable First Minister, I would like to remind members that mentioning individuals by name is not accepted in this House. It is members by constituencies and ministers by their portfolios, not by name.

Mr. Doer: Again, I will find the quote from the Auditor General dealing with the Solidarité fund. He basically states—*[interjection]* The Auditor General, on page 34, December 7, '05 says, and I quote: I think it is important to understand from our point of view that Crocus did not do an open and transparent job in disclosing this transaction. It is very common in the business world when they receive an audit instead of a financial statement, you rely on the audited opinion. Mr. Speaker, he goes on to say that this came to the attention of the Auditor General in 2005, so the question on 2002 is answered in the Auditor General's report.

Dealing with the MIOP loans, Mr. Speaker, so far we are making money on MIOP loans. That compares very favourably to losses of up to \$40 million. He will know when he was in the Cabinet office that there were losses made at Isobord, and I am quite confident with the security of the building

that the conclusion of that loan will be much more favourable than the conclusion of the Isobord loan made by members opposite.

Crocus Investment Fund Treasury Board Analysis

Mr. Glen Cummings (Ste. Rose): Mr. Speaker, the Premier wants to talk about the Auditor and the Fonds. Let us be very clear what the Auditor said. He said the fund misled investors in a significant way by failing to properly disclose and communicate the essence. This was an unacceptable practice. That is what he said about what was going on with the Solidarité fund.

My question is to the Minister of Industry. Last week the Minister of Finance (Mr. Selinger) denied ever talking to Mr. Kostyra, so I have dumbed-down the question to the Minister of Industry and let me ask him: Did he ever receive any Treasury Board briefings about the Crocus Fund?

Hon. Jim Rondeau (Minister of Industry, Economic Development and Mines): Mr. Speaker, one of the important prospects of this is that we did not deal or manage the fund. We did not set the valuations of the fund and, in fact, when he starts talking about the government and what our role was, our role was to ensure that the public policy objectives were followed. Our role was to make sure that the money was invested in Manitoba companies and the allegations often, are we going to do that?

The quote from the Auditor General says that no evidence was provided to the transactions and they were inappropriately recorded in the prospectus, the prospectus that was signed off by Wellington West. Wellington West signed off the prospectus that was provided to shareholders. That was not our responsibility. That was the responsibility of your friends, the people who ran Wellington West.

Mr. Cummings: Sadly, Mr. Speaker, the Minister of Industry continues to look like a man who has something to hide. When the department was made—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

* (13:55)

Mr. Cummings: Mr. Speaker, it seems to me that when the colleague of the Minister of Industry made comments in 1998, he said, I would like to ask another question. That is why, as he spoke to the

Premier, why is he so afraid, if he has nothing to hide, to let the people testify as to what they knew.

I wonder now if that Minister of Industry would lean past a former Minister of Industry and ask the Premier (Mr. Doer) to come clean on this issue.

Mr. Rondeau: Mr. Speaker, right now, there has been an Auditor General's independent inquiry, 245 pages. I urge the members opposite to look at it. The Auditor went through the different departments, right through Crocus, and provided a 245-page document which is public. There is an RCMP investigation currently going on. There is a Canada Customs and Revenue investigation currently going on. There is a Manitoba Securities Commission investigation currently going on.

We are not going to interfere. We are going to let these independent bodies do their jobs and proceed accordingly. That is the appropriate thing to do.

Mr. Cummings: Mr. Speaker, the appropriate thing to do for this government would be accountable for the disaster that is now Crocus.

I asked this minister if he ever received any Treasury Board analysis of the status of Crocus. I will ask him one more time: Is he prepared to tell this House, and this is where accountability starts, is he prepared to stand up and say yes or no as to whether or not he ever received any Treasury Board analysis of the risk at Crocus?

Mr. Rondeau: Mr. Speaker, the member opposite is confused about government's role. Our role was to provide a 15 percent tax credit, which was matched by a federal tax credit, to ensure the public policy objectives of the fund were met. That is called investing in Manitoba. That is making employment in Manitoba.

Our job was not to manage the fund. Our job was not to run the fund. We would have been guilty if we had managed the fund or run the fund. We had an arm's-length responsibility. We set the law. We did not run the fund.

Now I do not know what you did over there, but we had an arm's-length ability with the fund and we maintained that. In fact, the board members knew their fiduciary responsibility was to the population in general, not to the government.

Government's Representatives Investigation of Conduct

Mr. Kelvin Goertzen (Steinbach): Mr. Speaker, members of this NDP government are adrift from scandal to scandal. They are ethical chameleons; they say one thing but they do another. I quote from Hansard. I quote the Minister of Justice, who at the time was the Justice critic: Commissions are important to look at matters into unethical conduct which may not be illegal but may be wrong, very wrong, to look at laws that should be created to ensure that indeed if allegations are proven to be true, that they never happen again. That is what this Minister of Justice once said.

Today there are serious allegations at the highest level in this Premier's (Mr. Doer) office and now he says something different. I want to ask him why will he not heed the words that he said just a few short years ago in this very House.

Hon. Gord Mackintosh (Minister of Justice and Attorney General): Mr. Speaker, the members of the House should know that there is a lot of money in the budget for an independent commission of inquiry into the James Driskell matter. The reasons for calling that inquiry are well-known publicly, and they reflect the words that I iterated when I was a critic.

Mr. Goertzen: I think he was changing colours while he was speaking, Mr. Speaker.

Another crafty political chameleon on that side of the House is the Minister of Health (Mr. Sale). He said at one time in this very House that when high-ranking officials in the Premier's Office were alleged to have done something wrong, he said this: Is it not reasonable that the Premier should ask these officials to step aside so that if indeed their names are cleared, they will come back with dignity, and if indeed the allegations are proven, then the consequences would follow?

That was dealing with allegations then. We are dealing with allegations now. It reaches into the Premier's Office.

I will ask that Minister of Health: That is what he said then; does he still believe it or is he too a political chameleon?

* (14:00)

Mr. Mackintosh: Mr. Speaker, looking at the number of outside reviews, many of which have been referred to by the Minister of Industry, in our view,

yet another outside review at the expense of millions of dollars to taxpayers would not be a good investment, in light particularly of the Auditor General's findings that members opposite for some reason want to continue to ignore and do not seem to have an interest in reading.

Mr. Goertzen: Mr. Speaker, the political chameleon list continues on that side of the House. The now-Minister of Energy, Science and Technology (Mr. Chomiak), he says one thing and he defends something completely different. In this very House, the minister said that when there are allegations levelled against an individual in government, close to the Premier, that the individual should be put on a leave of absence because I quote, it is needed "to maintain the integrity of the Premier's Office." That is what the minister who is sitting beside the Premier (Mr. Doer) said just a few short years ago.

Now he tries to defend it. He claps on demand when his Premier tells him to clap on demand. I would ask him to turn his head to his Premier and say, I was right then, you should do the right thing. This is about protecting the integrity of the Premier's Office and Mr. Kostyra should step aside under these allegations.

Hon. Gary Doer (Premier): Well, Mr. Speaker, first of all, if I am going to go with the findings of the Auditor's office, dealing with items such as monitoring and responsibility, I will go with the facts that are found with the body that is allowed to do that in this House.

Secondly, Mr. Speaker, this whole argument that people who are named in the lawsuit, Mr. Kostyra is not, the provincial government is named, means that we should be firing Wellington West; we should be firing Coopers & Lybrand; we should be firing Nesbitt Burns, because they are all named in the lawsuit. I suggest members opposite have a double standard. When it comes to their friends they have one standard, when it comes to somebody else they have a different one. Shame on them.

Eugene Kostyra Resignation Request

Mr. Ron Schuler (Springfield): Mr. Speaker, another day and another call for justice in the Crocus scandal. Once again, ordinary Manitobans must go to court to fight this NDP government for what is right. Imagine, ordinary Manitobans have to sue their own

government for the truth. This is a typical case of David versus Goliath.

To the Minister of Industry, Economic Development and Mines (Mr. Rondeau), will he protect the integrity of the office of the Premier and ask that Eugene Kostyra resign and call for a public inquiry?

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, we take a completely opposite view from the members opposite about a lawsuit.

The possibility of a class-action lawsuit against anybody did not exist when the former government was there because there was no class-action legislation in the province. It is only this government and this Minister of Justice (Mr. Mackintosh) that brought in the best class-action lawsuit legislation in the country.

Mr. Speaker, the fact that an allegation is made in the lawsuit gives consumers the right to pursue their interests, but we all know under the law that everybody is presumed innocent until the court has adjudicated. Members opposite want to act as if they are a Spanish Inquisition. They do not believe in the presumption of innocence, because if they did believe in the presumption of innocence their members would have to step aside just like they are asking for members of the government.

Mr. Schuler: Mr. Speaker, 33,000 Manitobans want justice in the Crocus scandal, including thousands from Brandon and the surrounding area. In the lawsuit, one day, page 11, the Crown sought to encourage Manitobans to invest in the Crocus Fund. Now, a few days later, they have to sue their government for justice and for the truth.

Will the minister for lotteries and gaming, the Member for Brandon West (Mr. Smith), protect the integrity of the Premier's Office, ask that Eugene Kostyra resign and call for a public inquiry?

Hon. Gary Doer (Premier): Mr. Speaker, I would point out that the Crown has multiple and conflicting roles in the direction and supervision of the fund since its inception. That inception is stated in the lawsuit as March 21, 1992. I will defend the integrity of the former Premier's Office and I will defend the integrity of this Premier's Office.

Mr. Schuler: Mr. Speaker, 33,000 hardworking Manitobans are now forced to take this NDP government to court as they seek justice and truth on the Crocus scandal.

Will the Minister of Aboriginal and Northern Affairs, who stated in this House on June 3, 1998, and I quote, if he has nothing to hide let the people testify at a public inquiry, will he now protect the integrity of the Premier's office, ask that Eugene Kostyra resign and call for a Manitoba public inquiry? Not a Spanish Inquisition, a Manitoba public inquiry. Do what is right; protect the 33,000 Manitobans, Mr. Speaker.

Mr. Doer: First of all, Mr. Speaker, we have an Auditor General's report that deals in factual terms with the role of monitoring of the fund. It makes it very clear how that role operated: a) with the political body in the former government, and b) with the Industry Department.

There were some issues raised when we came into office. One of them was the fact that civil servants since 1995 or '96 were taking off on leave to sell shares. When that was brought to our attention, we immediately stopped that practice.

I would also point out that clearly the Auditor General's report deals with some of these issues of allegations, but I would also point out that some of the allegations made, including the Science and Technology Fund, were announced by former Minister Tweed.

I notice that they have a double standard. People who are named in a lawsuit, and Mr. Kostyra was not named in the lawsuit, the government of Manitoba was; people who are named in the lawsuit, like Wellington West, are not asked to be fired by these members. Other people are. Double standard, Mr. Speaker.

Crocus Investment Fund Class-Action Lawsuit

Mr. Hugh McFadyen (Leader of the Official Opposition): Mr. Speaker, this Premier's government was yesterday the subject of a lawsuit claiming \$200 million in taxpayers' funds, \$200 million.

Given that the Premier is all too happy to associate himself with a \$1.5-million loan to Maple Leaf Distillers, will he show enough concern for the taxpayers of Manitoba in the face of this \$200-million threat to the public treasury to do what any respectful leader would do and after Question Period, go to his officials and ask them whether the allegations have any merit whatsoever?

Hon. Gary Doer (Premier): These matters have already been dealt with in the Auditor General's

report and, Mr. Speaker, the member opposite has a double standard. Wellington West, that is also named in the class-action suit—

Mr. Speaker: Order.

Mr. Doer: It is also mentioned in the class-action suit, Wellington West, that has been convicted of breaking the Securities Commission laws for the sale of shares for MTS. The member opposite has taken credit for setting up the way those shares are sold, and he does not ask for the dismissal of Wellington West. Double standard, Mr. Speaker.

Mr. McFadyen: Mr. Speaker, the Premier indicated yesterday in the media that he was not at all concerned about this lawsuit. Given that he is not concerned about the lawsuit, and he obviously thinks it is frivolous, will he confirm for the House today that his government will not put out a single penny in settlement monies to any of the parties who have brought this suit at any time?

Mr. Doer: Yes, Mr. Speaker.

Public Inquiry

Mr. Hugh McFadyen (Leader of the Official Opposition): Mr. Speaker, the Premier looks greatly relieved to know that all of these allegations are frivolous, and I am pleased that he is so confident. So, given that this scandal through these allegations in the lawsuit, through the provincial Auditor's report and given the comments yesterday on CJOB radio by Mr. Bellan that I quote: The government has been stonewalling on this for the past year and a half. Through the process of discovery we are going to be able to get at what actually went on during the crucial months, especially in the period around 2001 and 2002.

Under the Premier's watch, given that the scandal has reached into the Premier's Office and given how confident the Premier is that he has nothing to be concerned about, why does he not just do the right thing and call a public inquiry?

* (14:10)

Hon. Gary Doer (Premier): We have the Securities Commission report. We have civil lawsuits, Mr. Speaker. We have the Auditor General's report and—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I need to be able to hear the questions and the answers. I am asking the co-operation of all honourable members here.

Mr. Doer: Thank you, Mr. Speaker. We have the Auditor General's report that refutes many of the allegations in the lawsuit. I would point out that this lawsuit goes back to the inception of the fund in March of 1992. It goes back to the conflicting roles that were established, and yes, we dealt with some of those when we first got into office. But, obviously, as the Auditor General pointed out, we did not deal with all of them.

Mr. Speaker, we will have the responsibility for defending seven and a half years under the former premier's watch and the four years under our watch. We believe in terms of the examples cited: the Science Fund, '99, before we were elected; the write-off of the shares, January '94, to Mr. Downey from Mr. Benson; When we look at the memorandum of agreement from Mr. Stefanson, I do not think members opposite should be too smug about the affairs of Crocus.

Whistle-Blower Legislation Private Sector Protection

Hon. Jon Gerrard (River Heights): Mr. Speaker, the Auditor General uncovered major financial irregularities of the Crocus Investment Fund, at Hydra House, at Aiyawin Corporation. In the case of Aiyawin Corporation, the financial irregularities were uncovered by three whistle-blowers who subsequently lost their jobs with the Aiyawin Corporation and were then forgotten and abandoned by this government.

The government now proposes to provide protection to government bodies where all members of the board are appointed by the government and not for corporations like Aiyawin Corporation or Hydra House.

My question is to the Premier: Why will the government's proposed whistle-blower protection not provide protection for the whistle-blowers of the future who come forward and expose financial irregularities at companies like Hydra House and Aiyawin Corporation?

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, if the member would take a few moments to read the bill, Part 5, there is provision for wrongdoing reported and provided by persons outside the public service; they are protected as well. The kinds of individuals that the member speaks to can be protected under this legislation. The member should take great comfort that we have covered that matter,

and regulations will further specify how they will be protected.

Mr. Gerrard: But it would appear they may be only protected if they report irregularities in the public service, not in a private corporation. The government abandoned whistle-blowers in the past and now proposes not to provide adequate protection to future whistle-blowers.

Last year, Preston Martin, the child who had been in the care of Child and Family Services, died as a result of a gunshot while he was in a private but government-funded facility for children in care operated by B & L Homes. Why will an employee of B & L Homes not be covered by the government's approach to whistle-blower protection if he or she reports financial irregularities specific to B & L Homes?

Mr. Selinger: As I said, there is protection for people outside the public service that make a report on a wrongdoing. In the case of an agency, which has a service purchase agreement with the government, there will be whistle-blower protection there as well. They are offering services on contract with the government. Service purchase agreements will provide for whistle-blower protection. Regulations in this legislation will also provide for that. Those agencies will have protection for their employees, and that is stated in Part 5 and will be followed up on in the regulations.

Crocus Investment Fund Public Inquiry

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, when this Premier was a minister, once again we saw a then-minister being sued, and just days prior to going to trial there was an out-of-court settlement which put it to rest. We are talking thousands of tax dollars that were used. Now we see a Premier who is making assertions that this is just a frivolous lawsuit. Thirty-three thousand plus Manitobans, a class-action suit for hundreds of millions of dollars now levelled against this government, and this minister, this Premier has the nerve to downplay it.

I am going to suggest to the Premier, Mr. Speaker, that a provincial auditor, Manitoba Securities Commission, the RCMP and the courts are just not good enough. Manitobans deserve a public inquiry, Mr. Speaker.

When is this Premier going to have a public inquiry so that we can get to the bottom of this NDP corruption?

Hon. Gary Doer (Premier): Well, I am surprised at the disrespect the member opposite has for independent officers of this Legislature.

Provincial Highways Map Northern Manitoba

Mr. Gerard Jennissen (Flin Flon): My question is for the Minister of Transportation and Government Services. The provincial highways map prior to 1991 was missing a large chunk of northern Manitoba.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. If members wish to have a conversation we have two empty loges here, or you can have it out in the hallway. It is up to the individuals.

Point of Order

Mr. Speaker: The honourable Member for Inkster (Mr. Lamoureux), was up on a point of order?

Mr. Kevin Lamoureux (Inkster): A point of order, Mr. Speaker. The Premier is imputing motives in a fairly significant way.

To indicate that I as a member of this Legislature do not have confidence in the independent officers, Mr. Speaker, nothing could be further from the truth. What I was questioning was this Premier's coward actions—

Mr. Speaker: Order. Before I deal with the point of order, I will ask the honourable Member for Inkster to withdraw that word.

Mr. Lamoureux: Mr. Speaker, I would withdraw those comments even though it might be true.

Mr. Speaker: Order. All members in this Chamber are honourable members and they will be treated as such. I want the honourable Member for Inkster to unequivocally withdraw that comment.

Mr. Lamoureux: With respect to you, Mr. Speaker, I withdraw those comments.

Mr. Speaker: Thank you. And on the point of order raised by the honourable Member for Inkster, he does not have a point of order. It is a clear dispute over the facts.

* * *

Mr. Speaker: The honourable Member for Flin Flon has the floor.

Mr. Jennissen: Thank you, Mr. Speaker. Once again, my question is for the Minister of Transportation and Government Services.

The provincial highways map prior to 1999 was missing a large chunk of northern Manitoba. For northern Manitobans such a map was really a slap on the face and symbolic of how little the former government cared about us in the North. The new, improved provincial map recently won awards at a transportation conference in the United States of America.

Could the minister please tell us about those awards?

Hon. Ron Lemieux (Minister of Transportation and Government Services): Thank you very much for the opportunity to congratulate the hardworking officials in the Department of Transportation. They truly deserve a lot of credit for this.

Mr. Speaker, also with regard to the new map, the way it currently looks with the changes that were made in 2000, I have taken the liberty of distributing a map to members opposite in the Conservative Party and the Liberal Party so they can actually travel up to Manitoba, see northern Manitoba. Maybe they are unaware of this, but they do not need new visas or passports to go to northern Manitoba, just a good highways map. Take it. See what northern Manitoba looks like.

Whistle-Blower Legislation Complaint Process

Mr. Gerald Hawranik (Lac du Bonnet): Even the Finance Minister is on record as saying that his whistle-blower legislation would have protected Pat Jacobsen, because when she was fired she could have gone to the Labour Board.

So I ask the Minister of Finance: Now that he has had a chance to read his own legislation, will he admit that he was wrong, that his legislation would not have protected Pat Jacobsen?

* (14:20)

Hon. Nancy Allan (Minister of Labour and Immigration): When concerns were raised with the previous Minister of Labour in regard to the concerns that were raised in Pat Jacobsen's letter, the minister acted within the law. She acted with the law, sections 59(1) and 59(2).

We took the recommendations of the Auditor General seriously, and we have just introduced whistle-blower legislation in this province, Mr. Speaker, that is the broadest legislation in Canada of any provincial jurisdiction. We showed leadership when we introduced Bill 25 in this House and we changed the governance structure of the investment committee and we are showing leadership again.

Mr. Hawranik: Mr. Speaker, this whistle-blower legislation would not have protected Pat Jacobsen because she complained to the minister. This legislation does not protect employees when they complain to the minister. The minister can fire an employee for making allegations against the government and that is exactly what the minister did.

I ask the Minister of Finance: Why will he not protect the jobs of employees who make disclosures to the minister?

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, the legislation is very clear. Any member of the broader public service covered under this legislation has the right to go directly to the Ombudsman. They do not have to go to the designated officer. They do not have to go to their minister. They can go directly to the Ombudsman with their complaint and in case, if they feel there are any reprisals that have been visited upon them as a result of their whistle-blowing to the Ombudsman, they have full access to the Labour Board to hear their concerns. The Labour Board has jurisdiction to decide whether or not a reprisal has been taken and it has several remedies available to them, including compensation, including reinstatement into their job.

Mr. Hawranik: Mr. Speaker, Pat Jacobsen did not go to the Ombudsman. She went to the minister. The NDP introduced this legislation yesterday to take the focus off the Crocus scandal and take the focus off the Crocus lawsuit against the NDP government. It did not work because this government introduced legislation to protect themselves. Whistle-blowers who complain to the minister or anyone other than a supervisor or the Ombudsman are not protected.

So I ask the Minister of Finance: Did you not want to hear complaints or are you simply following the do not know, do not ask culture of this government?

Mr. Selinger: Mr. Speaker, I only wish he would have read the legislation as well as he read his prepared question that has been made available to him. It is very clear that anybody who is covered

under this legislation has the ability, including people at the Workers Compensation Board, to go directly to the Ombudsman on a whistle-blowing matter. In addition, they have full access to the Labour Board.

Yes, the member is right. Before this legislation was brought in, there was not specific whistle-blowing protection. They still had access to the Ombudsman under the former legislation. In addition, under this legislation, they now have access to the Labour Board in the event that they feel a reprisal has been taken against them. The member is wrong. He should read the legislation.

Mr. Hawranik: Mr. Speaker, there have been many, many whistle-blowers on this government and all of them have been muzzled. In January 2002, an official from the Department of Finance sent an e-mail asking for an independent review of Crocus, and the minister refused to provide this House and provide this caucus with a copy of that e-mail.

I ask the Minister of Finance: Now that he has introduced his whistle-blower legislation, will he guarantee that his financial official will be protected from a reprisal from this minister should he or she provide us with that e-mail?

Mr. Selinger: Mr. Speaker, everybody in government, including officials in the Department of Finance, would be protected if they felt they had to proceed with the whistle-blowing event. The member opposite just conveniently excludes the fact that the protection the Finance official had was protection under rules that were put in place by members opposite on Freedom of Information, on FIPPA.

The Auditor General confirmed that e-mail never reached a minister's desk. Communication among civil servants is protected and privileged communication in order to encourage the widest debate among civil servants possible. So, Mr. Speaker, yes, that member would be protected under this legislation, no question about it.

Mr. Speaker: Time for Oral Questions has expired.

MEMBERS' STATEMENTS

Manitoba Cattle Enhancement Council

Mrs. Leanne Rowat (Minnedosa): Mr. Speaker, today I rise to address an important matter that must be addressed. This NDP government intends to create the Manitoba Cattle Enhancement Council and establish a mandatory, nonrefundable \$2 per head cattle levy. Such actions will impact the cattle

industry, and yet individual cattle producers have not been consulted. Neither have groups such as the Manitoba Cattle Producers Association or the Canadian Cattlemen's Association. They deserve input on a decision that will affect the livelihoods of their families and their communities.

The establishment of the Manitoba Cattle Enhancement Council will mirror the defunct Manitoba Beef Commission. This council will have arbitrary powers, will oversee cattle marketing in the province and will effectively exercise control over every facet of the cattle industry, leaving stakeholders with no say whatsoever in how their affairs will be managed. This council offers cattle producers no choice and no voice.

The NDP government should hold public meetings to obtain feedback on whether the cattle producers want the cattle enhancement program or have had meetings and should have learned from those meetings that they were not effective. They are not wanting this to move forward, and the \$2 levy should not. Anyway, allow stakeholders to exercise a democratic right, hold a free vote on the establishment of the council rather than making the decisions for them.

When will this NDP government learn to listen to producers and stop with the heavy-handed tactics? Thank you, Mr. Speaker.

Winnipeg Economic Growth

Mr. Doug Martindale (Burrows): Mr. Speaker, I rise today to inform the House about an important new study in the field of economic and city growth. This recent paper prepared by researchers at the University of Winnipeg contends that cities with slow and steady population growth such as Winnipeg compete and, more often than not, fare better economically than cities with rapid population growth.

Mr. Speaker, this idea that slow and steady growth wins the day may seem counterintuitive. Much hype and attention is paid to the stories of booms and bust that capture the public's imagination. However, when these notions are put to the test and measured in a statistical fashion, the facts tell a different story.

Christopher Leo and Kathryn Anderson, researchers from the University of Winnipeg, compared Winnipeg and Vancouver and found that, over a period of many years, while Vancouver experienced rapid rises in population, their economic

growth lagged behind that of Winnipeg. Moreover, coupled with affordable housing and apartment prices and the consistently low unemployment rate, the report concluded that, compared to Vancouver, Winnipeg's economic growth was steady, strong and stable. Mr. Speaker, the conclusions of this scholarly report are a welcome correction to the tired doctrines of critics for whom nothing is ever enough. Winnipeg's steady growth, affordable prices and stable employment market make it an ideal place to live and to build a home and a family.

I would like to thank the authors of this report for their inspiring work and to thank every Winnipegger who experiences every day the beauties our city has to offer.

Manitoba Softball Hall of Fame

Mr. Larry Maguire (Arthur-Virden): Mr. Speaker, on Saturday, May 6, I had the pleasure of attending a banquet and induction ceremonies for the Manitoba Softball Hall of Fame and Museum dinner. This prestigious event was held in the UCT Pavilion at the Keystone Centre complex in Brandon. The master of ceremonies duties were capably shared between Kent Morgan, the founding president of the Manitoba Softball Hall of Fame and Museum, and 880 CKLQ sports director, Bruce Luebke.

Greetings and congratulations were offered by dignitaries in attendance, His Worship Dave Burgess, Mayor of Brandon, and Member of Parliament for Brandon-Souris, Merv Tweed. This was the fifth Softball Hall of Fame induction ceremony, and it was attended by nearly 600 people. This year, there were 12 deserving Manitobans inducted: Peter Daptil, Rhonda Denbow, Peter Dewis, Ken Dilk, Karen Anderson-Dunbar, Bill Huston, Ed Keryluk, Joan Henderson-Panting, Art Penner, Don Robins, Tom Town and Bob Wright.

Mr. Speaker, three teams were also inducted. They were the Lenore Ladies Fastball Team of 1954-57, the Souris Blues Senior Ladies of '77-82 and the 1985-90 powerful Minto Mustangs Men's Fastball Club. Over the years, I have had the privilege of knowing many of these players and am proud to add that the Lenore team comes from the constituency of Arthur-Virden. As I was raised and farmed near Souris and Minto, it is with personal regards that I wish to extend my congratulations to the players, managers and coaches of all three teams.

I also want to add my personal congratulations to two tremendous lady athletes: Karen Anderson-

Dunbar and Rhonda Denbow of Souris, known throughout Manitoba and beyond as softball champions extraordinaire who have both been recognized for their coaching abilities as well.

Also, I wish to congratulate Mr. Bob Wright of Boissevain who was inducted as the only coach at the 2006 ceremony. He played baseball in Elgin, my home town, before coaching and playing with the Horton fastball team which was in provincials three times, winning Provincial B in '69. He also coached the Pringle's Pirates to a provincial senior championship in '75 and '79. In 1980, he turned to coaching Boissevain Lady Cardinals, winning the Provincial B championships in '84 and, as Roscos, won the Intermediate A title in 1985. Mr. Wright was coach of the year in 1984 in the Brandon and District Ladies Fastball B League and in '85 as the League A Division coach. Mr. Speaker, he was also the only coach to have the honour of being named a provincial winner of the men's team and the ladies' team throughout his career.

I invite all members to join me in congratulating all the honourees at last weekend's ceremony. Thank you, Mr. Speaker.

*(14:30)

Publishing in Northern Manitoba

Mr. Gerard Jennissen (Flin Flon): Mr. Speaker, in this Legislature I have frequently praised the artistic and creative ferment in northern Manitoba. Let us take a sample of the literature and journalism current in the Flin Flon constituency. There are two fine newspapers, in Flin Flon, *The Reminder* and in Snow Lake, *Snow Lake News*. Marc Jackson's *The Underground Press* is on-line as is *The Reminder*. As well, there are two excellent regional magazines, *Cottage North* and *route North roots*.

The talented Marc Jackson edits not only *The Underground Press*, but also writes for *Cottage North*, and along with Jim Parres wrote *The Nor-Acme Gold Mine Story*, a book about discovering and developing the gold deposit at Snow Lake.

Similarly, Walter Shmon, formerly mayor of Sherridon, has written a book about the legendary Dick Madole who was involved with the Sherridon copper development. This most entertaining book is entitled *Dick Madole King of the North*.

Several of my former English students at Frontier Collegiate Institute in Cranberry Portage have become writers. One is Tina Umpherville,

formerly from Brochet, who has written two children's books: *The Spring Celebration* (1995) and *Jack Pine Fish Camp* (1997). Both books are beautifully illustrated by Christie Rice.

The other former student is Dr. Peter Kulchyski with the Native Studies Department of the University of Manitoba whose latest book is entitled *Like the Sound of a Drum*. Professor Kulchyski's evocative depiction of the life and values of the Dene people is truly heartwarming.

A well-known Flin Flon poet, Glenda Walker-Hobbs, gave a poetry reading at McNally Robinson, Grant Avenue in Winnipeg on May 1 from her new book, *Drums Follow the Sun*. Her powerful poems deal with a young person growing up in the Birtle Valley.

And, of course, we should not forget the great writer and dramatist Tomson Highway from Brochet. His books include *The Rez Sisters*, *Dry Lips Oughta Move to Kapuskasing* and *Kiss of the Fur Queen*.

Mr. Speaker, thanks to hard work, innovation and creativity, journalism and literature are thriving in northern Manitoba.

Bruce Anderson

Mr. Cliff Cullen (Turtle Mountain): Mr. Speaker, I rise in the House today to congratulate Bruce Anderson on being chosen as the recipient of the prestigious Bill Lumsden Memorial Award for 2006.

On Sunday evening, May 7, I had the distinct pleasure of attending the Manitoba Curling Hall of Fame annual induction dinner at the Canad Inns where Mr. Anderson received his award.

Mr. Speaker, Bruce has been a very dedicated member of the Glenboro Curling Club for the past 42 years, and is a very deserving recipient of the Bill Lumsden Award, an award created to salute the unsung heroes of curling who work behind the scenes at the grass roots level for improvements in the sport.

Mr. Anderson joined the Glenboro Curling Club in 1964 and was elected to the executive in 1982. He has been active in all phases of the club's activities including league organizer, drawmaster, bonspiel drawmaster and icemaker.

Bruce was a senior zone chairman and was a member of the Safeway Select zone berth review committee. He served as facility and viewing chair for the 2002 Meyers Norris Penny Provincial Mixed

Curling Championship in Glenboro. Bruce was presented with an honorary life membership to the Glenboro Curling Club in 2003.

Bruce is well known for his excellent relationship with curlers of all ages and his interest in the promotion of the game and getting as many people as possible to take part and have fun. Bruce is also recognized as a respected competitive curler.

I would also like to send my congratulations to Doug Armour of Souris who was inducted into the Curling Hall of Fame. Doug has been curling since the age of 13, and in 2005 Doug won his fifth provincial title. This is in the masters division and he went on to win his first Canadian championship.

Mr. Speaker, on behalf of all members, I congratulate Mr. Bruce Anderson and Mr. Doug Armour for their excellence in the sport of curling. Thank you very much.

ORDERS OF THE DAY

GOVERNMENT BUSINESS

ADJOURNED DEBATE

(Eighth Day of Debate)

Mr. Speaker: Resume debate on the proposed motion of the honourable Minister of Finance (Mr. Selinger), and the proposed motion of the honourable Member for Kirkfield Park (Mr. Murray), in the amendment thereto, and the proposed motion of the honourable Member for River Heights (Mr. Gerrard), in subamendment thereto, standing in the name of the honourable Member for Russell (Mr. Derkach), who has 11 minutes remaining.

Mr. Leonard Derkach (Russell): When I was concluding my remarks yesterday, Mr. Speaker, we were talking about the mismanagement and the lack of accountability on the part of this government. Every day the House sits, more and more evidence is provided to Manitobans that this government is completely out of control in terms of their ability to manage the affairs of the government, and in terms of being able to manage those issues which come before the government that show that there has been a lack of attention by ministers of the Crown to the issues that are before them. It does not matter whether it is in Family Services, whether it is in Education, whether it is in Finance. More importantly, the issue before us with regard to the Crocus Fund is one that embarrasses all of us as legislators, but, more importantly, should embarrass this government and this Premier (Mr. Doer).

Mr. Speaker, this has now parked itself at the Premier's door. He can no longer avoid it. When members of his own inner circle have been named in the lawsuit, that means the Premier has now implicated himself by the fact that he has a close association with members who are in his inner circle. The Premier can no longer avoid talking about it. He cannot use the excuse that he did not know, because his adviser Eugene Kostyra speaks to the Premier on a daily basis, or should speak to him on a daily basis, and would advise him about those issues which may be of concern to Manitoba, which should be of a concern to him, which should cause the Premier to act.

Mr. Speaker, how long can this go on? We have continued to ask for a public inquiry. The bells in this Legislature have rung days on end to signal the fact that Manitobans are concerned. The line was drawn in the sand for a period of time to ensure that government could come to its senses and call what the public have been demanding, the media have been demanding, and that is a proper public inquiry to deal with those allegations that are before. Thirty-three thousand Manitobans have lost over \$60 million. That is not a trivial amount. Those 33,000 Manitobans were people who invested money into the Crocus issue because they felt confident that the government was behind it and, indeed, everything would be done properly.

But, Mr. Speaker, we have seen how this government's fingerprints are all over this scandal. We have seen how government has used its undue influence to try to manipulate the issues with regard to Crocus, to make it appear as though it is viable when, indeed, long before then, the viability of Crocus had gone out the window. That is why the public, that is why this side of the House has been calling on the Premier to do the right thing. To date he has ignored it, and we have said if he cannot call a public inquiry, then he has to do the other honourable thing, and that is to look at calling an election so that Manitobans can, indeed, judge this government on what its record is, and they will.

But, Mr. Speaker, there are other issues out in Manitoba which are affecting people's lives. I spoke yesterday very briefly about the issue of health care. Nowhere in this country is there a more dismal record on health care than there is right here under the administration of this government.

The Conference Board of Canada has issued its adjudication of how Manitoba performs. These are

the other jurisdictions, and we have been known to be dead last in the delivery of health care and services to Manitobans.

So, Mr. Speaker, I say shame on this government. It is time that this government woke up to the fact that Manitobans want justice. They expect accountability from this government. They expect to clean up the mismanagement, and it is up to the Premier to call not only the public inquiry, but to call his ministers to task and ensure that they handle their responsibilities in an appropriate fashion.

With those remarks, Mr. Speaker, I conclude my address on the budget speech. Thank you.

Mr. Hugh McFadyen (Leader of the Official Opposition): Mr. Speaker, I thank the honourable members for their applause. I just want to say that I am pleased to rise on this inaugural speech to this House.

At the outset, I want to express my personal gratitude to the many people who have helped me to get here; firstly, to my parents, Ralph and Leyah McFadyen, who have provided unwavering support to me through my life and have been supportive of me in every endeavour that I have undertaken, including my election to this very special Chamber. I want to thank my brothers, my aunts, my uncles and other family members who have been there in support of myself; my wife, Jennifer, who has obviously played a very supportive role of me and has provided me with all kinds of support and a keen interest in politics, which has developed through the course of our marriage; my children, Rachael and James, who are just a little bit young to have a full appreciation for everything we have been through, but who have been wonderful, a joy for me to come home to at the end of each and every busy day.

* (14:40)

Mr. Speaker, I also would like to just acknowledge and pay tribute to a couple of people who have played an important role in my life, in public life, people I have learned a great deal from: the former premier of Manitoba, Gary Filmon and many of his Cabinet colleagues, whom I have had the pleasure of working with over many years. I really feel that I have been privileged to learn from the best, and I am grateful for the support, the guidance and the mentorship that they have provided to me. I would also like to thank Mayor Sam Katz for the opportunities that he has provided to me in public life, and to the hundreds of other people—

campaign volunteers, advisers, supporters—all of whom have contributed in one way or another to assisting me in getting to this point.

These are all people, Mr. Speaker, who have supported me and have an abiding commitment to our great province of Manitoba. I want to thank the members of my caucus for the hard work that they do each and every day on behalf of Manitobans. I want to thank the members of all parties who come to this House every day in good faith with a view to a better future for our province of Manitoba.

I, Mr. Speaker, have been fortunate to have the best of Manitoba in growing up, having been born in Selkirk, lived briefly in Brandon as a youngster and then raised in St. James here in Winnipeg. My rural anchors are my parents. My mother's family comes from the southwest corner of the province around Cartwright, where they continue to live to this day. My father came from the Interlake region of the province. I am very proud of those roots. I value the relationships and the connections that I and my family continue to have in all of those regions of this great province.

Mr. Speaker, I have been fortunate to have a chance to spend some time away from Manitoba, as well, but even more fortunate to return to this great province just a couple of years ago to settle with my wife and our children.

Mr. Speaker, Manitoba is a province that has been very good to me personally; it has been very good to my family. But I worry that it is being dragged down by a government that has no plan, no vision and no willingness to accept responsibility when things go wrong. This is a government and a Premier that are happy to run to the front of any parade that they can find, but they will not do what real leaders do and take responsibility for addressing problems in a forthright manner when they arise.

While this budget contains some worthwhile initiatives overall, it will do nothing to address the deeper, underlying problems that face our province. Yes, this province demonstrates this government has spent and will continue to spend a lot of money. When a family takes out a mortgage or a business takes out a loan, they do so with some expectation that there will be some future benefit to the family or the business. By contrast, this is a government that spends without regard to future consequences. They have increased spending by over \$2 billion a year. That is two thousand million dollars each and every year that they spend more today than they did when

they took office in 1999. When you consider the vast history of this province, or from the time of its formation until 1999, the budget grew from zero to just over \$6 billion. To consider that, in six and a half short years, that budget has reached almost \$9 billion, a shocking display of reckless increases in spending with no measurable or notable results for Manitobans. With all this new spending, we as Manitobans, as taxpayers, have little or nothing to show for this vast increase in our provincial budget.

While I would just note that, when this government was elected and this Premier was elected in 1999, it was with a promise and a sacred commitment to Manitobans that they would fix health care. Six and a half years later, according to the Conference Board of Canada, we have the worst health care system in Canada. The most famous broken promise since George Bush said, read my lips, no new taxes.

For the \$2 billion in increased spending, Mr. Speaker, the streets and highways of our province continue to crumble. Highway 75, which is our main link south, is a disgrace and an embarrassment to all of us as Manitobans. When I compare the approach of this government, which is to muddle from day to day filling potholes and failing to show any vision or imagination or determination to deal with our province's challenges, I am reminded of our province's early days, a time when we in Winnipeg as a young city had two options in terms of how we were going to supply water to our city.

One option that was brought forward would have cost \$2 million, and it was to source water from a nearby location. A second bolder and braver option was to put out \$14 million to build the aqueduct from Shoal Lake to Winnipeg. It was a marvel of engineering, and it was a testament to the optimism that the citizens of Winnipeg had at that great time in our province's history. As they chose a future, they chose a future of optimism and hope, and they chose a future of big dreams.

Looking at more recent history, Mr. Speaker, we look at Duff's floodway. We look at the vision that went into the construction of that vast, great project.

An Honourable Member: What party was he from?

Mr. McFadyen: —that great Progressive Conservative Premier, Duff Roblin, who had the vision and the determination to stare down his critics and move ahead with a project that has saved countless lives and countless billions of dollars.

I contrast that, Mr. Speaker, with the approach of this short-term NDP government, who are using the expansion of that great project, the floodway project, which Izzy Asper referred to as the "son of a ditch." They have used that and misused this project to reward their friends. By requiring forced unionization of the floodway project, they have taken what should have been a great public work for the people of Manitoba and misused it as an opportunity to reward their cronies and their friends.

Mr. Speaker, when I look at the spending of this NDP government and how little we have received for it in return, I contrast that with the years of the Progressive Conservative government of Gary Filmon, where we had \$200 million in transfer payment cuts and still managed to balance the budget while protecting vital services. The contrast could not be more striking: The Progressive Conservative Party takes scarcity and turns it into success, while the NDP takes abundance and turns it into failure.

Mr. Speaker, for the \$2 billion in increased spending, we are no safer on our streets or in our homes. We have done nothing to address the crime problems that plague our city of Winnipeg. We see our universities struggling.

Mr. Speaker, there are small, delayed cuts in corporate income taxes, which are welcome, but entirely insignificant when you compare them to what neighbouring provinces are doing in this country.

We must do better if we are going to create opportunities to keep young people here in Manitoba. We are losing our young people, and, as we lose them, we lose the hope of a better future. Young people are voting with their feet, and the fact that the ones who are leaving are never likely to vote NDP should not provide this Premier with any comfort. This budget offers little to young people who may be looking at other options. This is the No. 1 challenge of our times, to find a way to keep young people here in Manitoba.

This government's budget forecasts a surplus of \$148 million on a total of \$8.6 billion in new spending, and, on its face, some might think that this is good news, but, when you dig deeper, you will find that we are dependent on the wealth and the good will of others like never before.

Mr. Speaker, one of every three dollars on the revenue side of this government is coming from sources outside of Manitoba. We are more dependent

on outside sources of revenue than at any other time in Manitoba's history.

Now, I know the Premier (Mr. Doer) prides himself on being good at getting money out of Ottawa, and he grovels like no premier I have ever seen. In fact, just recently—I am sure honourable members of the government party will be supportive of this statement—the Premier referred to himself as a good friend of Stephen Harper. It is sad, Mr. Speaker. It is sad that, after years and years of attacking Mr. Harper, now that the Premier is dependent on him for handouts, suddenly, Mr. Harper has become the Premier's good friend. How sad.

Well, what the Premier does not mention as he goes grovelling for money to Ottawa is what we are giving up. What we are giving up, Mr. Speaker, is our ability to decide our own future as a province.

The Premier's approach to transfer payments is similar to his philosophy on social assistance. Members will recall that under the Progressive Conservative government, policies were introduced that those who were able to work were encouraged to find work before being eligible for benefits, and I am proud of the work that was done by the honourable Member for River East (Mrs. Mitchelson) as minister at that time to encourage people to go to work where they were able to do so.

Well, one of the Premier's first acts in government, the way he put his stamp on his new NDP government, was to roll back that legislation and to revert to the old system of passive handouts to anybody who came and applied.

This not only does a disservice to taxpayers, quite obviously, Mr. Speaker, but it does a disservice to people who are simply asking for a government to provide them with hope and opportunity and encouragement to become less dependent on government, rather than more dependent on government.

*(14:50)

We as members of this House need to support government policies that ensure that the government is there when people need help, but we should not, Mr. Speaker, be actively encouraging dependence which saps pride, dignity and the capacity of people to lead a good life. But it is not surprising because this is NDP philosophy. The more dependency you can create, the more NDP voters you have. It is brilliant and deeply cynical, and, at this rate, with the level of dependence that Manitoba is now reaching

on the federal government, which the Premier seems to have no concern about whatsoever, we will soon be a department of the federal government in no time at all. In fact, in the next round of constitutional amendments, I am sure they will have to add a line to section 91 of the Constitution listing Manitoba as being within the jurisdiction of the federal government, maybe somewhere between Sable Island and lighthouses.

Well, Mr. Speaker, this Premier has nothing to be proud of, and this Minister of Finance (Mr. Selinger) has nothing to be proud of, when it comes to the increased dependency of Manitoba on transfer payments from outside.

Mr. Speaker, at the same time that this government increases our dependency on handouts, and even as we have record handouts from Ottawa, the Premier and his Minister of Finance in this budget are raiding the rainy day fund. This is shocking. The new federal government, we know, is embarking on a policy to address the fiscal imbalance. This policy probably will not cost us money as a province, but it may put our competitors like Alberta and Ontario on a stronger footing vis-à-vis Manitoba. The Premier at this rate within three years will have drained the rainy day fund with no plan for the future, with no concern about how we compete with the surrounding provinces to keep young people here in Manitoba.

Furthermore, Mr. Speaker, this government seems to be content to ignore potential storm clouds gathering on the economic horizon. With high fuel prices, rising inflation and the potential for interest rate hikes, there is no plan in this budget, or no apparent plan within this government, to weather this storm in the event that the storm arises. This is simply reckless and negligent, but absolutely what we have come to expect from this NDP government.

Well, Mr. Speaker, as bad as this budget is in terms of the imbalance of new spending versus tax relief—we know there is \$8 in new spending for every \$1 in tax relief for Manitobans, which goes to show again the NDP philosophy: we are eight times smarter than the average Manitoban when it comes to spending their money. As bad as this budget is in terms of increasing our dependency on Ottawa—one in three dollars and growing by the day—as bad as this budget is in terms of preparing us for an uncertain future, I might have been prepared to acknowledge that there were some good initiatives contained in the budget. I say "might," because this

budget is simply, at this stage, words on a piece of paper. It is when it comes to implementing and administering the budget that I really become concerned about this government.

Mr. Speaker, members of this House need to have faith that the people responsible for administering departments are competent to do so, and that the boss at the top is ready to hold them accountable for delivering results for the taxpayer dollars that they spend on behalf of Manitobans. Instead, we have a Premier who rewards incompetence and punishes integrity and commitment to public service: Hydra House, Aiyawin, WCB, Crocus, the broken promise to fix health care, his broken promise not to raise taxes, and, most tragically, the mismanagement of our Child and Family Services system. All of this means that, even if there are some good ideas on paper in this budget, there is little or no chance that any of them will be properly executed.

Mr. Speaker, the tone of this government is set by the Premier (Mr. Doer), and I just want to say that I, like hundreds of others, was happy to be in the audience to see the former mayor of New York, Rudy Giuliani, speak at the Winnipeg City Summit last week. I was there for the Premier's introduction of Mr. Giuliani, and it was a great performance, I have to say. The performance was so good and the language he used was so good that I almost got the sense that he was on the verge of launching his campaign for the 2008 Republican nomination.

He spoke of freedom and democracy and shared values with our good friends in the United States south of the border. I know that the Premier claims to be great friends with Stephen Harper, so it all seems to be adding up. He said nothing about equality and solidarity, and I wonder, Mr. Speaker, if he is not running for the Republican nomination. Maybe this is all part of his rebranding of the New Democrats. Maybe he is going to rebrand them into the new new New Democrats before the next election campaign, because people are getting tired of the new New Democrats.

So it is time, and I see the Premier in preparation for the election campaign with all of his speeches getting ready to roll out the new new New Democrats, and we look forward to it. The problem, whether he goes through a rebranding of his party from the new New Democrats to the new new New Democrats, or whether he runs for the Republican nomination in 2008, the problem he is going to have is that somebody might actually check his record.

He is almost on par with Mr. Giuliani as a performer, Mr. Speaker. The problem comes when you compare his record to that of Mr. Giuliani. Mr. Giuliani talked about holding people in his government to account for getting results. Mr. Giuliani did not fire good people and reward incompetent ones. He actually took personal responsibility for delivering results, and he took responsibility when it was not easy to do so. He took responsibility when things went wrong in the city of New York.

What a contrast with this Premier—\$1.5 million investment in Maple Leaf Distillers. At the time the Premier thought it was the greatest thing going, all kinds of tremendously supportive quotes from Mr. Ataliotis and others, and then, when things go wrong, the Premier is nowhere to be found.

So we in opposition, Mr. Speaker, have to be constructive. That is part of our responsibility. So I just want to say to the Premier today that, if he is sincere in wanting to be a Conservative, if he wants to introduce meaningful tax relief, if he wants to deliver results for money spent, if he wants to plan for an uncertain future, if he really does want to emulate Mr. Giuliani's leadership style, he has my commitment today that we will be here to support him even if he does not have enough votes in his own pockets.

Mr. Speaker, we live in a great province. We live in a great province, and it is a great province that deserves a great government. We need a government that wishes for and a budget that delivers on a proud and confident province. We need a budget and a government that plans for an uncertain future. We need a budget, a leader and a government that creates a place of opportunity for new Canadians and a place of hope for our original Canadians, our First Nations, and for all of those who arrived in between and their descendants. Most importantly, we need a budget and a government that can deliver to young people the certainty that Manitoba's best years are yet to come.

Mr. Speaker, this budget fails on all of those counts. It is a budget that fails to deliver pride to Manitobans, confidence in our future, and it fails to deliver opportunity and hope to our young people. That is why I will today be voting against this budget, and I encourage all honourable members to do likewise.

Hon. Gary Doer (Premier): Certainly, we would welcome the comments of the new Leader of the

Opposition, those rousing comments of leadership from the member opposite. I am sure that is what inspired his Tory delegates to vote for him a couple of weeks ago, Mr. Speaker.

We note that, lately, in a Conservative convention, it is like a kind of chapter of the Manitoba Club where little puffs of smoke come out of the chimney after the lords and ladies of the Manitoba Club decide on the next Leader of the Conservative Party. The brokers break into a tune of the Hallelujah Chorus, and out comes another blueblood for the Conservative Party of Manitoba. I think we will be able to go to the community club of Manitoba, and we will even go to the Charleswood community club of Manitoba. We will be able to tell them what side we are on on the deer in the Charleswood riding.

* (15:00)

The Member for Charleswood (Mrs. Driedger), who still does not remember that she was the legislative assistant to the Minister of Health, we will remind her of the dark days of the Conservative health regime. We are so happy you have been reappointed to the critic of the Health Department. You want accountability? You are going to get accountability. Mr. Speaker, you are going to get it.

I would point out, Mr. Speaker, that, yes, we were together at the Giuliani event last week. I want to say that I certainly enjoyed meeting him and his presentation to the people of Winnipeg and Manitoba. I would point out that our relationship with Mayor Giuliani in Manitoba is a relationship that started with the New York firefighters. The New York firefighters donated the twisted wreckage of that horrible World Trade Center. Having had the privilege of speaking to the New York firefighters and firefighters all across the United States, I am pleased to say that, after the former Justice Lyon ruled firefighters not covered for purposes of compensation, and the Filmon government—under which he worked as a senior adviser and political staff—when they refused to bring in coverage for heart attack victims and cancer care victims, I was proud that it was this government that respected firefighters.

So, when we talk about freedom and democracy, it is not a Republican or Democratic ideal. It is a belief that all people are entitled to fair treatment under the system. That is what we believe the International Peace Gardens is all about, and that is why the twisted wreckage is located there.

[interjection] Well, the cheap shot from the Leader of the Opposition (Mr. McFadyen) about taxpayers' money, I want to point out that the money—

Some Honourable Members: Oh, oh.

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

Mr. Doer: Thank you, Mr. Speaker.

I want to point out that the memorial from the World Trade Center that is at the International Peace Gardens, contrary to the statements made opposite, was donated by the firefighters of New York. They were transported by the CNR. They were located by a trucking company, Bison Transport, who donated their transportation. They were located in the International Peace Gardens by the joint body of Canada and the United States. So his statement, that thank you to the taxpayers, is factually not correct. This was an act of generosity by the firefighters of New York.

The other point, Mr. Speaker, as members opposite—and the member opposite, when he worked in the premier's office—their view of Winnipeg, their vision of Winnipeg, their record on Winnipeg was that it was in competition to the rest of Manitoba. It was in competition to the rest of Manitoba. Now, I know I risk getting my friends animated on this debate, but I daresay there was more infrastructure money put for the fountain behind the Legislative Building and the sewer system in Headingley than there was in the city of Winnipeg. We apologize to nobody for a vision that basically states that Winnipeg, a strong capital city, provides for a stronger province. We do not believe we are in competition with northern Manitoba, rural Manitoba. We believe if you strengthen one part of the province, you strengthen every part of the province. That is why we are fundamentally different than the Conservative party.

The other part that Mr. Giuliani talked about was presence. Mr. Speaker, we will see his presence. We kind of missed him last week, but we will find out what his presence is. He also talked about partnership because, if you read the Giuliani book, and if you look at the history of the rebuilding of New York, there is tremendous leadership to former Rudolph Giuliani, the mayor of New York City. But there was also a considerable amount of investments made by a president who also believed that, if you had stronger cities, you would have a stronger nation. Investments in infrastructure, investments in

police, investments in firefighters were all made by former President Bill Clinton. I would point that out to the member opposite, because it is a point raised by Mr. Giuliani in his history.

Now, it is interesting, Mr. Speaker, that the last time I saw the member opposite on an airplane, he was going down to Ottawa to grovel for the gas tax deal. You know, I think that was the only file—let us put it this way; he got nowhere in Ottawa. It was only after he left—I think it was one of the two or three jobs he had last year—that we got a gasoline tax deal for Manitoba. He came back with nada, nothing, zilch, zero. All he did is come back with a massive grovel. It was up to us to get results for the people of Manitoba.

Mr. Speaker, I only heard him for a minute before I got in here, but I have already heard one or two factual errors.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer: I would just point out to the Leader of the Opposition (Mr. McFadyen) that babbling on like a Gatling gun is no substitute for thought and ideas, and consistent ideas, in this Chamber.

Mr. Speaker, I would like to point out that I heard the member opposite talking about the former Family Services Minister passing legislation and then the new government repealing it and rolling it back. Well, you know, we always knew that the Leader of the Opposition was establishing these icons of wedge issues pursuant to his Republican training, to have these issues of social assistance, to have workfare.

Mr. Speaker, the members opposite also included handicapped people, knocking handicapped people off of the welfare roles. I will bring forward the press release from people who were deaf, people who were in wheelchairs, people who were blind, who had a press conference opposed to the draconian measures of the mean Conservative Party when they were in government. I will show you that. All this mean action was engineered by the chief of staff of the former premier, brought in as a Republican wedge issue to try to get the election changed over. You know what? Not only was the legislation intended only as a prop for the election, the former government never even proclaimed the legislation. They never proclaimed the legislation. They brought it in as a prop. They bashed handicapped people with this legislation as a club, but they never brought it in,

so we never had to repeal it. I hope the member opposite apologizes for his inaccurate comments in this Legislature.

Now, the member opposite, when he was preparing budgets for the Filmon government, he has never had a budget that was this positive.

He has never brought in a budget that adds up on tax reductions, debt reductions, police officers—*[interjection]* Oh, the great crime fighter, Mr. Speaker, the great crime fighter.

* (15:10)

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer: Mr. Speaker, there are three times more police officers per capita in this budget than the crime fighter's budget in Ottawa, and there are a hundred times more police officers because their alternative budget in 2003 had zero, zero, zero and zero for the justice system in Manitoba, zero. We would have had to lay off police officers.

Here is a budget that has more police officers in Brandon, in Winnipeg, in northern Manitoba, in Aboriginal communities, RCMP officers at every single one. These disingenuous Tories are going to vote against it, Mr. Speaker. Shame on them.

Mr. Speaker, this budget has more Crown prosecutors. Now members opposite also have a record. The member opposite was chief of staff when Crown prosecutors had their salaries legislated back. That is real respect for the criminal justice system. They let them get an arbitrated settlement before the 2005 election, and then came back and legislated away wage increases. I note the member opposite is already talking about wage cuts for nurses, for Crown prosecutors, for highway employees, for jail guards. We will get that record out for Manitoba. We are going to go from Filmon Fridays to M Mondays, I think, in the province of Manitoba.

Mr. Speaker, the unemployment numbers, the member opposite may have noticed them when he was in his cave last Friday, as he was on Thursday and Wednesday and Tuesday of last week. You know, huddled with his advisers, Mr. Downey, Mr. Stefanson. Mr. Orchard, I hear, is in the building. Has anybody seen Don Orchard?

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer: This is the new generation of Tories, the new generation. You know, they can bring in the guy that fired a thousand nurses to give you advice. My goodness, what were you thinking? Well, we will find him. We will test that out. We will road test it soon enough because little puffs of smoke and the last arrogant lawyer in this House, there was a leader who sized up the drapes a little too early, I would point out. We will wait and see what happens, because the public always has the right to decide.

Mr. Speaker, you talk about economic policies: the city of Winnipeg, we have a different vision; rural communities, we are investing in rural communities. We are investing in renewable energy. Members opposite are the mothball party. They mothball all the projects. When the member opposite was working in the premier's office, he went out and cancelled Conawapa. He cancelled Conawapa, and he and his advisers, Mr. Downey and Mr. Stefanson—the Stefanson family has got a lot of interesting people in it—but they went out and cancelled Conawapa. Where would Manitoba be today if members opposite were not so dumb that they would cancel the Conawapa project instead of delaying it and building it in an appropriate time?

You know, members opposite should also be aware, and you go back on hydro-electric power because, in the late seventies, they were upset with Ed Schreyer building the new development of hydro-electric in the North. They brought in Tritschler to have an independent public inquiry, and what did the Tritschler report find? Well, it concluded that Hydro was making a mistake building hydro-electric dams with water, that Hydro in Manitoba would be much better served by going to coal and natural gas. This is the vision of members opposite through the public inquiry and through the Tritschler report. Thank goodness Ed Schreyer's legacy is one of a builder, Mr. Speaker, one of success here in Manitoba.

Then, of course, Sterling Lyon cancelled Limestone; mothball party, cancel the project. *[interjection]* Well, we are not going to talk about Auntie Linda, so I would suggest the member opposite be very careful. *[interjection]* I think now he has opened the door with Auntie Linda. I was not going to say anything. I was not her executive assistant. But, you know, going around having "God Save the Queen"—and I like "God Save the Queen." I had better be careful. But, Mr. Speaker, I digress.

Mr. Speaker, back to Hydro, cancelled Hydro in 1977-81; Howard Pawley, Wilson Parasiuk, built

Limestone. Why do you think that Hydro has the lowest hydro-electric rates in the world today? Not because of a Conservative government, not.

So, Mr. Speaker, then we negotiate Conawapa. What happens? The Flat Earth Society gets back in office. Why, I do not know. But the people have spoken. What do they do in the first year after they get a majority? They cancel Conawapa. Hydro would be making close to \$2 billion in profit today if Conawapa had gone ahead. Members opposite talk about developing the economy of Manitoba. They cannot do it when they sell off Crown corporations. You can only do it when you build it. We are the builders. They are the mothballers.

Mr. Speaker, in terms of health care we, again, are improving the situation.

An Honourable Member: Dead last.

Mr. Doer: How can members opposite vote against going from 85 doctors enrolled in the medical school to 100? How can they do that? Oh, I know why, because they took it from 85 down to 70. Yes. They do not want more doctors in the medical school. When the member opposite was working at the highest levels of the government in the Filmon office, they reduced the size of the doctors in Manitoba. You know why? You know why? They thought if they have less doctors, it would mean less costs in health care. We think having less doctors means less access and longer line-ups. We get it; they do not.

Now, Mr. Speaker, the member opposite is also using the new advice from the nurse firer, Mr. Orchard. This is unbelievable. But, of course, the member opposite will know that this government, instead of firing nurses, has more nurses working today than in the past. They voted for a budget to fire nurses and they are now going to vote against a budget to train more nurses. I am glad they are on record.

Now, Mr. Speaker, let us talk about agriculture.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer: You know, it is too bad all those farmers on the other side did not have more power over the brokers and the brokers' leaders, because the brokers have all the power in the Conservative Party. They have all the power in the Conservative Party. How do we know? What side was the government on when it came to the selling of the Manitoba

Telephone System? Were they on the side of the brokers? The member opposite was involved in the shares himself. He says it in his little Web site: Oh, I was sitting at the Cabinet table deciding how to sell the shares of the Manitoba Telephone System. Well, the telephone rates in rural Manitoba went up 120 percent, and his friends, the brokers, bought Jaguars at the expense of agriculture in Manitoba.

* (15:20)

Mr. Speaker, we have reduced the farmland education tax, and, in this budget, they are voting against a farmland education tax reduction of 60 percent. *[interjection]* Well, the member opposite, and I do not know whether he has a bird bath or not, but I know when he was a head of a farm group, it was higher taxes. *[interjection]* Well, you know, in his riding, the changes we have made for the oil and gas industry, we have never done so well in southwestern Manitoba, and we are going to continue to build that energy source. As the Member for La Verendrye (Mr. Lemieux) says, get out of the way; we are coming by you.

Biodiesel. Biodiesel. Do they have any policies on biodiesel? Ethanol expansion. Ethanol expansion. They sat for 11 years and they did not develop one more litre of ethanol in Manitoba. They condemned us for having a strategy on ethanol development, and it is going up 10 times with this government in this budget, Mr. Speaker. Wind power. Wind power. The Conservatives believed that the wind power was only in the Legislative Building. We believe wind power is in St. Leon and all across Manitoba.

I have to say the biodiesel, ethanol expansion, wind power, renewable energy, the best government in the world as a regional government according to U.S. *BusinessWeek*, they did nothing. The only economic expansion they had was VLT machines. Our expansions are in the renewable energy area, the high-tech area, the knowledge economy, and they are going to vote against every one of them. Clichés, that is all they have, old Tory clichés, because, you know what? They are the cobweb party of Manitoba.

Mr. Speaker, the tax reductions in this budget—*[interjection]* You have never had a budget this good for tax reduction. You increased taxes on homeowners by 80 percent when you were working for Auntie Linda and for Uncle Gary. You never reduced the education taxes. We have eliminated the ESL. You could only dream about it. You could only talk about it; we are doing it.

When we came into power, the corporate tax was 17 percent. Oh, they promised to get rid of the payroll tax. They promised to get rid of it in three years, 2020, 2025, 2030. Every tax cut promise that we have made, we have kept. That is why we are confident that whenever the Premier has the courage, look out. Look out, Mr. Speaker.

Mr. Speaker, we have cut the corporate tax from 17 percent to 13 percent. The federal Conservatives are trying to lower taxes, but, on the small business tax, they are going from 12 to 11.5, and we are going from 8 to 3. We are going from the second highest small business tax to the second lowest small business tax. Members opposite were going to, first of all, filibuster that, and then they are going to vote against it. They are going to vote against it. You know, actually, there were a couple of budgets we actually voted for. You know why? Because the public is tired of people just being like Pavlov's dogs. They are tired of the same old, same old political rhetoric. We actually voted for two budgets. It was not easy. It was not very easy. There was a lot of debate, but, you know, we voted for a couple, because, out of 11 budgets, there were two that were not bad, none as good as this one, none as good as this budget before the House.

Mr. Speaker, the middle-income tax bracket was 16.6 percent. It goes down to 13 percent, and, for the first time ever, we are going to reduce the capital tax here in Manitoba. We have a lot of interesting proposals on the manufacturer's credit. We are going from 20 to 35 percent up front. Now, with the dollar being as high as it is, how can they vote against it? Corporate tax reduction, a small business tax reduction, an education tax reduction and a manufacturing credit. How can they vote against more ethanol? How can they vote against more windmills? How can they vote against more tax incentives for biodiesel? How can they vote against more police officers? How can they vote against more nurses? How can they vote against more doctors? How can they vote against more investments in highways across Manitoba, and how can they vote against lower taxes for farmers?

On top of that, Mr. Speaker, we have tremendous investments in education and training. Now, when the member opposite was on the board of governors of the University of Manitoba, the crippling tuition fees resulted in a loss of the students at the University of Manitoba—the hired gun from Auntie Linda and Uncle Gary, the hired gun of education and training—the number of students went

down 3,000 at the University of Manitoba. This was the Tory McFadyen—I am sorry, the Member for Fort Whyte's (Mr. McFadyen) economic strategy. That was a youth retention strategy. When you look at the unemployment statistics that came out on Friday, you will find during the Tory years, a loss of people working between the ages of 15 and 25 went down 13,000, and since we have been elected, up 7,000.

Mr. Speaker, if you want a youth retention policy, do not vote Conservative. They were a disaster when it came to keeping young people in this province. They had no strategy whatsoever. They only care about the privileged few, and that is why, when the great day of reckoning comes, the great day of accountability comes, I will quote—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer: When the public is allowed to have their say, which is the ultimate say, it will not be the ultimate say as it is in that little closed club of the Conservative Party. When the public is allowed to hold us all accountable—I recall members opposite with great fanfare predicting it will be a one-term government, you know, and their surrogate pundits were doing all the same thing and giving them all this puff-cake kind of media coverage. We are used to that because we know that, at the end of the day, when it comes to health care, education and training, employment growth, youth retention, a knowledge economy, energy renewal, affordable government and a fair infrastructure investment for all Manitobans and a commitment for Aboriginal people to make sure that the Kelowna Accord is implemented for education and training, I am confident the people of Manitoba will want a government that works every day for all Manitobans, not just a privileged few in the Manitoba Club. That is why I am so confident about the future of Manitoba. Thank you very much, Mr. Speaker.

* (15:30)

Mr. Gerald Hawranik (Lac du Bonnet): Mr. Speaker, I welcome the opportunity to put a few words on the record with respect to this budget, on behalf of all residents of the constituency of Lac du Bonnet. I, too, hope for that great day of reckoning, sooner rather than later, because we want to put this government out of its misery sooner rather than later.

I heard the Premier talk about mean government. Well, I invite the Premier to take a good look at himself in the mirror. He will look at himself and

find out that he is the government that is being mean to Manitobans. I will take just a couple of examples. One example would be the cattle producers, the way this government has treated the cattle producers of this province when they have been affected by the BSE crisis. They have been struggling to make ends meet in this province over the last three years. They are struggling to feed their families.

Mr. Conrad Santos, Deputy Speaker, in the Chair

What has the response been of this government? What is their response? Let us give them a loan. That is the last thing they need. They do not have the cash flow to meet the loans they have already got. This government, the only answer they had was to give them another loan, Mr. Deputy Speaker. The farmers said not enough. So all the ministers opposite got together and they had a meeting. After a couple of days, the Finance Minister says, I have got a brilliant idea; let us help the farmers, let us tax them. Let us put a head tax on their cattle. That is going to help them. Obviously, that is going to make a difference for them. Let us do that for them.

Giving you another example, they should be looking in the mirror when they talk about mean government. They brought down legislation that was supposed to deal with people who were addicted by crystal meth. They brought down the legislation, but they did not bring any resources with it. No money came with it. No resources came with it. What did they offer? They offered false hope for families, false hope for family members who suffer from addiction to crystal meth. When we look in terms of whether this government is fulfilling its responsibility, they ought to look in the mirror, and they will find a mean government.

Mr. Deputy Speaker, over the last few weeks, the last five or six weeks in this Legislature, we have, of course, made our point with respect to a public inquiry at Crocus. As a result, we stalled debate on the budget. A very good reason for doing so was, of course, to force the Premier to call a public inquiry of Crocus. Certainly, they could have had debate on this budget much earlier if they had co-operated and done what the public has been demanding, and that is a public inquiry at Crocus. All we were asking for was a public inquiry. More than 33,000 Crocus unitholders lost \$60 million, and they, too, are demanding one.

The excuses used by the Premier, by the Minister of Finance (Mr. Selinger), by the Minister of Industry (Mr. Rondeau) for not calling a public

inquiry are laughable. I will go through each one of those points, Mr. Deputy Speaker.

The Premier, the Finance Minister, the Minister of Industry, they all pointed to the fact that the Manitoba Securities Commission is investigating this matter. The Manitoba Securities Commission is investigating the Crocus board and their activities. The Manitoba Securities Commission is not investigating the role of the Premier, the Finance Minister, the Industry Minister and, obviously now, Eugene Kostyra, anyone using political influence. They are not being investigated by the Manitoba Securities Commission.

Manitobans want to know if government is responsible, if there was political interference, if government could have done something to avoid those Crocus losses, if they could have done something, but they turned a blind eye to it, whether the government knew about the red flags, and why they did nothing, whether the government's inaction caused Crocus losses to grow.

They want to know those answers: whether the government knew that there were problems at Crocus, whether the government had the power to correct those problems, and whether, by the government's inaction, it caused investors to continue to sink money into Crocus. Those are all answers that Manitobans deserve. Those are all answers that Crocus investors deserve. These are all questions that they deserve answers to. Thirty-three thousand Crocus shareholders lost more than \$60 million, and who is responsible? Manitobans deserve answers.

Secondly, the Premier, the Finance Minister, the Minister of Industry, they point to an RCMP investigation. Well, the RCMP mandate is not to determine whether any of the government members were involved in any criminal activity in Crocus. As members of the opposition, we are not suggesting that the Premier, the Finance Minister, the Minister of Industry, any of them, were involved in any criminal activity at Crocus. The RCMP, therefore, will not be investigating government in this scandal. The RCMP is not investigating whether the government was negligent. We think the government was negligent. They are not investigating whether the government was wilfully blind, which they were. They are not investigating whether the government turned a blind eye to all those red flags, which they did.

Thirdly, the Finance Minister, the Minister of Industry, the Premier point to the lawsuit. Well, the

lawsuit may not be the vehicle to determine whether governments had a role in this scandal. As we have seen this week, this NDP government has now been added as a defendant to a \$200-million lawsuit. However, most lawsuits do not go to trial. Most lawsuits are settled before they can go to court. The likelihood of a settlement in this case is very high.

If you are fighting government, you are fighting the endless pot of money that government has, the resources that government has. They use tax money, they use public money to put up every defence possible. Usually, if they are found responsible, obviously, and this government will likely be found responsible, they will be trying to push that matter directly to the Supreme Court of Canada, and that could be six, seven, eight years away in terms of trying to get a resolution to this matter.

If there is a settlement, which is highly likely in this case because of the limited government resources, every settlement agreement has a couple of elements to it, Mr. Deputy Speaker. First of all, whenever you settle a lawsuit, there is a statement in every settlement agreement that no party to the agreement admits liability for damages even though they are, in fact, liable. I am afraid that this government will point to that agreement and say, well, look, everybody agreed we were not liable. Well, why did you not pay the money? That is the question.

Secondly, a non-disclosure agreement clause is in almost, in fact, in every agreement. The parties all agree that no details of any settlement are publicly disclosed or revealed.

These two provisions in the settlement agreement will, again, shut down questions of the government. It will muzzle questions of the government because they are not obligated then to discuss the settlement or their role in this Crocus scandal.

The only way to get to the truth, to the bottom of this mess is to hold a public inquiry, because a court order, a subpoena compelling the Premier, the Minister of Finance, the Minister of Industry, former ministers of industry that will supersede any settlement agreement and requires them to put their hand on the Bible and to testify under oath. In other words, they are going to be compelled to testify regardless of what they agreed to in that settlement agreement.

That is exactly, though, what happened to the Doer government and this former NDP Premier,

Howard Pawley, who faced a lawsuit in 1987. Doer, the Premier, was the Urban Affairs Minister at the time, and there were allegations about political interference in a controversial land deal. The \$1-million lawsuit dragged on for 13 years. That is what I mean about delay, Mr. Deputy Speaker. A \$1 million lawsuit dragged on for 13 years. How long is a \$200 million lawsuit going to drag on for? We will never know the truth until we call a public inquiry. The Premier and Howard Pawley were interviewed in discovery, but none of it was public. Several days before it was set to go to trial, the government settled out of court. Taxpayers were on the hook for \$100,000 and never did find out what really happened.

Their role to be addressed to these questions by the Auditor General and the questions by us as opposition members and the questions by the Crocus shareholders and by us as opposition members will not be addressed in this lawsuit. The only way to get down to the bottom of what really happened with Crocus is to put the Premier on the stand and to ask him to testify under oath. Put Eugene Kostyra on the stand; let him put his hand on the Bible and tell the truth. Only through a public inquiry under the evidence, which includes full and complete investigation, can these questions be answered adequately.

Depending on the lawsuit to get at the truth about this government, about this scandal, is really fraught with difficulties. The most important fact, of course, is that, even if it does go to trial, it will likely take years and years before anyone is held to account, and labour-sponsored venture capital funds in this province will be suffering for a very, very long period of time. In the years that it takes, venture capital funds will suffer due to a lack of confidence in these funds. A public inquiry can deal with government's role in the scandal, reveal where the government must improve in order to restore confidence in our venture capital markets in Manitoba. A public inquiry can be held within less than a year. Government's role can be obtained very quickly so that confidence is restored in that capital market.

* (15:40)

The venture capital market, Mr. Deputy Speaker, is extremely important to our economy. It is a source of capital for entrepreneurs, and, without a strong venture capital market in Manitoba, our economy will certainly suffer. As it is, we are the only economy in Canada whose economy has grown at a

rate less than the national average for each of the last six years.

I know that the Minister of Finance (Mr. Selinger) does not like to hear that. He quotes Statistics Canada when it is to his advantage, but when it is to his disadvantage, he tries to discount their statistics. They are not there for a political purpose, and I, myself, and I think members of the public and members of this caucus would certainly believe Statistics Canada before we would believe our Finance Minister who, in fact, has something to lose by looking at those statistics and quoting Statistics Canada.

Another way the Premier (Mr. Doer) tries to get out of calling a public inquiry on Crocus is he cites the cost of, in fact, providing a public inquiry. But the cost of providing a public inquiry on Crocus is merely a few million dollars. What has been the cost suffered by 33,000 Manitobans, 33,000 Crocus shareholders? We have been saying in this House it has been \$60 million, but now we have a lawsuit against the Province of Manitoba, against this NDP government. We have a lawsuit for \$200 million. That is the loss to Manitobans. That could be the loss to Manitobans, general damages of \$150 million, and, in the lawsuit, they ask for punitive damages of \$50 million.

Punitive damages are only awarded by a court, Mr. Deputy Speaker, if a very serious matter has taken place; if, in fact, there has been deceit; if, in fact, there has been collusion; if, in fact, there has been an attempt by the government or by anyone named in the lawsuit to get away from their responsibility. Lawyers do not treat asking for punitive damages very lightly. They have to have evidence before they do that, and, certainly, if they did ask for that in a lawsuit and if punitive damages were not awarded, the award of general damages may be less.

So it is a very serious allegation that has been levelled against government, against Eugene Kostyra in particular, and the Premier ought to stand up and take notice of that. Legal costs and interest are also added in there, and that could cost literally millions of dollars to this NDP government and, of course, to the taxpayers of Manitoba.

What is the untold cost of the loss of confidence in our venture capital markets? What is the cost of a slowdown in our economy due to a loss of confidence in our venture capital markets? If the Premier is worried about a few million dollars, he

could have found the money in a few ways. First of all, he could have redirected the \$500,000 that he wasted when he hired a New York company to rebrand Manitoba. All he has got to show for it, Mr. Deputy Speaker, was that we were told that Manitoba has blue skies, wide open spaces and cold temperatures, something that he could have asked anyone about. He could have asked a kindergarten class that question. He could have gotten that same answer. He did not have to pay \$500,000 to hear that.

Secondly, he could have taken the money that he wasted on a Winnipeg film and sound stage. It was offered to this NDP government for a dollar, but, no, the Minister of Culture, Heritage and Tourism (Mr. Robinson) said, no, I am not going to accept it for a dollar; I am going to counteroffer that price. I am going to counteroffer it with a purchase price of \$3 million and not a penny less. That is the attitude of this government. That is where they could have saved the \$3 million that may be required in order to call this public inquiry.

He could have saved \$100 million in added floodway costs in not requiring that the floodway workers all be unionized, but, no, he did not do that, and he is refusing to spend the million or two or three million dollars it takes to call a public inquiry to get at the truth, to get the facts behind the Crocus scandal.

He could have saved a bit of money by not paying for the high-priced defence lawyers for the Hells Angels' associates that cost \$2.2 million of taxpayers' dollars to defend the Hells Angels.

There are many more examples of that, Mr. Deputy Speaker. Those are only a few. If he is looking for money, there is a way to pay for it. I point out to the Minister of Finance that, in fact, his own budget projects a surplus of \$3 million this year. Well, that is another avenue he could have taken. He could have used that \$3-million surplus. He could have put it to good use. He could have put it to good use and called a public inquiry and paid for it without going into debt, as he so often does.

Why do we need a public inquiry? First, we need to determine the government's role in this scandal. Secondly, we need the Auditor General's report. It created more questions than it provided answers. It did not detail who in the Premier's Office, the Finance Minister's Office, the Industry Minister's Office, it did not say who was responsible for the scandal. Thirdly, Public Accounts is not the forum to

have our questions about the government's role. First of all:

(a) The testimony is not under oath, and the government refuses to allow witnesses to be called and to put them under oath, to put their hand on the Bible to tell the truth.

(b) While questions are now being allowed to be put to the deputy minister, the kinds of questions are only related to the recommendations of the Auditor General and of his or her department.

(c) Only the current minister and the deputy minister are required to be questioned. Yet much of the inaction of this government occurred under previous ministers, previous deputies who are not compelled to answer questions that are put to them. Also, I think most importantly, the committee is not entitled to call those people responsible, Mr. Deputy Speaker, people like the Premier (Mr. Doer), people like Eugene Kostyra, Pat Jacobsen, MaryAnn Mihychuk, and the Member for Brandon West (Mr. Smith). There are many others who are responsible and are named in this lawsuit just this week who could be called in Public Accounts, but this government refuses to allow the Public Accounts Committee to call them.

(d) In Public Accounts, no one would answer the question about who was the person in higher authority, or who overruled Industry officials and prevented them from losing their jobs. In Public Accounts, no one would answer when asked the question about what was in the e-mail and what was in the memo, which were regarded by the Auditor General as red flags, or even who sent them, who received them, or whether there was a reply, or whether there was a meeting or a discussion regarding them.

We need these questions answered, and the only way to have them answered is through a public inquiry where witnesses put their hand on the Bible and swear to tell the truth. All the major media outlets have demanded a public inquiry at Crocus; 33,000 Manitobans, Crocus unit holders have demanded a public inquiry. Most Manitobans want a public inquiry. Even Ed Schreyer, the Premier's own mentor, wants a public inquiry. The only person who does not obviously want a public inquiry is the Premier, the very person who could actually call one.

This NDP government has been ignoring Manitoba's economic woes. Manitoba fell below the national average on economic growth in 2005, and

that makes six straight years of growth below the national average in Canada. We have overall the fourth highest taxes in Canada. Highest taxes by themselves do not necessarily mean poor economic growth, but, certainly, there is a relationship between the two. It should come as no big surprise to Manitobans that, as we continue to charge among the highest taxes in the country, we also have some of the weakest economic growth in Canada. Stats Canada reported that Manitoba's GDP came in at 2.7 percent in 2005, the lowest of any province west of Québec and below the national average, once again, of 2.9 percent. Manitoba's growth has ranked below the national average every year since 1999.

The Fraser Institute also reported that Manitoba has the fourth highest overall taxes in Canada. That includes income taxes, property taxes and the myriad of consumption taxes levied by our provincial government. Income taxes are the worst culprit in Manitoba. We have the highest income taxes for middle-income earners west of Québec, and among the highest business taxes in the country. What we do know is that high taxes discourage investment. It stunts economic growth because it discourages companies and individuals from putting their capital at risk.

* (15:50)

GDP numbers are not just some abstract figures. They are the sum of all economic activity in our province. When our economic activity consistently grows at a slower rate than the national average, we fall behind. That means fewer jobs. Manitoba's job record is even worse than its GDP record.

Weak economic growth usually means weak job growth. But our job growth lags behind even our economic growth according to Stats Canada. Between 2001 and 2005, Manitoba has the second worst job growth in Canada. The average job growth across Canada during that time was 8.9 percent. Manitoba's job growth was less than half that amount, at 4.2 percent, behind only Newfoundland. It is not just economic powerhouses like Alberta that are kicking Manitoba on job growth either. New Brunswick had a job growth rate of 6.6 percent during that period. Prince Edward Island had an 8 percent job growth and Québec's was 8.5 percent. It is likely why Manitoba continues to lose more people to other provinces than it gains. Its interprovincial migration numbers, in fact, have been getting worse, not better.

The Doer government's response to all this is that Manitoba's economy is actually doing pretty good. That is what the Finance Minister said. The Finance Minister says that, if you take the agriculture sector out of the equation, the province's largest industry, Manitoba had a growth rate of 3.6 percent last year. He argues that inclement weather was to blame for the agriculture industry's poor showing, so we are supposed to ignore it. But he does not mention the fact that last year wet weather was a boon for Manitoba's hydro-electric industry. Should we ignore that too, Mr. Deputy Speaker?

The NDP can make all the excuses it wants for Manitoba's dismal economic record in recent years, but the economic data, the data that comes out of Stats Canada, which is apolitical, does not lie. When you consistently fall behind the average economic growth of your country, your economy is shrinking relative to your neighbours. Obviously, it is not just high taxes that are killing our economy, although it is a major factor. Manitoba has a growing anti-business reputation over the last few years, and that is a consideration. You cannot pass the kind of pro-union legislation this government has, snub your nose at the rights of private enterprise and expect corporations to embrace us with their investments. It does not work. You cannot tell the entire heavy construction industry that they must pay union dues, even if they do not belong to a union, if they want to work on the \$660-million floodway expansion, and expect to foster an open business climate. You cannot do that. That is what this government has been doing.

Instead, board members in private business, in the privacy of their own boardrooms, have quietly moved their assets out of the province, or they pass us by altogether. They do not come to Manitoba. One of the greatest risks for business is an unpredictable business climate, where they do not know from one year to the next what a labour government is going to do with its labour laws, its workers compensation laws, its regulatory schemes and its taxation policies. This government's focus is on wealth redistribution and bolsters the powers of trade unions. They pay lip-service to the business community, but, budget after budget, they ignore almost all of the recommendations from the business groups. Does anyone still think we have an economic problem? Obviously so, and I think Manitobans deserve better government.

The mantra of this government over the last seven years has been spend more, get less. Obviously, when you look at our roads, when you

look at our infrastructure in this province, the only thing that seems to be growing is the size of our potholes, Mr. Deputy Speaker.

That has changed. That moniker, spend more, get less, has changed slightly. What we see now is spend more, get last. The Conference Board of Canada has indicated that our health system is dead last in Canada. Certainly, that is as result of our Minister of Health (Mr. Sale) and his ideology. He is driven to distraction because of the private clinics issue. He even tried to take credit, that is how far this government has sunk, for providing an MRI in Boundary Trails hospital, and he was there saying that the government put an MRI in Boundary Trails hospital. Nothing could be further from the truth. Instead of giving credit where credit was due, giving credit to John Buhler who, in fact, provided the money and to the community that raised the money for this MRI, he took credit for it himself. That is how far this government and this Health Minister have sunk.

Our economic growth is dead last in Canada as well. For each of the last six years, from 2000 to 2005, Stats Canada has reported that our economy grew at a rate less than the national average. We are the only province in Canada, the only province in Canada, whose economy has not grown at a rate higher than the national average. What is the minister's response? The minister believes that somebody should be last, so it might as well be Manitoba. That is his response. Instead of trying to grow our economy, instead of trying to compete with other provinces, he has resigned himself to be last.

Taxes: With respect to taxes, we are the only province in western Canada with a payroll tax. We are the only province, I believe, in Canada with no long-term tax reduction strategy in place. I believe we are one of the only provinces in Canada with no long-term economic strategy. Mr. Deputy Speaker, all we see, time and time again, is economic statements and patting themselves on the back with every passing budget without any substantiation, without any facts to back it up. I would venture to say that this Premier (Mr. Doer) and this Finance Minister's long-term economic plan is obviously written on the back of a napkin.

The Finance Minister says he is on the right track. Well, if you sit on the tracks long enough and do not move, someone is bound to run you over. Let us get on with the job. Let us actually do something for this province. Let us make us more competitive.

If you cannot do it, get out of the way and stop holding this province back, Mr. Deputy Speaker.

The Finance Minister sometimes points to capital investment in Manitoba. Well, there is little private capital investment in Manitoba, mostly public investment, and it is a reflection on our total debt which has climbed more than \$3.5 billion under this NDP government since 1999. It is easy to create jobs. This minister has it all figured out at this point. He knows how to create jobs. The only way he can do it is to ensure that public money is spent to create public-sector jobs. All he has to do is spend more money, and more money he has had to spend. Instead of putting it into debt reduction or into tax reduction, he has put it into public-sector jobs. Mr. Deputy Speaker, 75 percent of jobs created in this province are public-sector jobs and only 25 percent are private-sector jobs, all done courtesy of the taxpayer. It does not take any magic to do that. All you have to do is be committed to spending money that you do not have.

Where is Manitoba going? Where does its revenue come from? Casinos. That is their economic plan, and that is the only clear economic strategy of this NDP government.

Mr. Speaker in the Chair

We need a vision. We need a Manitoba where entrepreneurship is rewarded. We need a Manitoba which delivers services efficiently, not just spending money with no results. It is one thing spending money. It is another thing creating results. They have spent the money. They just have not had any results, Mr. Speaker, and the size of our potholes growing across this province certainly have been an indication of that.

We need a vision. We need a province that is a better place to live, a better place to work, a better place to raise a family, and we need a province, a place where people want to live, not where our young families move out of this province. Twenty-two thousand young members of Manitoba moved out of this province. Just think what would have happened had those 22,000 had the opportunity for a job, hope and opportunity in Manitoba created by a government that should be concerned about doing that, but obviously is not.

We need to create a province with hope. We need to create a province with opportunity. Thank you very much, Mr. Speaker.

* (16:00)

Hon. Greg Selinger (Minister of Finance): There have been a number of really interesting statements put on the record, just about all of them wrong, so I will just spend a couple of minutes correcting them.

The members opposite, the new Leader of the Opposition suggested that there is increasing dependency on federal transfers. What he does not put on the record is that our reliance upon equalization is actually declining in the province, and that the transfers that have been increased in Manitoba are actually for health as a result of the massive cuts that were visited upon all the provinces in '95-96. As a matter of fact, provinces such as Alberta and Ontario are actually seeing a larger increase in federal transfers than Manitoba because the restoration of some of that money applies on a per capita basis entirely across the country. Because our equalization is shrinking and our restoration of health is coming back to us, the net result is that our growth in federal transfers is actually less than some of the provinces that have a huge burst of resource revenues, which are themselves the result of instability in the world.

I know the member is a big George Bush supporter, but there is nothing good to be said about the kind of instability we see in the world and insecurity which is driving up prices for oil and gas. Some provinces which are endowed to those natural resources are benefiting from that. The member seems to think that that is their local economic development strategy. Everybody knows that the price of those commodities are set at a world level and depends on major factors that are occurring around the world including in Iraq, including in Nigeria, including things like Katrina. These matters are some of the biggest.

I noticed that the new Prime Minister himself acknowledged that, during the last federal election, he gave no credit to the previous Liberal government for a healthy Canadian economy. He indicated that, in many respects, he thought it was the result of the world instability going on out there and the petrol dollar. So we can, once again, find that, when it comes down to actually understanding what is going on in the economy, members opposite do not have a clue. They do not even agree with their federal Prime Minister.

Now, the other point that the member made, the new Leader of the Official Opposition, was that somehow there is a growing number of people in Manitoba on social assistance, and that the reason

that there were more people on social assistance is because we wanted people on social assistance, because, for some reason, if people went on social assistance they would vote for us. Well, I can tell you that the members opposite and the new Leader of the Opposition were proud about the workfare program that the previous government put in place, which was basically an attempt to stigmatize and degrade people at the bottom of our society for political gain. That is the kind of mean-spirited wedge issue that the new leader seems to think will carry him back to power.

I can tell you right now Manitobans will not buy that kind of mean-spirited approach. They will reject that out of hand. I hope they have the courage to run on that kind of a policy, because we will confront that straight on for the kind of negative, divisive, bullying approach to public policy that the members opposite took when they were in office and seem to want to restore now that they have brought themselves back to the front benches in this government.

The facts are this: there are 2,500 less people receiving social assistance in this province today than there were in 1999; 2,500 more people are working in this province, and, when they work, they are getting a higher minimum wage because we had the courage to raise it every single year that we have been in office. How did the members opposite approach the minimum wage? They would raise it 25 cents once every four years to give a little bit hope to people that they would not vote against them as they went into an election. We have raised the minimum wage to make sure that people have some purchasing power, to make sure that people have the ability to support themselves.

We will continue to raise the minimum wage as we expand the economy by \$14 billion with this budget, an increase in the economy; over 36 percent, the economy has grown since we have come to office. The members never mention that. The Member for Lac du Bonnet (Mr. Hawranik) never mentions the growth in the economy because he knows it is a story that plays against the way they govern. It plays against the way they do things. I know the member is benefiting from the growth in the economy because he is very busy with his legal practice as a result of all the real estate that is going on in this province, and he is dining off that.

Now, the other allegation was that there is no long-term growth plan for this province. Well, this is the first government that has actually put in front of

people a seven-point plan for growing the economy, and we are actually following up on it. We said education is first. Instead of cutting money to education, we are putting more money into education. This budget has \$60 million more for post-secondary education, the largest three-year increase in funding for post-secondary education in the history of the province.

What did the members opposite do when it came to post-secondary funding when they were here? Not only did they cut the core funding, but they put the property tax on the backs of the universities. We were the only province in Canada that required our universities to pay property taxes. We are reducing that property tax; we are eliminating it. This budget eliminates the property tax on universities, plus gives them an increase of 5.8 percent in funding, which will go—yes, it will go—to results. It will go to supporting the 30 percent more young people that are going to university in Manitoba, instead of the 3000 people that declined at the University of Manitoba during the nineties. That is results; that is money that makes a difference. Members opposite do not want to talk about it, because the story is just too positive.

Now, the members opposite in their speech, and I do not know who prepared their speech—maybe their speech was prepared by the former Minister of Finance, Eric Stefanson, because it was a recycled speech from the nineties. There is no question about that. That speech came right out of 1997, or was it 1998?

An Honourable Member: I think it was Don Orchard or Jim Downey.

Mr. Selinger: I did not know that he could write.

But, in any event, that speech was a completely recycled speech. The spending in Manitoba, the per capita spending in this province, is the second lowest in the country, and the amount of spending that is being done for debt has gone down by just about 40 percent. It used to be 13 cents on the dollar that went to the debt. We are now down to 8 cents on the dollar that is paying the debt. That is single-digit contribution to reducing the debt, as opposed to a double-digit contribution. The Member for Lac du Bonnet (Mr. Hawranik) never wants to mention that because those facts stare him in the face, they stare him in the face for good fiscal management in this province, something that he knows nothing about.

Now, the other thing, we never heard any of the members opposite support the day care program, which is funded in this budget. We do not know where they stand on that; they are hiding in the bushes. Do they support the federal Conservative letter of notice saying that they are going to eliminate the expansion of day care across this country? They have been conspicuously silent on that.

Now, the Member for Portage la Prairie (Mr. Faurshou) seems to have something to say. I do not know whether he has had his chance yet on the budget speech, but it is too late now, if he wants to stand up and speak on that. I would like to know if the Member for Portage la Prairie supports expanded day care in Manitoba. The community of Portage la Prairie needs those day care spots, because they have got more people working. They have got more people working at Simplot. They have got more people working at all of the public institutions that we find out there, and I want to know if he supports more day care in the community of Portage la Prairie. Let him declare himself right now. Yes or no?

As usual, nothing to say on that.

Now, does day care have anything to do with the economy? Very interesting article in *The Globe and Mail* just a few weeks ago about the province of Alberta: 17,000 women had to drop out of the work force because they could not get adequate day care. No wonder there is a shortage of skilled labour in Alberta. They ignore half the population when it comes to thinking about who can do the jobs. They would rather import workers from everywhere else in the world, as opposed to providing the kind of quality day care which would let their own citizens work. When you have 17,000 women dropping out of the labour force, that tells you that the province of Alberta's policy on day care is completely inadequate. And I can tell you, a hundred bucks a month is not going to get one more day care spot anywhere in this province, or in any other province in Canada. So members opposite, when they want to talk about budgets, we would like to know where they stand on the day care issue.

Now, the member talks about jobs. They make the allegation that young people are leaving the province in record numbers, but the facts say something different. The great exodus of young people from Manitoba was during the 1990s, and the only time before that that they had an exodus of young people was in the period of 1977 to 1981.

An Honourable Member: What is the coincidence there?

* (16:10)

Mr. Selinger: There is a very high correlation. When Conservatives are in power, young people flee. When the New Democrats are in power, young people come back to Manitoba and they want to stay here, because there are actually opportunities to get an education here and opportunities to work here. The member opposite from Lac du Bonnet said, gee, you know, 75 percent of all the jobs are being created in the public sector. He seems to think he is accurate on that. Well, it is a matter of fact, since 1999, four out of every five jobs created in Manitoba have been full-time jobs, and 65 percent of the jobs have been created in the private sector. Sixty-five percent of the jobs have been created in the private sector, completely ignoring and negating the allegation of the member opposite—and allegations are something they seem to enjoy dining on, not facts, allegations. Sixty-five percent of the jobs have been in the private sector, not what the member alleges, that 75 percent of the jobs have been in the public sector. So the member should stand corrected. All he has got to do is talk to the Manitoba Bureau of Statistics, and they will give him these numbers. I can tell you the Manitoba Bureau operates without fear or favour. StatsCan will confirm it as well.

In the last six years, the youth population in Manitoba has grown by 7,800, from 1,300 per year. From 1989 to 1999 the youth population fell by a total of 18,000, or 1,600 a year. So we have gone from 1,600 people a year leaving, to 1,300 more young people being here every year. That is a swing of 2,900 people, Mr. Speaker.

The labour force, the youth labour force has grown by 6,100 people, or a thousand per year from 1989, in the last six years. From '89 to '99, the youth labour force fell by a total of 17,800, or another 1,600 a year. Our improvement in participation in the youth labour force is 63 percent. So there is no question there are more opportunities for young people in this province, and there will be even more opportunities as we go forward.

Now, Mr. Speaker, normally, when it comes to winding up the budget speech, members opposite, by the time we get to it, they have completely ignored all the measures that we have put in the budget because, if they actually knew what we put in the budget, they would be compelled to vote for it; so they ignore it. They say we are the government that

does not see things. Well, I will tell you what. They hear no good news; they see no good news. These are the nattering nabobs of negativity.

Let me just recount some of the measures we have put in this budget. We have delivered on our election promise to eliminate the residential Education Support Levy, saving Manitobans an additional \$34 million. This budget eliminates the ESL, 34 million bucks gone for homeowners. I can tell you that will be extremely popular.

We have increased the amount of tax-free earnings to \$7,834, taking 2,000 more Manitobans off the tax rolls, and every year we have taken more Manitobans off the tax rolls. We have decreased the middle-income tax rate. It was 16.6; some would say 16.7. We are taking it down to 13 percent in the year 2007. That is more than a 20 percent reduction in personal income taxes.

Now, compare, Mr. Speaker, with what the tax rate is for the middle-income folks at the federal level that these members are so proud of: 22 percent, 26 percent, and 29 percent. I mean, our highest tax rate in Manitoba is lower than the middle tax rate at the federal level, when it comes to taxation.

The members opposite seem to stand up. The Member for Lac du Bonnet (Mr. Hawranik) stood up, and he cheered the federal budget, when it came to the small business tax reduction, when they wiggled their way from 12 percent to 11.5 percent. We are already at 4.5 percent. We are already two thirds lower than the federal small business tax rate, but the member will not give us any credit. He thinks it is too high. We are two thirds lower already, and the threshold for small business taxes last year was raised to \$400,000. The federal government is just catching up to us this year by raising theirs to \$400,000. But the members support the federal budget, but they will not support this budget.

There is, clearly, a double standard there. On everything they do there is a double standard. As a matter of fact, that is the definition of the right-wing authoritarian personality, the double standard: We can do no wrong; we are entitled to rule, and nobody else can do anything right. That is exactly how the members opposite think. That is the new sense of entitlement that permeates the front bench. They think they have the God-given right to take over and run the province, when all the evidence says they are abysmal failures when they actually run government.

We will see more evidence of this as we go forward. They exculpate themselves from everything that was ever done wrong in this province, and they point the finger at everybody, even though the evidence shows year-over-year we have improvements in tax reductions, year-over-year we have improvements in programs, year-over-year the quality of life is getting better for Manitobans, and their personal disposable income is going up, not down, like it did in the 1990s.

Now, the corporate income tax rate, they had 11 years to move on that. The corporate income tax rate for the first time since the Second World War was reduced from 17 percent; it is down to 14.5 percent. When 2007 arrives, Mr. Speaker, it will go to 14 percent.

Now, on the corporate capital tax, we have doubled it from \$5 million to \$10 million in this budget, and, then in following years we are actually going to start phasing it out. Did the members opposite ever move on the corporate capital tax when they were in office? No. They did nada. They did nothing.

What about manufacturers? The Manufacturing Investment Tax Credit two years ago is 10 percent; it did not have a refundable portion. Last year we made it 20 percent refundable. This year we have increased the refundability to 35 percent. At 35 percent, a 10 percent refundable tax credit for manufacturers is greater than eliminating the personal sales tax.

An Honourable Member: They are voting against it.

Mr. Selinger: And they will vote against it. We know they will vote against it.

They have never even asked about the Co-op Education Tax Credit that we put in place three budgets ago. We have enhanced it in this budget, Mr. Speaker. You know, co-op education, if members opposite would take a look at it, is one of the best ways to provide young people opportunities; it is a chance for them while they are going to university or a community college to get a job in the area of their training and to get a practical experience. Their research shows a co-op education experience results in over 70 percent of the co-op education students getting a job.

Now, I know the Member for Steinbach (Mr. Goertzen) is not interested in that. He would rather play solitaire on his computer over there instead of

listening to the speech, or check his personal banking account to see how it is doing.

I can tell you, Mr. Speaker, if he took a real interest in young people, which he feigns an interest in, the Co-op Education Tax Credit program is one of the better measures that we put in the budget.

An Honourable Member: Point of order.

Mr. Selinger: He took the bait. I knew he would.

Mr. Speaker: Order.

Point of Order

Mr. Speaker: The honourable Official Opposition House Leader, on a point of order?

Mr. Kelvin Goertzen (Official Opposition House Leader): On a point of order, Mr. Speaker. I certainly know that *Beauchesne* talks about aspersions on members. I put up with a lot, but as, I think, the second youngest member of this Legislature, the member should know that I do care greatly about young people in this province and I demonstrate it every day.

Mr. Speaker: The honourable First Minister, on the same point of order?

Mr. Doer: The member opposite does not have a point of order. It is a dispute over the facts.

I would point out when he was working for Mr. Driedger about 20 years ago, and Mr. Penner, a fine man, years ago, the young people left Manitoba. They are coming back now, Mr. Speaker.

Mr. Speaker: On the point of order raised by the honourable Official Opposition House Leader, he does not have a point of order. It is a dispute over the facts.

Mr. Selinger: The Member for Steinbach should not confuse chronological age with the age of his thinking. His thinking is very old school, Mr. Speaker. It is back to the future for the Member for Steinbach.

Now, in addition to the tax reductions that we have put in place for business in this budget, Mr. Speaker, which the members opposite will once again vote against, we have also provided resources to expand the Canada-Manitoba Biz Gateway for one-stop-click, call and visit-business services.

As a matter of fact, Mr. Speaker, an interesting factoid members opposite completely ignore, the

Canadian Federation of Independent Business did a national study on red tape, and they found that red tape by this government that is put on business is among the lowest, the leanest, the least of any province in Canada. I can tell you in this budget we have committed to reducing red tape even further, and I know that, under the leadership of the Minister of Industry, Economic Development and Trade (Mr. Rondeau), there will be further reductions of red tape in this province. Doing business is easy in this province because of the tax cuts, because of the reduction in red tape that we have put in this budget.

*(16:20)

As a matter of fact, we have expanded the common business identifier for easier registration and Internet servicing for business. We are going to establish a Biz Pal service in partnership with the federal government and municipalities to streamline information about business requirements, to make compliance easier and less expensive. We are going to make an investment in the BizCoach Manitoba program, which is an innovative business monitoring service for small business which connects successful business leaders to act as mentors to new entrepreneurs, improving their chances of success.

This Minister of Industry (Mr. Rondeau) will move forward on all these initiatives, and, once again, when you actually look at the objective evidence, not the rhetoric from the members opposite, less red tape in Manitoba than in just about any other jurisdiction.

What about the future? The member opposite, the new Leader of the Opposition (Mr. McFadyen), said there was no plan for the future. Well, what about that increase in the research and development tax credit by 33 percent, a 30 percent increase in that, which will also go along with increasing support for our Manitoba centres of excellence?

Now the Minister of Intergovernmental Affairs (Mr. Smith), the Minister of Industry and myself had the privilege of cutting the ribbon on the new centre for advanced composite research and development out of the University of Manitoba a couple of weeks ago. That centre for advanced composites will be state of the art technology for our manufacturers to find new ways to bring new products, new technologies to bear for Manitoba businesses. This will go along with another initiative which we are funding which will help our manufacturers adopt new, lean manufacturing techniques in this province. We know our manufacturers can compete with

anybody in the world. Even though the dollar is going up, they will be there. That is why there is an estimated 60 percent increase in capital investment in manufacturing in Manitoba this year, a 60 percent increase in manufacturing capital investment.

Now the Member for Lac du Bonnet (Mr. Hawranik), who seems to have left the room, not being able to sustain all the new—oh, I cannot comment on that. Thanks, Dave. It is sort of slipping over the edge there again. Just behaving myself, okay, okay.

Now we also in this budget have another \$150,000 in the Industrial Technology Centre to assist small and medium-sized businesses to develop and grow. If you take a look, the Industrial Technology Centre has now been co-located out at the University of Manitoba Smartpark immediately beside the new advanced composite manufacturing centre. We now have the virtual technology there. Businesses can come in. They can have access to both centres at the same time. As a matter of fact, in this budget we will have additional money for the digital media industry in Manitoba. We will also expand what can be done there when it comes to expanding that new sector, that new economy business.

Immigration services, Mr. Speaker, we know that Manitoba is a good place to live and work, and we want to share that opportunity with people from all around the world. There is 20 percent more funding in this budget to strengthen immigration services, integration services in Manitoba. We are going to meet our target of getting to 10,000 newcomers coming to this province. These newcomers will come from all over the world. They will be people who want to live and work in Manitoba, expand our tax base, have more children in schools, stimulate the local economy, and, like immigrants, the many immigrant people who came here before us—many of us are the sons and daughters of immigrants in this Legislature today—they will make a tremendous contribution to the future of this province.

Now one thing members opposite are going to continue to vote against is the 10 percent tuition fee reduction.

An Honourable Member: Yes, they will vote against that.

Mr. Selinger: They will vote against that in this budget, even though we have expanded funding to

universities by 7 percent this year and 5.5 percent in the following years, the largest historical commitment. There is \$13.8 million in this budget to offset the tuition fee reduction, \$13.8 million, and that has grown from \$8 million in 2000. Thanks to increased enrolment, universities and colleges now have seen, are benefiting from, a 38 percent increase in tuition income. Tuition revenue has actually grown at the universities, not because the rates have gone up but because the number of students has gone up in universities. So, Mr. Speaker, the universities are going to be doing very well under this budget.

As well, there is an additional \$3 million for the College Expansion Initiative. When members opposite were in government, we had the lowest participation rate in community colleges in the country. This \$3 million will be an additional contribution to the College Expansion Initiative.

The University College of the North is another initiative led by the Minister of Advanced Education (Ms. McGifford) and other members of this Cabinet and caucus. We now, for the first time in the history of this province, have a university college in the North, which is on 11 different campuses in First Nations and northern communities. The Minister of Northern Affairs (Mr. Lathlin) knows of which I talk. He visits those communities. He sees young people; he sees adults; he sees families actually getting an education in their own communities, something that never used to exist six years ago, Mr. Speaker.

There will be more money for ACCESS programs in this budget. ACCESS programs have been a second-chance opportunity for many, many Manitobans to get a post-secondary education.

Now, in this budget, we also have \$8.7 million to support apprenticeship, literacy and essential skills, workplace skills development and an enhanced workforce participation of Aboriginal people, immigrants and persons with disabilities. This Labour Market Partnership Agreement is something that we were able to negotiate with the federal government. We will see if the federal Conservative government actually supports this when we get down to the end of the day.

There is \$25.6 million further capital in this budget for public schools. We are rebuilding those public schools. Actually, there is \$25.6 million of operating money and \$45 million for capital for the schools in this budget.

There is \$1.7-million increase in funding for an English as an Additional Language for students who have refugee and war-affected backgrounds.

There is \$240,000 for careers in the arts, leadership scholarships for youth and a new Manitoba Career Guide, Mr. Speaker. We actually think investing in young people will make a significant difference.

There is \$150,000 for the public libraries review, which will enhance public library service, including service to underserved First Nations communities. We actually think, if you make books available, people are going to read them, Mr. Speaker.

This budget has \$7.8 million in support to assist low-income individuals and families dealing with the problem of rising shelter costs, Mr. Speaker. The shelter benefit was allowed to wither down to something very small and ineffective under members opposite. There are 5 million more dollars in this budget for the shelter benefit. That will go to the people that most need it, people that have no other access to income, but see shelter costs rising. We have made that available. Members opposite have voted against that as well, too.

There is an additional \$13.5 million for supported living for persons with mental disabilities—something members opposite will vote against in this budget, Mr. Speaker.

There is a \$98-million capital program for assisted living for the Aging in Place strategy in this budget. There are insufficient assisted living units in this province. This Minister of Health (Mr. Sale) is moving forward with a full roll-out strategy on assisted living.

Those are just 32 reasons why you should vote for this budget.

Reason No. 33, Mr. Speaker, would be the additional support we are providing for police positions, an additional 31 police officers: 23 in Winnipeg; 2 for Brandon; and 6 to enhance Aboriginal policing in communities all around this province. Members opposite are going to vote against that.

But they will also vote against reason No. 34: doubling the size of the Gang Prosecutions Unit, with 16 positions, including five new prosecutors to target gang activity. The Justice critic is going to vote against an increasing amount of money for the

Gang Prosecutions Unit. How is he going to explain that to the public? *[interjection]*

I am sure you will continue your huff-and-puff strategy of why you are voting against more police and more members for the Gang Prosecutions Unit.

We are going to have \$1 million for reducing auto theft in this budget, but the members opposite will vote against that.

Mr. Speaker, reason No. 36: We are going to expand the number of Lighthouses through Manitoba from 45 to 50. Every single year we have expanded Lighthouses in this province. Members opposite oppose that. They are not in favour of hope for young people; they just want to put more young people in jail. That is their real policy: slam them in jail; throw away the key, and hope that people will be safer—

* (16:30)

Mr. Speaker: Order.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. The hour being 4:30 p.m., pursuant to rule 32(6), I am interrupting proceedings to put the questions necessary to dispose of the proposed motion of the honourable Minister of Finance (Mr. Selinger),

THAT this House approves in general the budgetary policy of the government and all amendments to that motion.

First of all, we will deal with the subamendment. Therefore, the question before the House is the proposed subamendment of the honourable Member for River Heights (Mr. Gerrard). Do members wish to have the subamendment read?

Some Honourable Members: No.

Mr. Speaker: Dispense?

Some Honourable Members: Dispense.

Some Honourable Members: Yes.

Mr. Speaker: Dispense?

Some Honourable Members: Yes.

Mr. Speaker: You want it read?

An Honourable Member: Yes.

Mr. Speaker: And the proposed motion of the honourable Member for River Heights in subamendment thereto, as follows:

THAT the amendment be amended by adding thereto the following words:

And further regrets that this budget also ignores the present and future needs of Manitobans by:

(n) failing to present a genuinely balanced budget as demonstrated by the government's raid of the Fiscal Stabilization Fund as explained above; and

(o) failing to protect the province's financial sector by calling a public inquiry into the Crocus Investment Fund scandal; and

(p) failing to take adequate measures to protect children in the care of Manitoba Child and Family Services and to provide adequate transition to children in care so that they are at high risk after leaving care; and

(q) failing to provide an effective strategy to deal with child poverty; and

(r) failing to provide Manitobans with the legal right to timely, quality health care.

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

Some Honourable Members: No.

Some Honourable Members: Yes

Voice Vote

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

Some Honourable Members: Yea.

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

Some Honourable Members: Nay.

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

An Honourable Member: On division.

Mr. Speaker: On division?

An Honourable Member: On division.

Mr. Speaker: On division.

Mr. Speaker: We will now deal with the vote on the amendment.

The question before the House now is the proposed amendment moved by the Leader of the

Official Opposition to the proposed motion of the honourable Minister of Finance (Mr. Selinger),

THAT this House approves in general the budgetary policy of the government.

Do members wish to have the amendment read?

An Honourable Member: Dispense.

Mr. Speaker: Dispense.

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

Some Honourable Members: Agreed.

Some Honourable Members: No.

Voice Vote

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

Some Honourable Members: Yea.

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

Some Honourable Members: Nay.

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

Formal Vote

Mr. Goertzen: I heard it differently. Yeas and Nays, Mr. Speaker.

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

Order. The question before the House now is the proposed amendment moved by the Leader of the Official Opposition to the—oh, well, that would be the honourable Member for Kirkfield Park—on the proposed motion of the honourable Minister of Finance,

THAT this House approves in general the budgetary policy of the government.

Do members wish to have the amendment read?

An Honourable Member: Dispense.

Mr. Speaker: Dispense.

All those in favour of the amendment, please rise.

Division

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

Yeas

Cullen, Cummings, Derkach, Driedger, Dyck, Eichler, Faurschou, Gerrard, Goertzen, Hawranik, Lamoureux, Maguire, McFadyen, Mitchelson, Penner, Reimer, Rocan, Rowat, Schuler, Stefanson, Taillieu.

Nays

Aglugub, Allan, Altemeyer, Ashton, Bjornson, Brick, Caldwell, Chomiak, Dewar, Doer, Irvin-Ross, Jennissen, Jha, Korzeniowski, Lathlin, Lemieux, Mackintosh, Maloway, Martindale, McGifford, Melnick, Nevakshonoff, Oswald, Reid, Robinson, Rondeau, Sale, Santos, Schellenberg, Selinger, Smith, Struthers, Swan, Wowchuk.

Madam Clerk (Patricia Chaychuk): Yeas 21, Nays 34.

Mr. Speaker: I declare the amendment lost.

* * *

Mr. Speaker: The question before the House is the proposed motion of the honourable Minister of Finance (Mr. Selinger) that this House approves in general the budgetary policy of the government.

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

Some Honourable Members: Agreed.

Some Honourable Members: No.

Voice Vote

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

Some Honourable Members: Yea.

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

Some Honourable Members: Nay.

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

Formal Vote

Mr. Goertzen: I heard it differently again. Yeas and Nays, Mr. Speaker.

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

The question before the House is the proposed motion of the honourable Minister of Finance that this House approves in general the budgetary policy of the government.

Division

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

Yeas

Aglugub, Allan, Altemeyer, Ashton, Bjornson, Brick, Caldwell, Chomiak, Dewar, Doer, Irvin-Ross, Jennissen, Jha, Korzeniowski, Lathlin, Lemieux, Mackintosh, Maloway, Martindale, McGifford, Melnick, Nevakshonoff, Oswald, Reid, Robinson, Rondeau, Sale, Santos, Schellenberg, Selinger, Smith, Struthers, Swan, Wowchuk.

Nays

Cullen, Cummings, Derkach, Driedger, Dyck, Eichler, Faurschou, Gerrard, Goertzen, Hawranik, Lamoureux, Maguire, McFadyen, Mitchelson,

Penner, Reimer, Rocan, Rowat, Schuler, Stefanson, Taillieu.

Madam Clerk: Yeas 34, Nays 21.

Mr. Speaker: I declare the motion carried.

House Business

Mr. Speaker: The honourable Government House Leader, on House business.

Hon. Gord Mackintosh (Government House Leader): There must be two moons in the sky, Mr. Speaker.

I would like to table the Estimates order under Rule 77 and announce that tomorrow the government's intention is to call second readings of bills.

Mr. Speaker: The Estimates order has been tabled, and the government's intention is to call bills tomorrow. That is for the information of the House.

* * *

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

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, May 9, 2006

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