

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

Official Report
(Hansard)

*Published under the
authority of
The Honourable George Hickes
Speaker*

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Ninth Legislature

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<i>Vacant</i>	Inkster	
<i>Vacant</i>	Lac du Bonnet	

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 2, 2011

The House met at 10 a.m.

Mr. Speaker: O Eternal and Almighty God, from Whom all power and wisdom come, we are assembled here before Thee to frame such laws as may tend to the welfare and prosperity of our province. Grant, O merciful God, we pray Thee, that we may desire only that which is in accordance with Thy will, that we may seek it with wisdom, know it with certainty and accomplish it perfectly for the glory and honour of Thy name and for the welfare of all our people. Amen.

ORDERS OF THE DAY

PRIVATE MEMBERS' BUSINESS

House Business

Mrs. Mavis Taillieu (Official Opposition House Leader): Yes, Mr. Speaker, is there leave to proceed to Bill 203 this morning?

Mr. Speaker: Is there agreement to proceed to Bill 203, The Regulatory Accountability and Transparency Act? [*Agreed*]

SECOND READINGS—PUBLIC BILLS

Bill 203—The Regulatory Accountability and Transparency Act

Mrs. Mavis Taillieu (Morris): Mr. Speaker, I move, seconded by the member for Carman (Mr. Pedersen), that Bill 203, The Regulatory Accountability and Transparency Act; Loi sur la responsabilité et la transparence en matière réglementaire, be now read a second time, and referred to a committee of this House.

Motion presented.

Mrs. Taillieu: I'm pleased to speak to this bill again today. I've introduced it before and I think it's worth speaking about again today, Mr. Speaker.

What this bill does is it really moves forward on regulatory reform. It requires governments to develop formal procedures to make the process for enacting regulations more transparent. It also requires government departments to develop regulatory reform plans to eliminate unnecessary regulations and encourage restraint in making new regulations. Both the government procedures and department plans must be made public. And, within

three months after coming into the force, the Minister of Justice would establish a baseline measurement of the current number of regulations against which—sorry—against which progress toward regular 'reform' could be measured.

Then the Minister of Justice must develop a policy that requires all proposals for new regulations, including an assessment of the need for proposed regulation with a view to avoiding duplication; an analysis of alternatives; a study of the economic impact of the proposed regulation, including an analysis of its effect on provincial competitiveness and how compliance costs can be minimized; confirmation that public consultation has occurred; an estimate of the time and costs required for implementation; ongoing review for relevancy of the proposed regulation through the inclusion of a sunset clause. And it also establishes a—that one year after the act coming into force, each minister would develop and publicize a three-year regulatory reform plan for his or her department that establishes regulatory reform targets to ensure that only essential regulations are enacted, and to work toward reducing the volume of new regulations, provides for a comprehensive review of existing regulations to identify and eliminate unnecessary regulations.

And now, Mr. Speaker, when I talk about regulations—red tape, I guess, there is a difference between regulation that is necessary—and we recognize, certainly, there are many regulations in provincial statutes that are absolutely necessary, those pertaining to health, pertaining to safety, pertaining to the environment. Those are regulations that are absolutely necessary, and this bill does not speak against those resolutions. Rather, it speaks to red tape, which is different than regulation, in that red tape traditionally has referred to regulations that may be either redundant, they may be archaic, they may overlap, they may be contradictory—things that we can look at to reduce the burden of paperwork that small businesses have to do daily.

Having been a small business owner myself, I understand that there are certain things that have to be done, certain tax things that need to be done. And complying with Workplace Safety and Health and complying with the environment, all businesses understand that, but there are certain regulations still

on the books that do impact quite extensively on small business.

I would just like to read into the record the cost of red tape for Manitoba businesses, according to a recent Canadian Federation of Independent Business report. And they indicate that the total cost of regulation for Manitoba businesses is \$945 million annually. Now, that's a lot of money. That—you know, when you think about \$945 million, that is a lot of money that is—that could be used by businesses, Mr. Speaker, for a lot of other things, to hire new employees, to do studies in innovation. There's just a lot of money, in terms of time wasted, doing unnecessary—to deal with unnecessary regulation and red tape.

And, you know, this regulatory burden is highest to small businesses, which pay almost five times more per employee than their larger counterparts. According to the CFIB, 23 per cent of small business owners are spending more than six hours a week dealing with government regulations and paperwork, and 12.8 per cent of these owners are spending 10 or more hours a week. That's a lot of time when you're a small business owner and you may only have a few employees, for one employee to be taken up doing all of that.

Also, according to a CFIB report, 89 per cent of small businesses in Saskatchewan said they would likely recommend starting a business in their province, compared—80 per cent of Alberta small businesses said the same; 71 per cent in British Columbia, but only 53 per cent in Manitoba. So, when you look at that, there's not—there doesn't seem to be a lot of confidence in business starts in Manitoba. And one of the reasons identified by the CFIB study was that there was a lot of regulation and red tape that had to be—hurdles that had to be jumped, Mr. Speaker.

* (10:10)

Now, I do also want to just reiterate that this is not about regulation in health and safety and in environment, which we think are absolutely necessary; it is about reducing the regulatory burden and the paperwork that small businesses have to contend with, Mr. Speaker.

We know that in other provinces, Mr. Speaker, British Columbia has moved aggressively to cut red tape and stimulate growth, and as of June 1st of this year, Straightforward BC has achieved a

42.6 per cent reduction in regulatory requirements, totalling 206 and 208—206,208 requirements.

Mr. Speaker, other governments like Newfoundland and Labrador, Nova Scotia, Québec, British Columbia, Ontario have already taken up this challenge. Saskatchewan has established a Regulatory Modernization Council to advise the government on regulatory reform and business service improvements.

So this all speaks to other provinces doing what they feel is necessary to stimulate entrepreneurship and growth in small business in their provinces, and I think that Manitoba needs to look at doing the same thing here, Mr. Speaker.

Now, I just want to also say that the government has moved on things like BizPaL and TAXcess, and I think those things are fine. They work. They help small businesses deal with the regulations that they need to go through, Mr. Speaker, but it's not the same as eliminating those restrictions. They're helping to get through them, but they could go one step further and help to eliminate some of these things that they don't even have to address them.

I also want to note that the—in—on April 6th of this year, 2011, CFIB advisory, small businesses in Manitoba, they did also say that one of the top concerns includes—for small businesses—includes tax and regulatory costs—65 per cent, Mr. Speaker. So there's still—even though there has been a movement with BizPaL and TAXcess, still this spring the CFIB is still saying that regulatory costs are still a top-of-mind issue for small businesses.

I also want to note, as my time is running short here, that in their address, the Canadian Federation of Independent Business, in their pre-budget address to the Minister of Finance (Ms. Wowchuk), Mr. Speaker, one of the things that they noted was a commitment to red tape—commit to red tape accountability. And I would just like to say—to do—and I will quote from their report. They said: To do so, the Manitoba government should commit to some type of measurement of the overall regulatory burden, set constraints on regulators even if that is simply no net increase to begin with and report them both publicly. This process has been used in several provincial jurisdiction and is emerging as an international best practice. It is the only way to truly offer meaningful and sustainable red tape relief.

So, Mr. Speaker, I'm looking forward to this bill going to committee and having members of the

public come and comment. Again, this is a bill that reduces unnecessary red tape, regulation and burdens to small business. But, again, we do support any regulation that has to do with health, safety and environment and we deem those necessary. The two are separate.

So I'm looking forward to passing this committee and to see what Manitobans would have to say about this bill.

So thank you very much, Mr. Speaker.

Hon. Jennifer Howard (Minister of Labour and Immigration): It's my pleasure to rise today to speak a little bit on this bill. I think it's very interesting—some very interesting ideas that the member opposite has put forward and I appreciate her work on this issue. And I know that work builds on her own experience, working and helping to run small businesses.

And, certainly, on this side of the House, we've also met with number of representatives from the business community, from small businesses, and we've also heard their need for us to work harder to remove some of the barriers and some of the restrictions that they face and just make it easier to do the things that they need to do. I know whenever we—whenever I get to meet with representatives of the business community, you know, usually what they want to know is what are the rules and how do we comply with them, and just tell us what you want us to do and if we could only do it once, that would be great. So we've certainly been striving to reduce that kind of red tape wherever we can.

But we haven't just limited those efforts to the business community. We also know, in our government and in other governments, we work extensively with the non-profit sector. In fact, I would say we probably have thousands of non-profit organizations that government works with to help deliver government services. And these aren't services that are just frills or things that are just nice to have; these are core services that these organizations help to deliver. And many of those organizations, of course, help to deliver services to newcomers and work with my department in Immigration. So we also, in April, announced that we were going to work with the non-profit sector to also get them some stable funding and help them see less red tape. This is part of a two-year strategy.

And recently I attended an open house at one of the organizations that's been chosen for this pilot, the

Rainbow Resource Centre, which is in my constituency. And this is an organization that is certainly doing a lot of very good work in the community, and we are working with them to try to make it easier for them to do the work that they're set up to do.

I know many people in this House will know, who have talked to people in the non-profit sector, it's not uncommon for executive directors and others to spend the vast majority of their time either applying for grants or filling out reports on grants, and often they have relationships with multiple departments. So we are looking at ways that we can streamline that process for the non-profit sector. Some of that will be including things like launching a single-window application process by spring of 2012 and having an online non-profit web portal that people can go and get information, trying to eliminate some of the duplication in reporting requirements for organizations dealing with multiple provincial programs, while strengthening the accountability standards.

I think one of the things we have been able to do over time is strengthen the accountability for funding of many of those non-profit organizations by bringing back some of those resources that were stripped away under the former government, like the Agency Accountability and Support Unit in Family Services, for example.

So we've tried to broaden the notion of cutting red tape beyond just business to also the non-profit sector that we depend on.

I think, you know, it's also appropriate, as we're talking about the business community and the economy in Manitoba, that we talk a little bit about how it's going in Manitoba, because I think, Mr. Speaker, by any measure, especially in this week, by any measure, one could say that the economy has been doing quite well in Manitoba. People feel very positive about living in this province.

And I know members of the other side spend a lot of money trying to tell people there's nothing to celebrate in Manitoba, you should feel very depressed about living here, it's going very poorly. But, certainly, I think that message has not found any resonance with Manitobans, who feel very positive, not only about the city of Winnipeg, but about the province and about their prospects for living here.

In fact, Mr. Speaker, the economy in Manitoba has been dubbed nothing short of a miracle by

Maclean's magazine. A recent *Maclean's* magazine article titled "The Manitoba miracle" said that Manitoba has emerged as the shining star of Canada's recession and subsequent recovery. And it further went on to talk about some of the strengths of our economy: a steady construction sector, massive housing developments and stunningly low unemployment, an eclectic mix of businesses and services and an aggressive immigration strategy through the Provincial Nominee Program.

In fact, you know, that kind of endorsement isn't limited to *Maclean's* magazine. Organizations like the Royal Bank of Canada concur that the Manitoba economy is doing quite well. According to Paul Ferley, assistant chief economist for the Royal Bank of Canada, says Manitoba is the most diverse of all the provinces.

So we know that things have been going reasonably well economically, and that shows up, of course, Mr. Speaker, in people's lives. We continue to have among the lowest unemployment rate in the country at 5.2 per cent. We have a long-term job growth trend that's very positive. You look at employment increases in 11 out of the last 14 months and jobs going up year over year.

* (10:20)

In fact, you know, you look at our population. We've been able to add over 100,000 new residents in just over 11 years. You think of what that number equates to, Mr. Speaker. That's like adding two more cities the size of Brandon in the last 10 years to the population here. And a big part of that population, of course, has been growth in immigration, which we're very proud of.

And I think it's interesting when you look at some of the—somebody, I think, recently said that some of the most positive economic stories for Manitoba in the last little while have actually been on the sports pages—when you look at some of the conditions that led up to the successful return of the NHL in Manitoba, a lot of those have to do with the growing economy in Manitoba. Having a population that's growing for the first time—over the last decade, every year we've seen the population grow in Manitoba.

In the '90s, Mr. Speaker, that population was going down year after year after year. So having a growing population, that's important. Having wages continue to increase, that's also very important to be able to support things like NHL hockey. And, of

course, having a place to play hockey, probably one of the more important things that contributed to being able to bring that team back. And, you know, they can say all the things they want to say now, but we remember in this House when they stood up and voted against the building of that MTS Centre. Now, it didn't stop them from showing up at the opening—didn't stop them from sipping champagne at the opening, and I'm sure it won't stop them from showing up there to watch the new hockey team, whatever it's going to be called, play. But memories are long, and we all remember that they certainly voted against that MTS Centre.

I think another thing that we've seen recently in some of the national press, Mr. Speaker, is a lot of discussion about what's happening in downtown Winnipeg and the fact that downtown Winnipeg is undergoing a renaissance. And, certainly, a lot of that has to do with private developers that we've been working with, private developers to help develop housing downtown, hundreds and hundreds of housing units that are going to be developed downtown with the assistance of tax increment financing, another initiative that the members opposite opposed. And that housing isn't—you know, that housing is going to be diverse. That housing is going to have housing available for people with disabilities. It's going to have affordable housing available downtown. So people are going to be able to live, they're going to be able to work and they're going to be able to play downtown. And we know that having that kind of healthy environment in downtown Winnipeg also contributes to people's overall good feeling about the province.

So I know my colleagues in the government and all the ministers that work with business continue to strive to do our best to reduce the kind of regulatory burdens that they tell us that they face. And, certainly, one of those things that we're very proud to have reduced is the small business tax to zero for the first time, I think, certainly, in Manitoba history, and, I think, one of the few provinces that has a zero per cent small business tax. That, certainly, I think, has helped to reduce some of the red tape that small businesses face.

We heard a little bit from the member opposite congratulating us on our work on BizPaL, which, of course, is another initiative to help entrepreneurs set up and operate their businesses, to support communities in their business development efforts and to work with federal and municipal partners to

make that resource available across the province. Of course, BizPaL operates as a cost-effective way for municipalities to provide information to entrepreneurs, to promote themselves as open for business while at the same time promoting compliance with regulatory requirements. I know it's lots of—what a lot of businesses tell us that they want is to be able to go one place and find out the things that they need to do. BizPaL is now available in over 56 Manitoba communities and is also, of course, available bilingually in places like Notre Dame de Lourdes and St-Pierre-Jolys.

So we'll continue to make progress on this issue, Mr. Speaker, and thank you for the opportunity to put a few words on the record.

Mr. Blaine Pedersen (Carman): Mr. Speaker, and certainly want to speak to Bill 203 brought forward by my colleague the member for Morris (Mrs. Taillieu) on regulatory accountability and transparency change, and this is about reducing red tape. And for those of us who have been in business and know about red tape, this is a significant item for small business—for any business, but particularly for small business because it means taking time away from doing—growing their business, making their business profitable and spending that time doing—covering red tape and covering thousands—there are tens of thousands of provincial regulations in place, and what we're asking is just to quantify these things and—these regulations, and make it more easy, business friendly, for small business in Manitoba. And we do know that the government has announced some reduction in red tape, but it was primarily for the non-profit sector dealing about government—access to government and—in terms of applying for the grants and, et cetera, of non-profits.

But that announcement said nothing and did not address at all the private sector, the small business sector. And this bill would—it would require the government to develop formal procedures to make the process of enacting regulations more transparent. It requires government departments to develop regulatory reform plans to eliminate unnecessary regulations and does somewhat encourage restraint in making new regulations. It's a nasty habit of government sometimes to just think they have to put more regulations in place, to more control in the lives of small business owners, and that's counterproductive. That does not help them at all in terms of being more competitive with our neighbours, whether it's within Canada or outside

Canada, around the world. We need to do whatever we can to make them more—help them become more competitive.

So what this bill does is it would require the Minister of Justice to establish a baseline measurement for the current number of regulations and then work towards regulatory reform in a way that can be measured. And I know that this government is not really interested in results quite often. They're not really results-oriented, and this—so this may be a challenge for them to try and do something that actually measures and records regulatory reform.

But also, then, it's about developing a policy so—that requires all new regulations to do the following, and it's fairly simple in itself. We're talking about regulations. This would be fairly simple in terms of regulation for them to do, and it's a regulation for themselves, an assessment on the need of the proposed regulation to avoid duplication, and we know that there is duplication out there. Provide some analysis of alternatives. Is this regulation really needed? Is it required? Is it crucial? A study of the economic impact, including an analysis on the effect of provincial competitiveness and how compliance costs can be minimized, and, again, it's about is this regulation necessary and, if it really is necessary, what is the cost of it? What it—what will it cost small business to comply with this regulation?

And all—we always look for confirmation that public consultation has occurred. This is important that we get feedback from the public about—and not just from the public, but from—specifically, from the small businesses that will be impacted by these proposed regulations.

And, then, always we need to have that ongoing review for relevancy of the proposed—and including a sunset clause, because we know right now and, certainly, looking back through legislation that's come through this House that there is a lot of regulations, there's a lot of laws that really become redundant. But they're still on the books, so they're still there. So we need to have that process in which we can review these regulations and make sure that they really are relevant today.

An Honourable Member: Pass.

Mr. Pedersen: Good with me.

After this—one year after this act comes into force, each minister must develop and publicize a three-year regulatory reform plan so that it

establishes regulatory reform targets. What you're doing here is looking in the long term. It's getting the department to look at this. Is this—first of all, if they decide this is—this regulation is necessary, and if they do that, if it is necessary, then, what is the long-term plans for this? What will this—the targets that are established by putting in this regulation, are they being met? Reviewing them within the three-year time frame so that you make sure that they really are relevant; they're working as they were set out to do; and, also, that they will eliminate unnecessary regulations. Because, if at the time it seemed necessary, but a three-year review comes down the road and you see that it's really not necessary to have this, then let's have a course of action to remove these regulations that are not doing what they were intended to do in the first place.

*(10:30)

And, of course, we always want to keep in mind that safety rules would not be compromised; regulations affecting safety are ultimately important for everyone. So you want to make sure that you are not compromising any safety rules. But a large part of the regulations don't actually deal with worker safety, and, therefore, this can be a fairly simple process if government really has the mind to make regulations simple or red tape simpler for small business.

And it's all about helping our small business sector become—increase their efficiency, and spend more time contributing to the province's GDP, instead of on red tape. Because we all know that that—for all of us who have dealt with red tape, we know how—first of all, how unsatisfying that work is, but also how unnecessary it becomes in terms of complying with regulations that are either redundant or duplicate.

So we would certainly want to see this government seriously consider this bill. It's an excellent proposal. Other jurisdictions have moved. British Columbia has moved aggressively to cut red tape. As of June 1st this year, Straightforward BC has achieved a 42.76 reduction in regulatory requirements. And that is a really quite amazing number in there, that almost by half they've cut regulatory requirements. And, again, you're not compromising safety, you're not compromising the public good, if you will, but at the same time you're reducing costs, you're reducing unnecessary costs to small business and, therefore, you're contributing much better to the economy.

The federal government has entered into a public-private sector partnership, and I know that would probably scare this government, just to think of the private sector. But they really should, because it aims at reducing the costs of paperwork and regulatory compliance for small businesses, making it easier for them to do business in Canada and around the world. And, as we're part of Canada, we should want to be on that same trend, to reduce regulations for our small business.

So Saskatchewan has also established a Regulatory Modernization Council, and it's with the same idea of reducing regulatory burden on companies, and it's looking at reforming these. We know very well that the CFIB is—Canadian Federation of Independent Business is very strong on this, because that's their members who are mostly—most impacted by this type of burdensome regulation.

So, Mr. Speaker, I would just like to conclude that it would be a very good move on this government to support this bill. It would show that they do—that they really do support small business, in helping them to become more efficient and therefore more profitable. And, when small business is more profitable, it is—this is very good for the province as a whole.

With that, thank you, Mr. Speaker. I hope the government supports this bill.

Hon. Peter Bjornson (Minister of Entrepreneurship, Training and Trade): I am pleased to rise today to speak to The Regulatory Accountability and Transparency Act, as proposed by the member for Morris (Mrs. Taillieu).

And, I guess, in a nutshell, essentially it's talking about cutting red tape. And it's interesting to hear the opposition talk about cutting, because they're very good at cutting support to education in their tenure. They're very good at cutting a number of things: cutting doctors, cutting teachers, they cut 24 hockey players in 1996, I believe it was. Members opposite like to cut, cut, cut, but members opposite don't cut taxes. I mean, we're the government that cut the small business tax from nine to zero. We're the government that cut the corporate capitalization tax. We're the government that cut the corporate tax rate as well. Members opposite did not do that. And we're involved in meaningful cuts; cuts in taxes, Mr. Speaker, and cutting red tape, quite frankly.

One of the things that I've really enjoyed in my tenure as Minister of Entrepreneurship, Training and Trade, Mr. Speaker, is the fact that I've had the opportunity to travel all over Manitoba as we launched the Canada-Manitoba BizPaL initiative. And the impact that that has for small businesses is very difficult to measure because it's a very comprehensive website where individual companies can go online, or people who are looking to set up a company in a community can go online and plug in answers to a few questions, which might generate some more questions as a result, and in a microsecond they will have all the permits that they need, federally, provincially and municipally online, available to be downloaded on PDF so that they can do all the paperwork at home from their kitchen, from across the country, from another country if they're interested in setting up a business in many communities here in Manitoba.

Now, it's a great example of how Manitoba also punches above its weight, because there are over 550 municipalities throughout Canada that are now connected to the Canada BizPaL co-provincial initiative. Manitoba has more than 10 per cent of those municipalities that are currently online and connected to the BizPaL initiative. So, for a province with 3 per cent of the population, over 10 per cent of the municipalities that are registered online through the Canada-Manitoba BizPaL initiative speaks very highly of our commitment to ensuring that businesses have the best possible assets available to them for the purpose of conducting business and making it easy to conduct business in Manitoba.

Now, one thing, as a former small business owner, Mr. Speaker, I often said how it would have been wonderful as a business person to have this asset available to me. In fact, it was red tape and regulation that was introduced by the federal government back when I was a young man in my mid-20s, after running a business for almost 13 years—it was that red tape that actually discouraged me from continuing in that line of work that I was engaged in. Ended up selling my company and going on to different pursuits, but at the time, I thought about how great that would have been, as a 14-year-old starting my business, to go online and find out what permits I need, because, you know, statute of limitations, I guess, are—it's fine to talk about the fact that I didn't actually have a business licence for the first six years that I was in business, because I didn't know I needed one. But I was 14 at the time, and the local municipality actually was very

forgiving when I did realize that I needed to get the permit and they didn't charge me retroactively because, actually, as it turned out, I probably played for many of the councillors' daughters' and sons' weddings and socials as a recorded dance music operator. But I think about how that would have helped a small businessman starting up.

And, when you consider where we have been, 56 Manitoba communities are now connected to BizPaL, and since last session, 21 more have been added: Thompson, Selkirk, Coldwell, Eriksdale, Franklin, Glenwood, Morris, St. Andrews, St. Clements, St. Laurent, Reynolds, Roblin, Siglunes and Whitemouth; the towns of Arborg, Gillam, Manitou, Morris, Souris and Teulon and the village of Cartwright; as well as the bilingual services as well, BizPaL PerLE, it's available in the villages of Notre Dame de Lourdes, Somerset, St-Pierre-Jolys, and the RMs of De Salaberry, Montcalm and Ritchot.

So, Mr. Speaker, members opposite talk about cutting things, but they don't recognize that fact that we've been doing a lot to cut red tape. And it's curious, because one of the things that they did talk about was cutting half a billion dollars from the budget. So it begs the question, if they're to cut half a billion dollars from the budget, how could they resource the initiative to support cutting red tape? How would they support that? What else would they have to cut if this was their priority—was cutting red tape—how many resources would be channelled into that and at the expense of what resources that we're currently offering?

Our approach is considerably different than members opposite, Mr. Speaker. We put in meaningful changes and reforms, meaningful resources and supports for the small business, and that is, in my view, more important than paying lip service perhaps to a—picking an arbitrary figure of 20 per cent to cut red tape. You can't just pick a number and say, we're going to cut red tape by this per cent. Show businesses how you can meaningfully employ resources and supports that will make it easier for them to do business. So, as I said, it's rather curious to hear them talk about that.

* (10:40)

Another suggestion from members opposite: I know that they have not recognized that regulations are significantly different than red tape, and it was quite disconcerting to hear the members opposite wanting to deregulate and eliminate rules that protect

the average Manitobans in the workplace, Mr. Speaker. That's old-school business thinking.

I was recently at an awards ceremony for small businesses where two of the businesses that were recognized were businesses that had emerged in response to workplace safety and health regulations where they proactively would come in and help businesses identify potential risks for their clients and how they could avoid penalty for workplace safety and health violations. And I think that's a great proactive approach that these young entrepreneurs, both very established business entrepreneurs, young women, who are saying that we need to be proactive and help our businesses recognize the importance of workplace health and safety, help the businesses recognize that days lost to productivity because of injuries or accidents on the workplace can be avoided and that these regulations are important regulations because, at the end of the day, this government wants to ensure that workers come home safe from work every single day.

And the members opposite talked about our rules to protect workers' health and safety as red tape and regulation and adding more bureaucracy, and they opposed the higher fines for companies and—that would break health and safety rules and called them disincentive and a heavy hand. And you know what? I find that quite, quite disconcerting, that members opposite would feel that way about the fact that we do need regulation in industry to protect the worker when they go to work every day and that they would suggest that it is bureaucracy and red tape. To me, I think more Manitobans feel that this is about protecting the workers and making sure everyone gets home safe and sound at night from a long day of work contributing to this great economy here in Manitoba.

The 2006 Speech from the Throne announced the establishment of the Department of Competitiveness, Training and Trade, which, of course, has now become Entrepreneurship, Training and Trade, and we indicated then that we would lead a campaign to reduce red tape in government and focus on the single-window service for business. And, of course, I've mentioned the BizPaL component, and there are a number of other initiatives that we've been engaged in with BizPaL, the fact that we've expanded BizPaL, as I said, to 56 different communities, that we now have a single business number, that we've introduced an online file and pay system for PST and other provincial taxes, that we've reduced the sales tax filing requirements

for up to 25,000 small businesses. We have the Manitoba Business Portal. It's a user-friendly website where businesses have comprehensive online access to businesses' services and information, and we've continued to cut red tape to improve service delivery and accessibility through the web and with phone or in-person resources to support this initiative, Mr. Speaker.

So, as I said, it's curious to hear the members talk about cutting red tape, because, traditionally, they've been cutting services. They're proposing cutting half a billion dollars from the budget, and if you take that over four years, are they suggesting we cut a billion after two, 1.5 after three, 2 after four years? How would that impact a small business? Cutting that amount of money from the budget will have a tremendous impact on the services that we're able to deliver to Manitobans, and that includes, I would suspect, every sector of Manitoba if they were to have it their way and cut those services.

Never mind health care and education; what would that mean for the business community? We always talk about how those would impact health care and education. What would cutting half a billion dollars from the budget mean for the business community and all the supports that we provide to the business community in terms of the tax incentives, in terms of the training programs that are offered through the trade side and training side of my department and in terms of the very good working relationship we have with the business community to make Manitoba more competitive and make Manitoba shine as an example for how the economy can work, should work and will work when you have the right government at the helm to make it happen?

So thank you very much, Mr. Speaker.

Mr. Ron Schuler (Springfield): Listening to the member for Gimli (Mr. Bjornson), I am appalled that the member would speak about cutting and slashing when never before in the history of this province, never before ever have we seen the kind of hacking and slashing that the member of Gimli did on the 14,000 retired teachers whose pension he decimated, who by the hundreds—by the hundreds, Mr. Speaker—came into this Chamber. They came in walkers, wheelchairs, canes. They came late into the night, begging the member for Gimli not to hack and slash their pension, and 14,000—14,000—retired teachers were thrown under the bus by the member for Gimli. We need no lessons on hacking and slashing from the member from Gimli. In fact, they will go down in

history as the pensionator years, the way pensions were hacked and slashed. We need no lessons from the member for Gimli, none.

This is a very important piece of legislation, Bill 203, Mr. Speaker, a very important piece of legislation. We've heard the government, the Minister of Labour (Ms. Howard), laying out some of the things that she has done. She has done some good things for the non-profit organizations, and I think they will appreciate what she has done. It's time to streamline for non-profit organizations and how they approach government.

This bill, however, complements that and involves small business. Now we heard the member from Gimli when he got over his hack-and-slash bill statements, forgetting, of course, the years where he slashed all the retired teachers, all 14,000 pensioners—pension, unparalleled in the history of this province, Mr. Speaker. And he mentioned how he started up a business when he was young and hadn't gotten the proper documentation done. And that is just—often people are very excited, are very passionate about getting into something, driving a dream and don't know all the different facets of what's involved in setting up a business.

In fact, it is quite onerous. You have to register for a GST number, PST number, business licence and it goes on and on and on. Depending upon where you open up in the city of Winnipeg, there are different rules, as compared if you're in the more rural areas. Sometimes there's more rules to follow in the city of Winnipeg; however, to access from the rural areas it's a little bit more complicated. You have to come and find the respective offices. And what Bill 203 does is try to take on all of that and make it a much more simpler process.

In fact, we've always talked about one-stop shopping for business and those kinds of things. But often, when governments do it, is they tend to focus on, for instance, like the NDP government focused on non-profit organizations, other businesses will deal with manufacturing or deal with one facet or the other. But when you're starting out or you're involved in a small business, perhaps it was as a mom-and-pop organization. You have it in a—I know people who started a bakery in their kitchen, that kind of thing. And they decide to break out and they're going to make this more of a formalized business, small business as such. And often what you will find is that you're too big to be small and too small to be big. And I think that's where this bill

comes into effect, and it really does speak to those organizations.

I know, for myself, I started Gingerbread World now some 20 years ago, small, little import company, ran it out of—actually Grandma's garage. She was kind enough to let us bring in the pallets of product, and we would pack and ship out of her garage. And then at some point in time, it got so big that then we were bringing in 40-foot containers, and she said, you know, I love you a lot, but I have to draw the line somewhere. So out of the garage we went, and then we had to start renting warehouse space and those kinds of things. And it's surprising how many different government departments you have to deal with, how many different organizations you have to deal with. It really is surprising.

Years ago, a partner and I opened up some businesses at The Forks and we didn't know—we had all our tenant improvements done, paid all our bills on time, paid all our taxes, and we were audited and didn't realize that the trades were supposed to charge us PST on all the tenant improvements. And it was a shock to us because they were supposed to collect PST and remit it and they hadn't done it. So, you know what? It's a surprise when you get into business the kinds of things that you face.

And I know one year, and this would have been in the '90s when we had a container of product arrive, and we were importing cookies from Europe. The federal government said they wanted to come and inspect the shipment, which is rightfully so, make sure that you're not bringing in contraband. Or that in the back of the container, because they are 40-foot containers, you could be hiding product that's not on the bill. And to our surprise they brought dogs out and they wanted to make that there were no drugs in any of the product. And they did a count and they came to us and said, actually, you have an illegal count. We're going to impound the entire shipment and it—we're going to have to charge you because what's on the waybill isn't in the container.

* (10:50)

And I said, well, you know, could we go over this one more time and have a look at it? And I said, well, the count is right. And he said, well, no, you have ones and marked and actually there's more product in the container than on the bill. And I said, actually, the German one is like a seven with a cross halfway through it and a seven just looks like a seven and it's very easy to mix the two up. And I explained to him that it was a writing style, that, actually, the

numbers were right. And, after about half an hour, I convinced him that they had actually counted it correctly.

And that's the kind of stuff you face as a small business owner, and it comes at you, different government departments, and all of a sudden you find out that you—it's this that you have to deal with and that department that you have to deal with. And what we're looking for is a little bit more of a fine tune of regulations.

Mr. Speaker, any time you talk to any organization, they will tell you the best way to grow your economy is to take small business and grow them into medium sized and take medium-sized business and grow them into bigger businesses.

The chances of you getting a big business coming here and creating thousands and thousands of jobs are slim or next to none. It's always the home-grown businesses, those that started as mom-and-pop organizations. I point out to you, Palliser. They used to make ironing boards in the living room of their home in North Kildonan. That's how Palliser started. Monarch Industries, I understand it was the two brothers started a tool and die shop by buying a machine in the garage at home and that's how Monarch Industries started, and it goes on and on and on and on.

If you look at car dealerships, if you look at manufacturing on—it's usually a small operation. It's usually a small business, and that's why this bill is so important because what we want to do is take small business and grow it into big business. We want them to create jobs, pay taxes, grow the economy, and continue to build a healthy and strong Manitoba, and for that you have to make life as easy as you can for those individuals who have a dream.

I know of teachers who came up with some really good ideas and there's one out in North Kildonan, Rory Bochinski, started a business and now left teaching, and he's running an amazing business, all kinds of different gear. In fact, he's a supplier now for the US military. Had a vision, had a dream and came up with this. So this piece of legislation would have helped him. It would have helped him with his business, growing it and moving it forward.

So I would recommend to members opposite that they not get caught up in petty politics, like the speech from the member for Gimli (Mr. Bjornson), the kind of shabby comments that are put on the

record, but rather that we look at this bill for what it is, and that it's trying to build a healthy, strong, good economy. And we want to grow local businesses. We want to take mom-and-pop businesses and grow them to healthy and strong businesses that employ Manitobans, that support families, that support our economy and grow a strong Manitoba, Mr. Speaker.

I recommend Bill 203 to this House.

Hon. Jim Rondeau (Minister of Healthy Living, Youth and Seniors): It's always a pleasure to follow the comments from the member from Springfield who started off very, very partisan and totally off topic, but that's par for the course.

Anyhow, I wanted to keep to the topic which is the bill on regulation, and I wanted to contrast the Tory record versus our record. And I had the pleasure of setting up a business as a corporation under both rules of government. In the case of ours, I'm pleased to see that there was one business number, one site that you register your company or your incorporated body, and it's all done on a website and it takes about 15 minutes.

And, if you look at BizPaL, which was started under our government in 2005-2006, this was—I find the member must be surprised at this, but it's now rolled out to 56 communities, and it was a partnership with the federal government to reduce red tape, to make sure that everyone knew how to set up a business, and make sure that everyone knew all the steps regardless of whether it was civic, provincial, or federal regulations.

And, you know, Mr. Speaker, when we introduced the BizPaL, we went through a process to make sure that there was very little duplication on services, little duplication on any forms that had to be filled out. We made sure that they could be saved on the computer. So the member opposite must have set up his business under the Conservatives, because that's when you actually had to fill out your own forms. You had a separate city number, provincial number, and federal number. If you got it wrong, you paid all sorts of penalties, and that—and you had to mail it in with the cheque. Now, that's the old system, under the Conservative government. And, you know, it shows that they don't want to change. They don't want to move anything forward. They want to go back to the 1960s, '50s, '30s, '20s.

What we want to do is move things forward, so we actually have things done on the Internet. We actually have all the regulations with BizPaL so that

in 56 jurisdictions in Manitoba, people can see what the requirements are, go to the website and fill them out. That's very, very efficient.

I'm also pleased to let the member know—he's talking about business taxes. Yes, under the Conservatives, they were paying 9 per cent small business tax, which was one of the highest in the country's. I am surprised that the member didn't—opposite didn't say that we actually don't have small businesses taxes for businesses in Manitoba. We've eliminated it with the NDP. So his idea, under the Conservatives, was to tax small business at one of the highest rates in the country.

We agree with him on one statement; that small businesses are the driver of the economy. They're the ones that hire the most. They're the ones who grow from small businesses to large businesses. So I do agree with one thing from the member—string—Springfield. The way we do that, is we decrease the amount of tax they pay, from 9 per cent under the Conservatives, one of the highest in the country's, to zero per cent, the lowest in the country. That will help them.

The other thing that we've done is I looked at the Advanced Manufacturing Initiative. Again, it's something that we've done to help people to incorporate technology, new systems, new processes in industry. It's something that we did; the Tories didn't. And by the way, Mr. Speaker, I've heard from multiple businesses when I was Minister of Industry, about how that has allowed them to be productive and compete in the world-wide market, and I think that's really important.

I look at the whole thing on registering a business. And I had to register a business about five years ago. And it was interesting because it went to one site and registered my business. And it was automatic GST and PST and Workers Comp. It was all set. And you know what? The member opposite from Springfield, I know, probably set up his business in the '90s, where he had to go to multiple sites and that was what the Tories believed. We believe in one-stop shop and that was very efficient.

And I look at now some of the other things we've done. The Canada-Manitoba small business centre, I'm pleased it's co-located. I'm pleased that they go out throughout the entire province and conduct workshops and help small business on all aspects of their business. So I know the member opposite was talking about how confusing it was. We actually set up a one-stop shop with the—Canada, and

what we do is we do workshops on how to run a business, the reporting requirements, the counter requirements, all the systems that are needed. And you know what? They can phone in and get advice, advice on marketing with the Manitoba Marketing Network; they can get mentorships; they can get all sorts of supports in one stop.

So the member opposite may talk about red tape and accountability. I find it interesting because we streamlined a lot of that. And, actually, if you look at the statistics, the cost for complying with regulation in Manitoba has gone down. The simplicity has also been easier because here's what happens. You're allowed to google, save your information. You're allowed to submit it online and pay online. You're allowed—we've had it so that a number of businesses no longer have to submit reports and do all these paper regulations.

And you know, Mr. Speaker, I find it passing strange that the member opposite, when they were in government, didn't do any of these things. Nothing. So, they still were licking stamps and sending them, and filling out papers, and dealing with three business numbers and a Workers Comp number. And I'm pleased our government took the steps to make it simple and cut down on the frustration of small businesses. And so, I think it's interesting that the members opposite are talking about getting rid of red tape when we've already made many steps.

And I would invite the member to go to the Manitoba Business Portal, check it out. The website can be accessed through ETT. And, you know, the other thing you should do is go check out BizPaL, because you—

* (11:00)

Mr. Speaker: Order. When this matter is again before the House, the honourable member will have three minutes remaining.

The hour now being 11 a.m., we will deal with resolutions and we'll deal with Resolution 15, Bipole Cost Increase Updates.

House Business

Mr. Speaker: Oh, the honourable Official Opposition House Leader, on House business?

Mrs. Mavis Taillieu (Official Opposition House Leader): On House business. Mr. Speaker, in accordance with rule 31(9), I would like to announce that the private member's resolution that will be considered next Thursday is the resolution on

government failure to address violent crime, sponsored by the honourable member for Carman (Mr. Pedersen).

Mr. Speaker: Okay. In accordance with rule 31(9), it's been announced that the private member's resolution that will be considered next Thursday is the resolution on government failure to address violent crime, which will be sponsored by the honourable member for Carman.

So we'll now move on to resolutions, and we'll deal with Resolution 15, Bipole Cost Increase Updates.

RESOLUTION

Res. 15—Bipole Cost Increase Updates

Mr. Rick Borotsik (Brandon West): Mr. Speaker, I move, seconded by the member from Russell:

WHEREAS the construction of the third bipole transmission line is required to increase the reliability of Manitoba Hydro's transmission system; and

WHEREAS cost updates of Bipole III transmission line provided by Manitoba Hydro from November 2007 to March 2011 indicated the price had remained constant; and

WHEREAS the cost estimates on Bipole III transmission line subsequently proved to be inaccurate since at least August 2009; and

WHEREAS the Manitoba Public Utilities Board and public were not informed of the rising costs of the project; and

WHEREAS the Public Utilities Board plays a central role in the affairs of Manitoba Hydro as its regulator; and

WHEREAS Manitoba Hydro officials provided conflicting information to the Public Utilities Board during the 2011-2012 general rate application hearing; and

WHEREAS the Manitoba Hydro as public asset to all Manitobans ought to be transparent and open about projects impacting ratepayers.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba has lost confidence in the ability of the minister responsible for Manitoba Hydro to effectively administer Manitoba's public hydro utility.

Mr. Speaker: We'll deal with the resolution as printed.

WHEREAS the construction of a third Bipole transmission line is required to increase the reliability of Manitoba Hydro's transmission system; and

WHEREAS cost updates for the Bipole III transmission line provided by Manitoba Hydro from November 2007 to March 2011 indicated the price had remained constant; and

WHEREAS the cost estimates on the Bipole III transmission line subsequently proved to be inaccurate since at least August 2009; and

WHEREAS the Manitoba Public Utilities Board and the public were not informed of the rising cost of the project; and

WHEREAS the Public Utilities Board plays a central role in the affairs of Manitoba Hydro as its regulator; and

WHEREAS Manitoba Hydro officials provided conflicting information to the Public Utilities Board during the 2011-2012 General Rate Application hearings; and

WHEREAS Manitoba Hydro as a public asset to all Manitobans ought to be transparent and open about projects impacting ratepayers.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba has lost confidence in the ability of the Minister Responsible for Manitoba Hydro to effectively administer Manitoba's public hydro utility.

Mr. Speaker: It's been moved by the honourable member for Brandon West, seconded by the honourable member for Russell (Mr. Derkach):

WHEREAS construction—dispense?

Some Honourable Members: Dispense.

Mr. Speaker: Dispense.

Mr. Borotsik: Mr. Speaker, the NDP government often say that they are open, transparent, that they're accountable to the residents of Manitoba, the public of Manitoba. They seem to talk the talk, but when it comes right down to it, it's very obvious that they never walked the walk.

The issue at hand, Mr. Speaker, is the largest public construction project ever anticipated and ever put forward for the province of Manitoba. It has gone

from some \$2.2 billion that was originally put into the Manitoba Hydro capital budget to \$4.1 billion that was put forward by a report from Manitoba Hydro engineers. And it's been around and around the mulberry bush to the point where, really, no one has an idea as to what that capital cost is going to be.

Manitoba Hydro and this minister have lost credibility in the eyes of Manitobans. Manitoba Hydro said, Mr. Speaker, that they were going to spend \$75 million on a downtown office building, but—but—but—but that came in at \$283 million. And we don't even know if that's the actual figure because I'm sure there are other numbers and other figures that are hidden.

Mr. Speaker, Manitoba Hydro originally budgeted \$800 million for a 200-megawatt plant, Wuskwatim—\$800 million, that's what the budget was, \$800 million in the capital budget for Wuskwatim, 200 megawatts. The CEO of Manitoba Hydro was asked the question just recently in committee if, in fact, the \$1.6 billion is the final number for the Wuskwatim dam, and he said, well, maybe—maybe marginally higher than \$1.6 billion because he said—and I hate to even mention it—but he said, well, the original \$800 million didn't include transmission.

Well, I should say, Mr. Speaker, that I was absolutely floored. The fact that when you put a budget forward for a generating plant like Wuskwatim, that you wouldn't consider that you had to take it from Wuskwatim to some other place to transmit the power, but \$800 million is not the number of that transmission, I wouldn't think.

So, somewhere, there's a loss in translation. So the credibility of Manitoba Hydro is in question, and it's not just questioned by us on this side of the House. It should be questioned on that side of the House, but it's also questioned by the Public Utilities Board. Now, Mr. Speaker, the Public Utilities Board is the watchdog for Manitoba ratepayers. That's why they're there. We need a watchdog. We need somebody—when you have a monopoly, we need somebody to say, here's what the rates should be to the ratepayers.

Now, the Public Utilities Board have asked, many, many times for Manitoba Hydro to come forward with consistent, open, honest numbers for the construction project at Bipole III. They've asked them. They've been batted about—batted around like a badminton birdie and never have they been given the proper numbers. In fact, if you read the transcripts

from the last Public Utilities Board, the chairman of the utilities board was getting very upset with Manitoba Hydro because they could not get the true, factual numbers. As a matter of fact, Mr. Speaker, those numbers are all over the place.

The original number of \$2.2 billion—that's billion—was in 2007. Now, Manitoba Hydro historically does change those capital numbers throughout their annual capital requirements. There were no changes to Bipole III; they stayed at \$2.2 billion. There was no changes, even though there is an inflationary factors to it.

Now, Mr. Speaker, that was changed. In 2009 that was changed to \$3.9 billion. In 2010 there's a report that we have that was put together by the engineers of Manitoba Hydro. These are people who know transmission. These are people who understand the cost of building a Bipole III transmission line down the west side of the province of Manitoba, 500 kilometres longer than it would be on the east side, with all of the additional unreliability issues that are attached to it and say, it's going to cost \$4.1 billion.

Now that's since come in, in 2011, at \$3.3 billion. Who can you believe? What's—what confidence do you have in Manitoba Hydro and its administration? What confidence do we have in this minister? She met with the CEO and the chairman of the board some 38 times. Did they not discuss the actual capital cost of a line going down the west side, or did they just want to hide the fact that maybe it was \$2.2 billion and nobody would ever question it?

Well, Mr. Speaker, now they say that line is going to be paid for. We don't even have to worry about it. That line's going to be paid for by American interests. We're going to negotiate all these wonderful contracts and American interests are going to pay the full whatever it is—3.9, 4.1. By the way, if they've gone from \$800 million to billion-six in Wuskwatim, I would suggest that maybe the last number of—what was it—3.3 may be questioned, okay, may have some questions attached to it. That could be double what they put forward right now, but they say that they're going to, in fact, have their American customers pay for it.

Well, Mr. Speaker, let's look at the American customers, okay. That American value has been dropping in the last three years. We've sold more power to our American customers but, in fact, they're paying us less money for it. As a matter of fact, substantially less money. So we don't know what the

cost of production is of Wuskwatim. We think it's around 10 cents a kilowatt hour, but we don't know because the capital costs is going to be marginally higher. We do know that there's spot markets right now that we're selling into the American market of anywhere from 2.5 cents to 3.5 cents a kilowatt hour. If you're costing you 10 cents to make and you're selling it for 3.5, that's not a good business model.

* (11:10)

Somebody's making up the difference, and that difference is going to be the ratepayers of Manitoba. As a matter of fact, if they look at the financials right now, the only increase they have in revenues comes from a 2.8 per cent increase that the Public Utilities Board gave them, unconditionally, to charge ratepayers in Manitoba. There's another 2.8 per cent increase and another 2 per cent increase that just happened this April. Our rates are going up. We're paying for this, Mr. Speaker, not the Americans, believe me.

If I could also say, Manitoba Hydro's going in the wrong direction. They're going in the wrong direction financially. The net revenues for Manitoba Hydro in 2009, net revenues or profit—okay, they sell power, they have expenses, and what's left over is net revenue or profit. Mr. Speaker, 2009, it was \$266 million; 2010, it was \$163 million. In 2011, which—we have a year-end March 31st which we haven't got the financials, but I look in the third quarter and they do project a \$140-million net revenue—266, down to 163, down to 140, and going down. This is not a good way to have a business operate. You should be going up in your net revenues, not down. Now, the net revenues are going down because we aren't generating the kind of revenue that we have to have out of our American contracts.

So there's no credibility in their numbers with respect to capital. There's no credibility in their numbers with respect to revenue, and, Mr. Speaker, this minister is responsible. Make no mistake about it. This Minister responsible for Manitoba Hydro is definitely responsible for the way this company has now been mismanaged and mishandled.

We can talk about the Bipole III. Yes, there is a cost of some \$11,000 per person—per family, yes, there is. They didn't include the line loss. They didn't include the converter stations. They took it over a 60-year amortization, Mr. Speaker. We don't have sales for power for 60 years. We don't even have sales for power going forward now until about 2022.

They're taking us out 60 years with a capital cost that Manitobans are going to be responsible for; not this minister, not Manitoba Hydro, but ratepayers of Manitoba are going to be responsible for their foolish mismanagement of Manitoba Hydro.

This minister has to take—stand up, take responsibility, and if she can't take responsibility, then get out of the way and let somebody else manage that knows how to manage.

Thank you, Mr. Speaker.

Hon. Rosann Wowchuk (Minister charged with the administration of The Manitoba Hydro Act): And that was a interesting speech by the member opposite.

But, you know, Mr. Speaker, we had committee the other night, and there was all kinds of information put on the record. I would think with all of the information put on the record, the member opposite would have withdrawn this resolution. I would think that he—he could obviously see that Manitoba Hydro is in a good financial position. Their position has—is—they're in a better position that they have been in many years.

And, yes, Manitoba Hydro has a plan and Manitoba Hydro is moving into a decade of expansion, and that decade of expansion will include building hydro dams, Mr. Speaker, building Bipole III, with converters, so that we have reliability of supply for our Manitoba customers and so that we can get the power to the—our customers in the US.

And you'd think that the member opposite would be pleased, he would be pleased with the work that Manitoba Hydro has done in negotiating sales. Mr. Speaker, \$7 billion in sales have been negotiated. This is revenue for our province. Instead, the member opposite says, well, our sales aren't growing. The member opposite looks at what our—Hydro's revenues have been and, definitely, there's a recession. There was a recession in Manitoba. There's a recession around the world. US businesses have been hit. US are our biggest customers, and the amount of power we have been selling has reduced. I have faith that that economy is going to turn around and those sales will grow up—grow. But also, the negotiation for these sales that have been announced and the future sale to Wisconsin are very important and will require Bipole III to be built, will require Keeyask to be built and will require Conawapa to be built.

And we are building in a new way, Mr. Speaker, not in the way of the past, where you flooded the land and never consulted the local people. Bipole III and the power dams are all—particularly, the power dams are being built in partnerships with First Nations, and there will be jobs and revenue sharing with people in the north, which was not really what happened in the past.

Mr. Speaker, the member opposite continues—the members opposite continue to talk about what the cost of Bipole III will be. We had a discussion, and the CEO of Manitoba Hydro clearly told committee the other night that the Leader of the Opposition (Mr. McFadyen) and the member for Brandon West (Mr. Borotsik) are wrong. Their number is wrong. But it is obvious to me and it is obvious to Manitobans that the Leader of the Opposition and the Conservative Party want to discredit Manitoba Hydro so badly. They want to discredit it so badly so that then they can do just what they did with the Manitoba Telephone System.

First of all, they gave—they discredited the company. They said, oh, no, we're not going to privatize it, and what did they do, Mr. Speaker? They sold the company, and Manitoba consumers, Manitoba families have been paying for that ever since. The members opposite don't want to admit that but that's absolutely through—true. When you look at how a Crown corporation of a telephone system works in Saskatchewan and the services that they provide and what's provided here since privatization, it's very different.

But, Mr. Speaker, the members opposite are trying to say that it will cost \$11,748 for—per family to build Bipole III. Well, that's an inaccurate statement, and it's so inaccurate and—but the members opposite tried to hide that. They put out their information. They couldn't even stand by their information. They had to pretend. They had to pretend that it came from Manitoba Hydro and they put the Manitoba Hydro logo on their document, pretending that they—this was Manitoba's Hydro's document. They couldn't even come out forward and say this is our document, because they knew it was wrong and they were trying to get Manitoba Hydro—to look like Manitoba Hydro was putting this out. Imagine, if you have a number, at least put out your own number and be proud of it, not try to hide behind the Manitoba Hydro logo that you're trying to destroy. The members opposite real agenda is to destroy Manitoba Hydro and sell it off to their friends. That is the true agenda.

But, if you look at what the members opposite have said, they talked about the incremental costs that this would cost moving Bipole III from the east to the west, Mr. Speaker. Well, Mr. Brennan spelled it out very clearly. He took the distance, the additional distance, he took the cost of building a kilometre of line, he talked about the number of families and then he gave us a number nowhere near what the members opposite say. The members opposite are wrong. They are wrong, wrong, wrong, and I would say to them that they should look very closely at what the CEO said in committee. The CEO said that the costs would be—on the west side would be \$13 per family. Mr. Speaker, the members opposite say that they don't take into consideration line loss. The CEO said that. The CEO said at committee that, no, line loss wasn't considered but it would never take it from \$13 to \$11,000.

Members opposite want to mislead Manitobans. We should be proud of our largest Crown corporation, Mr. Speaker. It is our—equivalent to what other people get from oil. The only difference is it's clean and it's green, and customers want that and they're prepared to pay a pristine price for that because they want to build green energy into their component of energy, and I want to again give credit to the people at Manitoba Hydro for the work that they've done.

You know, the members opposite—I remember the Leader of the Opposition saying, oh, these are just term sheets, something that's been scratched out on a napkin—on a cocktail napkin. It will never become a reality. Mr. Speaker, now that it's become a reality, they're saying, well, it's not good enough. We didn't sell enough power, and I say to the members opposite, give Manitoba Hydro time. We've told them already that there's an additional sale to Wisconsin, and Wisconsin is looking to legislation that will have Manitoba Hydro's power that is generated from these new dams considered as green, and that will move us forward on those further sales.

* (11:20)

But, Mr. Speaker, despite that, the members opposite should not be as critical as they are of our Crown corporation that has done a very good job of keeping us at the lowest rates—among the lowest rates in North America. The Crown corporation, Manitoba Hydro, is working to address reliability of supply, something that the members opposite, when

they were in government, knew about since 2006 but did not address.

We've moved forward. We know we need Bipole III. We know we need a converter station, and I want to say, Mr. Speaker, when the members opposite talk about a cost of \$11,748, that means their intention is—they include in that Bipole III; they include the converter station. I would imagine they probably include the head office. I believe that what the members opposite are talking about to save this amount of money is that they will not build bipole, they will not build the converters, and I believe that they would sell off the head office. That's how they would get to that number, and that's the path that they were on with Manitoba Telephone. They want to start selling off pieces of it, and then they will privatize it.

I want this House to know that that is absolutely nothing that this government will consider. This government will continue to recognize Hydro as one of our jewels of the province, a revenue generator, a corporation that works in partnership with First Nations, Mr. Speaker, a corporation that has come to develop energy in a much greener way than we have in the past, and one that we will continue to support.

The members opposite want to discredit it, and I would ask them to put accurate numbers on the record and accept the numbers that have been put forward by the CEO. I will take Manitoba Hydro numbers any day compared to the members opposite that have put forward who want to discredit the corporation, Mr. Speaker.

Mr. Speaker, the members opposite talk about telling the truth. I would encourage them to tell the truth. I would remind them of how they didn't tell the truth on Manitoba telephone system. They said, no, we will not privatize; two months later, they privatized. That's what the members opposite would do. I ask them to tell the truth and recognize how valuable this corporation is, how it keeps the lowest rates for Manitobans and how those export sales are important to the economy of Manitoba.

Mr. Speaker: Order. Before I recognize the honourable member, I think we slid a little bit on thin ice here, at the end there.

Order. I want to caution all honourable members here that all the members are honourable members, and any information that is brought to the House I take as factual information, and telling and not telling the truth is not much different than—

[interjection]—order—is not much different than the word that is not allowed in this Chamber.

So I'm giving all members a little caution to choose your words very carefully. I think we went a little—slightly overboard there.

Mr. Cliff Cullen (Turtle Mountain): I certainly appreciate the advice you're giving us here this morning, and I do want to speak in favour of this resolution being brought forward by the member for Brandon West (Mr. Borotsik).

And it's a very critical resolution. It's a very timely resolution, and it's a very important debate that we should be having in the Chamber today and over the next two weeks because this is, for Manitoba, the largest infrastructure project that we will be entering into for quite some time, so it's important that we do have a debate about this. And, Mr. Speaker, I think it's critical that we talk about facts and the factual information surrounding the bipole project.

Mr. Speaker, it was good to be out in Brandon last night visiting with some of the constituents out there for a tourism banquet, and certainly those people in western Manitoba recognize the issues before us, and certainly they recognize where the government is trying to mislead them in certain areas. And, certainly, the—this whole bipole project is certainly a bone of contention in rural Manitoba, and it's certainly important and good to get their feedback on this particular project.

We talk about infrastructure projects here in the province of Manitoba, and we know the numbers have been bouncing around on this particular project, and it's hard to nail down the numbers. You know, Manitoba Hydro keep coming up with different numbers, and it's kind of frustrating from our perspective, and I'm sure it's frustrating from the Public Utilities Board's perspective as well, because they're actually acting as the watchdog on behalf of Manitobans.

And the Public Utilities Board has said in writing that this infrastructure program will impact the ratepayers of the province of Manitoba. And it's hard for the NDP to avoid what the Public Utilities Board is saying. Now we see information, I would almost call it propaganda, coming out from the NDP, who are saying this particular infrastructure program is not going to cost Manitoba ratepayers one cent. Well, that's completely at odds what the Public Utilities Board has been telling us over the last few

years. And I hope the members will take the time to read some of the transcripts from the Public Utilities Board.

Now, we talk about cost for infrastructure programs, Mr. Speaker, and that really speaks to the crux of the matter here, and I think that's the fundamental difference between what the Progressive Conservatives have done over the years and what we've seen the NDP happen over the years. And here's an example, and I go back to Brandon. The NDP did construct a bridge over the Assiniboine River there. The initial budget for that was \$17 million, ended up at \$27 million and was behind by two years. I mean, this is the kind of accounting and budgeting that the NDP have.

And that's the frustrations with not only us and Manitoba ratepayers, but the Public Utilities Board. And we can go on. The public—Manitoba Hydro, in their own reports, their own financial yearly reports, had pegged the cost of the original downtown office building at \$75 million, and we know that's close to \$300 million. And we can talk about Wuskwatim. Wuskwatim was originally budgeted at \$800 million. Within two years, the budget then was \$1.6 billion—\$1.6 billion. And then the other night, we get the CEO from Manitoba Hydro saying, well, it's going to be marginally over \$1.6 billion. He didn't have a figure for us. No figure. We don't know what marginally over \$1.6 billion is going to be. We have no idea.

Now, it appears that we just—they just—this government here is just borrowing money, whatever it takes, to create a project, get it done, and they're just borrowing the money. And we're trying to bring them back to reality here on behalf of Manitoba ratepayers, Mr. Speaker.

You know, when I talk about these numbers bouncing around here, and the member for Brandon West (Mr. Borotsik) did discuss it, but, you know, originally, we're talking a \$2.2-billion project back in 2007, and that was when the member for St. Boniface (Mr. Selinger), who was the actual—acting as the minister responsible for Manitoba Hydro, issued the directive to Manitoba Hydro to run it down the west side. Now we've had numbers like 3.9, 4.1, 3.3 bouncing around, and we're not sure where those figures are—which ones are accurate, Mr. Speaker.

Now, I guess the other fundamental difference between Progressive Conservative government and

NDP government is the difference in the approach they're taking to Crown corporations, the difference we're taking to Crown corporations. You know, we—and we will agree on one side with the minister; we believe Manitoba Hydro has done a pretty good job of managing the corporation. Where we're encountering problems is when the government directly interferes with the operations at Manitoba Hydro. And that's exactly what the PUB should be doing, is questioning why is the government directly involved in the operations of Manitoba Hydro? We're the only province in Canada that has the Minister of Finance (Ms. Wowchuk) also responsible for the hydroelectric corporation—across the country. Why is that Manitoba likes to have the Minister of Finance responsible for Manitoba Hydro? Why is that? Why is that? It's because they have a direct relationship with the money at Manitoba Hydro. They want to keep their hands on the till. That's the only explanation there is for it. Why is that, Mr. Speaker? It's interesting, that.

You know, it's pretty clear in these discussions we're having about Bipole III and this great infrastructure program, that we've hit a nerve when we talk about the capital costs and who's going to be paying for it. You know, when we see the propaganda coming out from the government about all the—that Manitobans aren't going to be on the hook for any of this particular money. Mr. Speaker, and the minister, and this is what the resolution speaks to, it really speaks to the minister's responsibility to Manitobans. She is acting, or should be acting, on behalf of all Manitobans and provide all Manitobans and all ratepayers of Manitoba Hydro with factual information so that we can make an accurate assessment going forward on this very important infrastructure program.

*(11:30)

And it's not appropriate for any minister of the Crown to be misleading Manitobans in regards to any factual information, Mr. Speaker, and this is exactly what the PUB is saying as well. And it's the duty of the minister of the Crown to act on behalf of Manitobans and not act on behalf of US environmental organizations. *[interjection]* That's what it certainly appears to. And that's what a lot of Manitobans will tell you.

So, you know, we talk about this whole project as being one of reliability. And, certainly, there's options out there—provide better reliability than the

west side, and I think Manitobans want to continue to have that debate, and they want—have that debate with the Minister of Finance (Ms. Wowchuk).

Well, we want to say to the Minister of Finance, it's time to be open and transparent on behalf of the ratepayers of Manitoba and, in fact, all members of the province here of Manitoba.

Thank you very much, Mr. Speaker.

Hon. Jim Rondeau (Minister of Healthy Living, Youth and Seniors): Mr. Speaker, I'm pleased to put a few words on this resolution.

And I look at the discussions about Hydro, and there is a difference between the Conservatives and the NDP view on Hydro. We believe that it is the—one of the major gems in our economic strategy for the entire province. We believe that it should be a business that is owned as a Crown corporation for the benefit of all. And we believe that it will make Manitoba a have province for the benefit of all Manitobans.

Now, I do believe there is—and I agree with the previous speaker, because I believe there is a difference because, you know, I look at some of the discussions from the previous government, the Conservatives, and they said, we—and this is a quote, so it's accurate information—Mr. Filmon said, we had no plans to sell Manitoba Telephone System, on October 30, 1996.

Less than two months later, the whole company was gone. Now, it's interesting to see how they have said they want accurate information. That's accurate information.

Number 2, I look at the member opposite and he talks about running the business. Under the Conservatives the debt-to-equity ratio for Hydro was about 90 per cent debt to 10 per cent debt equity. I'm pleased to let the member know that the debt-equity ratio is 74 per cent debt to 26 per cent equity, which means every single year that we have been working with Hydro for the benefit of all Manitobans, more debt has been paid down, more equity has been built up, more retained earnings have been grown. And you know what, Mr. Speaker? That didn't happen under the Conservatives.

Number 2, I think it's really important to note that the Conservative budget for construction in Hydro was zero because they cancelled Conawapa and the deal with Ontario. They cancelled or did nothing with the reliability on the bipole. They did

nothing—when they had a report talking about the importance of reliability, the importance of having two converters so that you don't have to put all your eggs in one basket, and you know what they did on that, Mr. Speaker? When the Leader of the Opposition (Mr. McFadyen) was the principal adviser to the Conservative premier, and they had a report that they needed to do something on reliability and build new converters and new bipoles, they did nothing.

So they're—they criticize us about growing a—budgets on a province that has had some inflation on construction because there is building going on. There is more economic activity going on. It's not stagnant like it was in the 1990s.

So I am pleased to be part of a government that is building Wuskwatim, and it's almost complete, and it's going to generate power, and it's going to generate jobs and electricity, hallelujah. I'm pleased to say that we've got a sale of \$7 billion over a six-year period. What that means, Mr. Speaker, and the members opposite might not understand this, but if you're bringing in \$7 billion, then that money can be used to pay for the bipole. It can be used to pay for the new dams. And, you know what? Once the dams are paid for, they become a benefit forever for Manitobans.

And the difference is, is that in our belief, it would benefit all Manitobans. Everyone. In the Conservative's belief, they will privatize Hydro. They will sell it. They will sell it to their friends so that they can get on the board. And, you know what, Mr. Speaker? Then, instead of Hydro being our oil, or Alberta's oil, what we would have is we would give away our future.

And I really think that's scary because I look at us and I say hydro. If we build the next few dams, we can make a billion dollars profit a year, then build another dam, make two billion dollars of profit, then three billion dollars. And you know what, Mr. Speaker? That, then, is equivalent to Alberta's oil.

But, more importantly, it's a clean, green, renewable form of energy, unlike Alberta's, which is non-renewable, and I think that's huge. So I'm pleased to be on this side of the House and the difference is we're building dams. I'm pleased that Wuskwatim's going. Keeyask is now moving forward. Conawapa is in discussions. Because of that, we have to build a bipole.

The Tories, although they were told—and I don't have the exact quote but they were told that there was a huge risk because they had one set of converters and one set of wires. They were told in 2006 that it was necessary to ensure reliability and they did nothing.

So Bob Brennan has said the Tory plan won't meet our reliability needs. The west-side route provides significantly more improvement to the reliability of the electricity supply to Manitobans than the original east-side route. That was a Brennan memo to Minister of Finance (Ms. Wowchuk) on May 30th, 2011, and that's a fact.

Then we look at the other things. We're talking about power. It doesn't make sense to me, Mr. Speaker, that you would drive 75 per cent of all your power through one set of converters. I believe it's just common sense to set up the second set of converters. I believe it's common sense to set up more wires to transport the electricity.

And, you know, Mr. Speaker, we can do it in three years. We can have the Bipole III built, and we can be making one billion dollars a year or more in export sales. And, you know, then we build more dams and it increases the amount of money, and, you know, that's our vision. Our vision is to grow hydro for the benefit of all. Our vision is to make sure that there's reliability. Our vision is to make sure that we move hydro in different directions, and some of the directions that we believe in are the energy efficiency.

Under the NDP government, we are first in the country for energy efficiency and we've got BUILD and BEEP and all sorts of different programs on energy efficiency and insulation that allows people to save money, and then we export more power to outside the province and make more money. That's proactive.

Under the Tories, we were 10 out of 10 for energy efficiency. That's the worst in the country. We have other things. We actually have two wind farms—not one, but two—and you know what? Under the Tories, none.

And we look at where the future is going to go, which is the electric cars. We have electric cars, fully electric cars being tested in Manitoba and being driven in Manitoba. It is the future, and I'm proud to see Manitoba is on the cusp of the future. And you know what? We're testing those cars and when they—and they're wonderful, because the price of energy is

one-sixth to one-eighth of what it would cost to buy a—or drive a fossil-fuel car.

And, you know what, Mr. Speaker? Then hydro becomes even more valuable in the future, and, you know, we're working on—with companies to drive that future. We're working so that all Manitobans can get a benefit of a cheap electricity.

And I know the member—the Leader of the Official Opposition (Mr. McFadyen) has said publicly that he wants to go to market rates. Well, the market rates in Ontario are 12 cents to 14 cents a kilowatt hour. That's over double what we pay. So that would mean that if an average Manitoban's bill is a thousand, \$1,200, he has said publicly he wants to raise it to \$2,400. That's a shame.

* (11:40)

And, you know, Mr. Speaker, he's been on record on saying nothing about the privatization, and even if he has, when he was the chief of staff of the former premier and they were on record that they were not going to sell MTS, they sold it less than two months later.

And I will not say what one says and what one does is not—does not equal. We all know the word for that, but I won't say it. But what I will say is that our government believes in long-term planning for the benefit of all. And, you know, I look at the members opposite, and when they had their hand on the switch, they didn't build dams, they didn't build transmission, they didn't do energy efficiency, they didn't do wind, all they did was had a lot of hot air.

Thank you very much, Mr. Speaker.

Mr. Leonard Derkach (Russell): Mr. Speaker, and I'm pleased to speak to this resolution and speak in a supportive way to this resolution. And I've been listening to the comments that have been made this morning and, Mr. Speaker, I know you cautioned the House about using words that perhaps are unparliamentary or perhaps disparaging, and I agree with you. But, when a member who is the minister of the Crown—responsible for a Crown corporation stands in her place and puts things on the record—and I know that you as Mr. Speaker have to take things at their value when they are spoken in this House and assume that they are true—but those of us who sit in this House and know what—where the truth lies, we know that comments that were made by the Minister of Finance (Ms. Wowchuk) this morning did not parallel the truth. And many comments that she has made in this House do not parallel the truth. And so

her comments this morning are not only erroneous, but I'm sad to say that they don't even come close to paralleling what is actually fact and what is truth in this province.

Mr. Speaker, it has been said—and, you know, it's all about the political agenda of the NDP today. And their political agenda is to try to discredit a party that is growing, a party that is on the move and a party that is about to enter into the real world of taking control of the direction of this Province. *[interjection]* And I can understand why they're bothered by that. You know, we have a government and a party before us that is tired. They have run out of ideas. Every project that they undertake recently has been over budget, not by 10 per cent, not by 20 per cent, but as much by—as a hundred per cent and more. And we can't trust them. The Manitobans can't trust them. You cannot trust a government that tells you one thing and does another.

When they tell you that they're going to build a west-side hydro line, and it's only going to cost you \$2.2 million, but pretty soon—*[interjection]*—billion dollars—but pretty soon, the people who are the experts, the engineers, the professionals are telling us, and telling Manitobans—as a matter of fact, the articles that the—what was it? Seventeen engineers wrote in the newspapers indicating that this project doesn't even come close to the costs that were identified by the government—politically identified, Mr. Speaker, because those costs we saw escalated very quickly.

Now, they're trying to split hairs because they're saying, well, in that transmission line cost, there is also the line—well, the line loss is one, and the other, the converter station, Mr. Speaker, it's going to have a major cost. Well, of course it is. But, Mr. Speaker, when we take a look at the bare costs of putting the line on the west side as compared to putting it on the east side of Lake Winnipeg, there's a huge difference in cost. And who's going to pay for that cost? Well, it's going to be Manitoba ratepayers who are going to be paying the cost, and Manitoba taxpayers. At the end of the day, it's Manitobans who are going to be responsible for paying that cost.

Now, Mr. Speaker, let's just take a look at another aspect. Wuskwatim hydroelectric dam, of course it's needed, but the NDP government came in, lowballed the number as to what it would cost to build it, and then they found out that the cost, the true cost was not \$800 million; it was going to be

\$1.6 billion, a hundred per cent over cost in the project alone.

Now, Mr. Speaker, I go back to the days when we built the McPhillips Street Station and the two casinos in Winnipeg, and the cost overrun on those projects was about 20 per cent—check your numbers; about 20 per cent. Now I remember the then-leader of the opposition, now—and then-premier, and now Gary Doer, the ambassador, you know, took us to task on the tremendous overruns of those projects. Why are the NDP so quiet today about the fact that in their own government can't do an estimate on a hydroelectric project that comes even close to what it should be?

And you know, Mr. Speaker, well, now they saying—now they're going to blame Manitoba Hydro for doing it. Well, let's take another project—let's go to the stadium. Let's go to the stadium. Now, that wasn't Manitoba Hydro estimating the stadium; that was the government. And where did that end up being? And where did that end up being? And no matter what project you look at, this government has no commitment to living within its means, living within a budget and making that project come in on time and on budget.

So, Mr. Speaker, Manitobans can't trust them. Manitobans have lost their confidence in this government and I hear it every time I go out into the constituency or anywhere I go in Manitoba. As soon as you mention Bipole III, Manitobans today are in tune with what's happening out there. And they're saying: Why in heaven's name would we go around the west side when the shortest route is on the east side of Lake Winnipeg?

Now the members opposite will tell you, oh, well, the United States will not buy our power if we go on the east side of Lake Winnipeg.

What malarkey—what malarkey. Mr. Speaker, that is the greatest untruth that's being spoken today, because the United States will purchase power. They need the power. We've seen what happens around the world—we've seen what happens around the world when unclean sources of energy are used and accidents occur. And I think the world is becoming much more aware that Manitoba's hydroelectric power is clean. Manitoba hydroelectric power is a commodity and an energy source that is sought after in all of North America and, indeed, our sales will be there.

Mr. Speaker, we are not condemning Manitoba Hydro for building dams, for building the projects for the future, but when the government interferes in plans that have been ongoing for 20 years, not this government's plans, not the former government's plans but, indeed, Manitoba Hydro's plans, when the government politically interferes in those plans, then we all suffer.

And that is what's happening in Manitoba today. Manitobans are suffering and will suffer the results of this for a long time because this government has taken it upon itself to manipulate what Manitoba Hydro has been working at for 20 years.

You know, Mr. Speaker, I was told by someone who understands these things that if you were to put a dental floss line on a football field, that would be the approximate impact that a hydro line would have through the east side of lake—of Manitoba.

And, Mr. Speaker, so the government, for its own political agenda, has been trying to instill fears in Manitobans that, indeed, this project is going to destroy the boreal forest on the east side of Lake Winnipeg, which is absolutely untrue because, at the same time, they are punching a road through the boreal forest. And you tell me how this makes any sense. It's all right to put a road through and nobody says that we shouldn't put a road on the east side of Lake Winnipeg. Nobody is saying that. We should put a road on the east side of Lake Winnipeg, but, at the same time, we should put a hydro line along that road and make sure that the hydro line is going to be cost-effective and is going to serve the needs of Manitobans for now and into the future.

* (11:50)

So, Mr. Speaker, I support this resolution because this resolution addresses the real issue of the Bipole III line. This resolution is, in a way, fairly critical of what the government is doing and it should be—and it should be—and I'm proud that the member from Brandon West has come forward with this resolution because it's time for us to tell Manitobans and to reiterate to Manitobans that what we're hearing from the government today on Bipole III is instilling a lot of fear in a lot of people for no reason at all.

Mr. Speaker, none of the comments they are making parallel—

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

Mr. Gregory Dewar (Selkirk): It's a great pleasure to engage in the debate this morning about a very important issue, Mr. Speaker, and I had a chance to attend the hearings here on Tuesday night at the—in the Legislature, the public review of the Crown corporation, and I never saw so many red-faced Conservatives in my life—never saw so many red-faced Conservatives in my life—but, you know, we got to be—we should take it easy on the opposition this week, I think, my colleagues. They've had a bad week. Let's face it. They've had a bad, bad week. You know—

An Honourable Member: They've had a tough month.

Mr. Dewar: Well, they've had a tough month, some would argue, and it's probably true because, after all, I think history will show that it's our government that brought back NHL hockey to Manitoba, Mr. Speaker. It was their government—and I was here in 1995 and '96. It was their government that drove the Jets out of Manitoba. We're bringing them back and Manitobans know that.

Mr. Speaker, another issue was the—again, at the hearings the other night, when the member, the Government House Leader brought forward—raised some very valid questions with Bob Brennan about the cost of the bipole and a piece of literature that the opposition members were sending out. There was two issues with it. Number 1, the number was wrong. The second issue was that they used the league—the logo illegally. They asked if they had permission from Hydro to use that logo on their leaflet and Bob Brennan said, no, they did not have the right to use that logo, and, of course, it was also proven that their number was completely wrong.

And, third, Mr. Speaker, I heard—well, I'm glad the Leader of the Opposition (Mr. McFadyen) is here to hear this. This morning I was listening to CJOB and they had a—they had the doctor on who was talking about the pediatric care, which he raised last week. I don't know if anybody heard it. They had—Hal Anderson had the quote from the Leader of the Opposition. Then the doctor said, no, that's completely wrong. The Leader of the Opposition was completely wrong, completely wrong.

So now he'll probably go on the radio tomorrow. I don't know what he's going to say, how he's going to try to make up for the fact that his government chased out the Jets, Mr. Speaker. We brought them back. The fact that his numbers on Hydro were completely wrong. They're using the logo illegally

and the fact that they were wrong on pediatric care here in Manitoba. That, in my reckoning, in my books, is a bad week, and that's what the Leader of the Opposition's had. He's had a bad week.

You know, he likes to go around, he says, you know, there's nothing to celebrate, nothing. He ran a TV ad where he said there's nothing to celebrate in Manitoba. Well, I think he should get out more often. He should probably get out more often. He should go to Selkirk, for example, or he should go to Gimli or to Flin Flon, Mr. Speaker. He should get outside the Perimeter a little bit more often. He was born in Selkirk, I know, probably born in the same hospital which is still standing, but he should probably get out there a bit more often to find out all the great things that are happening in Manitoba.

I want to talk a bit about—and my colleague from Flin Flon raises the fact that it's our government, that working with—no we actually brought in the bill where we equalize rates for rural and northern Manitobans. This has saved rural and northern Manitobans over \$13 million every single year and it's never been mentioned. The opposition members never mention it in this House, and that's why it's important. That's why it was important for us to raise it today and other members have raised it, Mr. Speaker.

Another issue is the fact that Hydro currently has the best debt-to-equity ratio in its history, and I was telling my friend from Flin Flon, well, this, unfortunately, makes it very attractive to sell, because the debt-to-equity ratio is—puts it in a very favourable position because we actually—as members know, we reduced the debt, and now, unfortunately, it may make it more attractive to sell.

We know that's the ultimate objective of the Conservatives in this Legislature, Mr. Speaker. We know that the Leader of the Opposition (Mr. McFadyen) clearly supported the sale of MTS. When the—I think it was one of the other colleagues in the House, one of the members, spoke about interfering in a Crown corporation and how bad that is. Well, they did the ultimate interference in a Crown corporation when they sold it off to their friends. They sold it off for half price, MTS, to their friends, to their buddies, and that's absolutely true.

You know, the Conservatives, they talk big, as everyone says. They talk big—they talk big. What have they done in their tenure in office? They did three things. They built two casinos, which the

member for Russell (Mr. Derkach) just said, they built over—they had huge overruns on those two casinos and they built a prison, the Remand Centre. That's all they did.

And so since we've been in government, we've had to spend—we had to, Mr. Speaker, make up for all their derelict when—dereliction when it came to dealing with public assets. It's our government that built Hydro; they mothballed Hydro. They mothballed Conawapa. We know Wuskwatim will be opening soon; we'll be able to sell the power. And you know the—and we know that Bipole III should have started years ago, that this debate now that we're having should have had—we should have had this debate in the '90s.

And we know they've also talked about going to market rates which would, in fact, which double our rates that we're paying now, Mr. Speaker. So, you know—and plus I heard the member saying—talking about fiscal responsibility. Yet every Conservative member in this House, every single day, stands up and asks for more, more, more. They come in this Chamber, you know, and they ask for more. They want to see a hospital in their area; they want to see a school; they want to see a road. Their demands are never ending. They are the biggest drain. They are the biggest pressure on the public purse, is trying to honour all their promises that they've made.

And we know the only way they could do it, the only way that they could possibly do it, is to sell off another one of our Crown corporations. They know they realized a gain when they sold off MTS at around 400 to 500 million dollars, which they put into a Fiscal Stabilization Fund, which they then spent, Mr. Speaker, they spent on trying to balance their budgets in the '90s. And now, if they sell Hydro, I don't know what they would realize. It would obviously be in the billions, and they're going to have to—that's the only way they're going to be able to pay for all their promises that they made to Manitobans over the years.

Mr. Speaker, it's been a—I think, an important debate here. We know that the Leader of the Opposition has put forward numbers which were disproven by Bob Brennan the other day. We know that Hydro, currently, under the—under our government has the best—operating under the best financial record in its history. As I said earlier, they have the lowest debt-to-equity ratio in its history. We

know that we're building Hydro; we're building Wuskwatim. We're building—we're going to do the bipole. We've—we were working on going forward with Conawapa.

Another one of the issues members talk about is the issue of, you know, if you didn't have to build this Conawapa—excuse me, the bipole line, then they could use that money to balance their budget. Well, there's the difference, obviously. They're talking current expenditures or operating expenditures versus capital expenditures. You cannot take money that you're going to be spending on capital expenditures to balance your budget, Mr. Speaker. In fact, I remember it was just in this last federal election where one of the leaders of the national party said you can't balance your budget on expenditures you're going to make in the future. And I'll tell you who that was; that was Stephen Harper, because he was going after the opposition parties. And if it was the NDP, well, then we're guilty as well, but he was saying you cannot possibly balance the budget today on expenditures that you're going to make in the future, because he was talking then about the jets, or the—not the hockey team, but the new CF-35 jets, whatever they're—and so they're wrong on that, but they're suggesting that you can balance this year's budget on—

Mr. Speaker: Order. The honourable official opposition—the Leader of the Official Opposition, on a point of order.

Point of Order

Mr. Hugh McFadyen (Leader of the Official Opposition): Mr. Speaker, on a point of order.

I wonder if you could canvass the House and see if there's leave to allow the member for Selkirk to complete his speech. He's got a minute and 21 seconds left. We've got—it's almost noon. So the request is that you seek leave to not see the clock to allow the member for Selkirk to conclude this remarks, then to put the question on the resolution.

We see from the passion of members opposite that this is a resolution they'll absolutely want to have a chance to vote on.

Mr. Speaker: Order.

Is there will of the House for the Speaker to not see the clock?

Some Honourable Members: No.

Some Honourable Members: Yes.

Mr. Speaker: No. Okay, it's been denied.

* * *

Mr. Speaker: The hour now being—order. When this matter is again before the House, the honourable member for Selkirk will have one minute remaining.

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 2, 2011

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