

Second Session - Thirty-Ninth Legislature
of the
Legislative Assembly of Manitoba
Standing Committee
on
Legislative Affairs

Chairperson
Mr. Doug Martindale
Constituency of Burrows

Vol. LX No. 7 - 6 p.m., Wednesday June 4, 2008

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Ninth Legislature

Member	Constituency	Political Affiliation
ALLAN, Nancy, Hon.	St. Vital	N.D.P.
ALTEMEYER, Rob	Wolseley	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
BJORNSON, Peter, Hon.	Gimli	N.D.P.
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BOROTSIK, Rick	Brandon West	P.C.
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BRICK, Marilyn	St. Norbert	N.D.P.
BRIESE, Stuart	Ste. Rose	P.C.
CALDWELL, Drew	Brandon East	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CULLEN, Cliff	Turtle Mountain	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
EICHLER, Ralph	Lakeside	P.C.
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GERRARD, Jon, Hon.	River Heights	Lib.
GOERTZEN, Kelvin	Steinbach	P.C.
GRAYDON, Cliff	Emerson	P.C.
HAWRANIK, Gerald	Lac du Bonnet	P.C.
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HOWARD, Jennifer	Fort Rouge	N.D.P.
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JENNISSON, Gerard	Flin Flon	N.D.P.
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KORZENIOWSKI, Bonnie	St. James	N.D.P.
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LATHLIN, Oscar, Hon.	The Pas	N.D.P.
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MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
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MALOWAY, Jim	Elmwood	N.D.P.
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MARTINDALE, Doug	Burrows	N.D.P.
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MELNICK, Christine, Hon.	Riel	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
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LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON LEGISLATIVE AFFAIRS

Wednesday, June 4, 2008

TIME – 6 p.m.

LOCATION – Winnipeg, Manitoba

CHAIRPERSON – Mr. Doug Martindale (Burrows)

VICE-CHAIRPERSON – Mr. Rob Altemeyer (Wolseley)

ATTENDANCE – 11 QUORUM – 6

Members of the Committee present:

Hon. Mses. Allan, Melnick, Oswald, Hon. Mr. Selinger

Messrs. Altemeyer, Borotsik, Cullen, Hawranik, Maguire, Martindale, Saran

APPEARING:

Mr. David Faurshou, MLA for Portage la Prairie

Mr. Hugh McFadyen, MLA for Fort Whyte

Mr. Blaine Pedersen, MLA for Carman

Mrs. Mavis Taillieu, MLA for Morris

Mr. Peter Dyck, MLA for Pembina

Mrs. Myrna Driedger, MLA for Charleswood

Mr. Ron Schuler, MLA for Springfield

Mr. Kelvin Goertzen, MLA for Steinbach

Mr. Leonard Derkach, MLA for Russell

Mr. Kevin Lamoureux, MLA for Inkster

WITNESSES:

Bill 29–The Business Practices Amendment Act (Disclosing Motor Vehicle Information)

Mr. Rick Negrych, Private Citizen

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

Mr. Gordie Dehnn, Private Citizen

Ms. Valerie Chatain-White, Private Citizen

Mr. Greg McIvor, Private Citizen

Mr. Wayne Benson, Private Citizen

Mr. David G. Newman, Private Citizen

Mr. John Feldsted, Private Citizen

MATTERS UNDER CONSIDERATION:

Bill 6–The Securities Amendment Act

Bill 25–The Embalmers and Funeral Directors Amendment Act

Bill 29–The Business Practices Amendment Act (Disclosing Motor Vehicle Information)

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

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Mr. Chairperson: Good evening, will the Standing Committee on Legislative Affairs please come to order.

The first item of business is election of a Vice-Chairperson. Are there any nominations? Nominations? Nominations?

Hon. Nancy Allan (Minister of Labour and Immigration): I nominate the MLA for Wolseley (Mr. Altemeyer).

Mr. Chairperson: Thank you, Ms. Allan.

Mr. Rick Borotsik (Brandon West): I nominate the Member for Turtle Mountain (Mr. Cullen).

Mr. Chairperson: Are there any further nominations?

We've had two nominations: the Member for Wolseley and the Member for Turtle Mountain. Then I guess we'll need to have an election.

All those in favour of Mr. Altemeyer, please indicate by raising their hand.

Clerk Assistant (Ms. Tamara Pomanski): 1, 2, 3, 4, 5.

Mr. Chairperson: Opposed, please raise your hand. Thank you.

Now we will vote on Mr. Cullen. All those in favour of Mr. Cullen, please indicate—only those people who are members of the committee.

Clerk Assistant (Ms. Pomanski): 1, 2, 3. We're missing Mr. Maguire.

Mr. Chairperson: All those opposed, please indicate by raising your hand. All those opposed, please raise your hand.

Thank you.

Clerk Assistant (Ms. Pomanski): Mr. Altemeyer, 5.

Mr. Chairperson: Mr. Altemeyer is declared elected Vice-Chair.

This meeting has been called to consider the following bills: Bill 6, The Securities Amendment Act; Bill 25, The Embalmers and Funeral Directors Amendment Act; Bill 29, The Business Practices Amendment Act (Disclosing Motor Vehicle Information); Bill 38, The Balanced Budget, Fiscal Management and Taxpayer Accountability Act.

For the information of the committee, additional meetings have been called. They are as follows: Thursday, June 5, at 6 p.m.; Friday, June 6, from 10 a.m. to midnight; Saturday, June 7, from 10 a.m. to midnight; Monday, June 9, from 10 a.m. until noon, and again at 6 p.m.; Tuesday, June 10 at 6 p.m.

**Bill 29—The Business Practices Amendment Act
(Disclosing Motor Vehicle Information)**

Mr. Chairperson: As was previously agreed to this morning, we'll set aside Mr. Borotsik's motion to hear Mr. Negrych's presentation.

I now call on Mr. Negrych to make his presentation, Bill 29, The Business Practices Amendment Act.

Please proceed.

Mr. Rick Negrych (Private Citizen): I'd like to thank the committee for allowing me to speak here.

I have some idea, basically, of what I speak on this as I spent some 36 years in mechanical trade here in Winnipeg and a couple of years in Alberta. When I look at this and they're saying that the dealers that are set up there, which are springing up in every corner of the block at this time and have been for the last few years, these are used-car dealers. They're saying that they have to disclose if there's anything wrong with the vehicle, mechanically or otherwise. I find this interesting in the fact that we have a law in place right now which is called the safeties which have to be in place.

I was asked to speak here, and I find it very rude that some people think it's a big joke and don't really care to listen to what I have to say here. Perhaps I should just sit down if that's what has to happen here, or am I here to speak, with the intention that members around the table are here to listen to me. I mean, if you don't want to listen to me, show me by raising your hand, and I'll gladly sit down.

Mr. Chairperson: Mr. Negrych, I was one of the people that was smiling, and I will apologize to you. It had nothing to do with you. It had to do with something that happened before you came to the podium, but nonetheless, I apologize, and we will try to give you our undivided attention. Please proceed.

Mr. Negrych: Thank you very much. We have safeties in place now that every vehicle that's sold has to go through a safety before it can be registered. If it's not safetied, you can't register it, and in my experience over the last few years, one of the worst offenders is the Province of Manitoba. I worked at the highways department for some 23, 24 years, and we would do safeties on these vehicles, but if a buddy of the foreman or the shop supervisor needed work, we were too busy and these vehicles would go out. They would go out not to have a safety done on it. They'd go out to get a green sticker put on the window, on the windshield, because the green sticker was the criteria to register a vehicle.

Then these vehicles would come back and the mechanics with a conscience, we wouldn't let them go on the road. We'd bring them back into the shop and do the work, in some cases, \$2,000 and \$3,000 worth. I'm not sure if the highways minister was aware of that, but as I go back a few years, and some of you may know him, Joe Borowski, he's the only one in my years with the highways that had a backbone to clean house when it was necessary. He dealt with some of these issues, but he's not around anymore so perhaps maybe the present highways minister would care to look into the situation because it's a serious one. These trucks are big vehicles. They are going down the highway at 100 kilometres an hour, in some cases are not safe and shouldn't be on the road because they are not properly safetied.

However, to get back to the cars, we have safety shops in Winnipeg that are supposed to be doing safeties. We have dealers in Winnipeg that are selling these cars and putting them through safeties, but the safeties are not done properly, and in some cases at least, these vehicles are going on the road registered with safety factors in place, or not in place. I mean, if an engine isn't working properly, it's a hazard but you can get around it. If your brakes aren't working, you have a problem. If your steering isn't working, you have another problem.

* (18:10)

There are also things on the inside of the vehicle that cannot be seen that are a safety factor. What is a lemon law going to do with this situation? They say,

well, according to this information it's an unfair business practice under the act. What's going to be done? We know that cars have gone through safety shops. The safety wasn't properly done. They went back to the shop, and they got a slap on the finger, and they're back in business doing safeties, not safe safety. They're doing safeties just for the sake to put a sticker on the window.

At the highway shop, there was a department there that also did random safeties. There was one situation there that I recall—there were many others—but one car, a 4x4, was bought from McDougall Auto when he was on Ellice, safetied, registered. The customer took it and figured, well, okay, I'll take it to the safety shop and get it checked out. It came to the safety shop for a random check and there was over \$2,000- to \$3,000- worth of work that needed to be done on the front end and the brakes. How is a dealer—with what kind of conscience does he sell a vehicle knowing that this kind of work needs to be done on it? He sells it for a premium price and the thing is a rolling time bomb on a highway. So what is the lemon law going to do? I mean, we have enough laws in place right now, if they were properly done, you wouldn't have cars on the highway that are a hazard.

Let's go to the newer cars, and newer cars have computers in them. These computers are programmed in such a way that the cars in Canada are set up different than the cars in the States. Cars in Canada have to be set computer-wise for the colder temperatures and the conditions we have to drive in here. The cars in the States for warmer climates are set up different.

So, if you get a car from California and it comes up to Canada, how is the computer set for our temperatures and our conditions? Is the lemon law going to protect the consumer from that? I mean, that's not what the lemon law is there for. However, that's not a mechanical problem. That's a computer problem, as the way it was set up for an environment that it was sold into.

We have other vehicles that come across the line from the States. How many of these vehicles with a new computer system—they are set up in such a way that they track every problem that has ever gone wrong with it and has been repaired. You can erase these computers, and the consumer will be no more the wiser of what the problem was with that vehicle. So it could have been a complete lemon, for all it's worth, for a whole lifetime from 2000 to 2006.

We have cars coming in from Montreal, that the dealers there have—they're not supposed to; it's against the law. They're not supposed to tamper with the odometers. We got cars coming from Montreal that odometers have been tampered with—there are ways of doing it—and the consumer is no smarter for it. What is the lemon law going to do about that? When these people are caught—and some of them are—they need more than just a slap on the wrist. We have young offenders in Canada that get the same kind of treatment. Probably some of these 100-or-so class-four auto thieves that are out there know more about the cars than a lot of the consumers do. Even I don't know how to steal a car within 30 seconds, as they have.

So what is the purpose of this lemon law? I don't know, other than more government bureaucracy. The honest dealers do the honest thing. They disclose what's wrong with the vehicle, and they sell to a customer. Perhaps the best protection a customer has is the fact that the salesperson or the dealer wants that customer to come back to him. Before Midway went down, that's where I bought my vehicles. When going there, the salesman always told me that their customers have come back every year for the last, in some cases, 20, 30 years. So they only come back because they know that they got a good deal, they got good service and they have been protected by the dealership.

That is the only thing, one of the only things that's going to keep the customer coming back, and that's one of the only things that's going to keep that dealership honest, is they want that repeat customer. The people on the corner, one of the first things they do on the sales lots, they sell you the car for whatever they can get out of it, and then they try to sell you insurance or warranty. That is a big seller on this corner lot is warranty because they know that most of those cars probably won't make it past the year, and then they have an angry customer on their hands. So, if they can sell them the warranty, then they'll tell them, well, you've got the warranty, then start checking out some of that warranty. It's not worth the paper it's written on.

So there's a number of other things I could bring up in this situation, but my time is up. But I hope some of these things are taken into consideration.

I guess there was some mention this morning of the VIN number. That is only as good as the customer or the dealer wants it to be. You can get around that as easily as you want to.

So it's the dealer. The onus has to be put on the dealer, if he wants to have customers come back and give the customer the proper product.

Mr. Chairperson: Thank you for your presentation, Mr. Negrych.

Mr. David Faurchou (Portage la Prairie): Thank you very much for your presentation. Obviously, your lifetime experiences have enabled you to make a very valid assessment of this legislation. What would you say outright to the minister in regard to the legislation and what we, as a committee, should do with the legislation?

Mr. Negrych: This lemon law, it's not worth the paper it's written on unless the minister is willing to put some teeth in it and deal with the dealerships that sell these cars. If they can sell a car and they get a slap on the fingers, it'll be the same as our justice system: Who cares.

Mr. Faurchou: Well, thank you very much. I do appreciate your observation and a presenter, previously from the used-car dealership association, indicated that the province was not enforcing the existing legislation as it pertained to individuals that were not licensed car dealers selling a numerous number of vehicles through their own enterprise, and that law was not being enforced either. Now you've spoken also of the safety situation as well.

So your observations have been validated by others, that current laws are not being enforced and to add just another law, what would be the purpose of it?

Do you have anything further to add?

Mr. Negrych: There would be no purpose to it. My son bought a car from a used dealership here in Winnipeg. It was a used car, came out of Montreal. There were problems with it. When he took it for a test drive, the lights on the dash, there were no lights. He took it for a test drive. It's fine. Took it home. Within a day or two, the trouble lights came on the dash. Took it back. He says, no, we can't do anything for you. It worked when it was here. Your time is up. We can't do anything for you.

So, what's more legislation going to do to stop that kind of—later, the salesman that worked for that fellow, that I knew, quit that place because he said that he was unethical, running a very corrupt business, and he couldn't work for a guy that did it.

So what is more legislation going to do? Nothing. Enforce the laws we have and put some teeth in them.

Mr. Rick Borotsik (Brandon West): Mr. Negrych, thank you for a down-to-earth kind of presentation on this particular law. You are a mechanic, you have been for a long time, and you have a lot of experience that we can draw on.

I'm very curious. At the end of your presentation, you said the VIN, the vehicle identification number, and you said, you can get around that very easily. How can you get around a vehicle identification number?

* (18:20)

Mr. Negrych: It was mentioned this morning. All you have to do is go and get another vehicle off a different—take the VIN number off, go get another vehicle, put that VIN number on that vehicle. It's not an honest way, but an honest person never deals with things like that. There's corruption—

Mr. Cliff Cullen (Turtle Mountain): Thank you very much for your presentation tonight. The VIN issue was brought up this morning as well and maybe just get a chance for you to elaborate on that. I hadn't given it too much thought until just the last couple of days. My oldest son had the family van out at the golf course, in fact, the local golf course. When they were headed home, packing up their golf clubs, realized that the licence plates had been stolen off the vehicle. In fact, there was another vehicle in that parking lot that had both licence plates removed from it. So, obviously, there are some situations, illegal in nature going on.

Do we have existing legislation or teeth in legislation that will protect consumers, specifically in regard to the vehicle identification number or is there something else that we should be looking at to put some more teeth in legislation?

Mr. Negrych: Well, the vehicle information number, it's usually and most times right on the front, on the driver's side, where it's not that easy to get at, but if you have the proper tools, it's only riveted in there by two small rivets. If you have the right tool, you can grind those rivets off and you pull your identification number, and unless the customer really knows what he's doing, or the owner knows it, he'll never even know it's missing perhaps until he takes it to the garage to get some work done and the mechanic looks for a number, because you need a VIN number to punch into the computer to know what's to—but

you can take that number out of there with a proper little tool and the customer would never even know it's missing.

What can you do about it? Well, I guess the same thing as you can do about car thieves. What's being done with car thieves? Stealing a VIN number is almost the same thing as stealing a car, only I think stealing a car is more serious because then you're out there using it as a weapon. A VIN number, you take that little number and you change it with another vehicle and you're—

Mr. Chairperson: Thank you, Mr. Negrych. Our time has expired.

The next item of business is, how late does the committee wish to sit tonight?

An Honourable Member: Ten o'clock.

Mr. Chairperson: I've heard 10 o'clock. Are there any other suggestions? Ms. Allan?

Hon. Nancy Allan (Minister of Labour and Immigration): Excuse me. I think we should sit till 10 o'clock, and I think we should assess it at that point and consider sitting longer.

Mr. Chairperson: Okay. Is it agreed that we sit till 10 o'clock and reassess at that time? *[Agreed]*

We left off debating Mr. Borotsik's motion. Mr. Borotsik moved and recommended to the House that all meetings of the Standing Committee on Legislative Affairs be immediately suspended and only resumed when the Premier's (Mr. Doer) current summit in Mexico ends so he may be able to attend in person to hear public presentations on Bill 38, The Balanced Budget, Fiscal Management and Taxpayer Accountability Act.

Mr. Cullen had the floor when we adjourned. Mr. Cullen has eight minutes remaining.

Mr. Cullen: Well, Mr. Chair, it's certainly a pleasure to be back in committee tonight, Wednesday night. Looks like we're going to have some more eventful evenings in the future and lots of discussion on Bill 38, I'm sure. I just want to continue my comments on the resolution brought forward by the rookie from Brandon West and certainly want to speak in support of that.

Mr. Vice-Chairperson in the Chair

Clearly, Bill 38 is a very substantial piece of legislation here in Manitoba, and certainly the

Premier has an interest in bringing forward this legislation. It's just unfortunate that he elected this time to take his trip down to Mexico. We certainly felt that it might be an opportune time, kind of in the heat of the battle, if you will, when various pieces—we've got about 20 or 25 pieces of legislation that we're trying to get completed and go through the whole legislative process, and obviously the committee stage is a very important part of moving legislation forward in Manitoba.

As we know, that's just the opportunity when Manitobans get a chance to come forward and talk to opposition members and government members and with ideas. Hopefully, the ideas they bring forward should, in effect, bring forward better pieces of legislation, because we do know, Mr. Vice-Chair, that we are going to have to live with this legislation, you know, probably for the next three years and maybe even longer than the next three years, so it's important that we get the legislation right the first time around.

We do know and it's very important that Manitobans recognize that this particular bill, Bill 38, is a very substantial change in terms of where we've been at and where we want to go and where the government at least wants to go. In fact, we're in essence repealing balanced budget legislation that we've had in this province since back in the 1990s. I think most Manitobans have told us up until now through the committee stage that that was a fairly effective piece of legislation and had their best interest at heart. So, you know, obviously we think the Premier (Mr. Doer) should be here to listen to what Manitobans have to say on this very important piece of legislation.

I made a reference last night to—just it's hard not to miss the paintings on the wall in this particular room. The one on my extreme right was the Premier for some time back in the late 1890s, a fellow by the name of Thomas Greenway. Certainly, it kind of hits home with me because Mr. Greenway, the Premier at the time, actually came from England and spent some time in Ontario and then later after that he actually moved to Manitoba. He actually set up shop in the area of Crystal City, Manitoba, in the south-central part of the province where he was involved in farming and, of course, some development as things would have it.

He was a bit of a speculator back then, and he was certainly interested in developing Manitoba and developing rural Manitoba, so he certainly played an

important role there. He was certainly active in the railway issue there and also in the school issue. Those were the kinds of hot topics at the time as the young Manitoba was being developed, so he played a very important role there.

Mr. Chairperson in the Chair

He certainly was involved, interested in politics, and in 1883 he actually was elected to the Legislature and he became the Leader of the Liberal Party in Manitoba in 1883. Actually the Liberals were successful in Manitoba back in 1888, and they formed the first Liberal government. Mr. Greenway, Thomas Greenway, was the leader and, as a result, was the Premier of the province at that time. He was successful. He was re-elected in 1892 and then 1896, later defeated in 1899, but he certainly kept his interest with politics and later on in 1904 he was actually elected to the federal government. He was elected there, and he was a member of the constituency called Lisgar. Even back then there was a Lisgar constituent.

So Thomas Greenway certainly played an important role in the development of southern Manitoba, and I certainly wanted to acknowledge that. Today, Mr. Chairman, if you travel to Crystal City, the middle years school there, that's the 5 to 8 school, is actually named after Mr. Greenway. They have the current principal there, Bill Harding, would certainly be more than happy to give you a tour of his school, just a tremendous place to be.

The other thing that I would certainly like to mention at this point in time, there is another elementary school in Crystal City and the principal at this point in time is Larry Hamilton. Mr. Hamilton has been in the Crystal City school for 27 years, and, in fact, Mr. Hamilton has been teaching a total of 39 years. Mr. Hamilton has a real interest in Manitoba politics. He has certainly visited the Legislature here on a number of occasions, and he brings his students in here to talk about politics, learn the process and, in fact, talk about the committee stage where Manitobans can come and speak to the various pieces of legislation.

* (18:30)

I know Mr. Hamilton likes to take the opportunity to come and bring his students to the committee room where they can take a look at one of their previous and former residents, Thomas Greenway, so it's a very important part of the process and, certainly, I want to acknowledge Mr. Hamilton,

who, actually, after 39 years in the teaching business is going to be retiring this June. I know Mr. Hamilton will have many years because he has a real avid following in history and dealing with history. So he certainly knows about Mr. Greenway, the area of Crystal City, and in fact follows the politics quite closely. So I know he's quite interested in the process in terms of developing legislation and going through the committee stage and so forth. So I just wanted to take time to mention that.

Clearly, we hope the Premier (Mr. Doer) will be back in the very near future. Unfortunately, he might be away for the weekend, and I know we've got committee set up to run through the weekend, but it's kind of unfortunate, and this is the whole intent of this particular motion, is to allow the Premier the opportunity to come back to Manitoba and we could continue and pick up where we left off tonight and have the Premier have the ability to listen to what Manitobans have to say.

Quite frankly, Mr. Chairman, this is a very, very important part of the democratic process in Manitoba and is relatively unique to other jurisdictions across the province. So, again, I guess it goes with—I just really want to reiterate that this is an important piece of the developing of legislation. We would certainly like to have the opportunity for the First Minister to be here.

Thank you very much.

Mr. Chairperson: Thank you, Mr. Cullen. I would remind members that we're debating a resolution—a motion—and if I could paraphrase, I think we should confine our remarks to the relevance of why we should immediately suspend the committee hearings and why we should only resume when the Premier can be here to hear presentations. So, if we could try for a little relevance, it would be appreciated.

We have a speakers' list which at this point includes Mr. McFadyen, Mr. Faurshou, Mr. Pedersen, Mrs. Taillieu and Mr. Dyck. Mr. McFadyen, you have the floor.

Mr. Hugh McFadyen (Leader of the Official Opposition): Thank you very much, Mr. Chairman, and I support the resolution brought forward and would say that I think things would be different if Premier Greenway was here, that he would have handled this situation differently from the current situation. He's not the sort of leader who would introduce sweeping changes to our rules of financial

accountability and democratic processes and then flee the country for a trade mission. *[interjection]*

Well, the Member for St. Boniface now wants to debate Mr. Greenway's legacy in Manitoba politics, and I'm not going to take the bait because I know, Mr. Chairman, that if I do you'll call me on the issue of relevance, and we wouldn't want that to happen. But I do want to say in support of the resolution that this is a sweeping piece of legislation.

We believe that the Premier (Mr. Doer) has no mandate to have introduced it. He was elected in 1999 on a promise to keep the balanced budget law, and, in fact, we have a news release issued by the then-Leader of the Opposition in 1999 under the New Democratic Party, I guess it was the new New Democratic Party letterhead at the time, saying that if elected we will follow through on our five doable, achievable commitments to the people of Manitoba. They kept it down to five because they didn't want anybody to think that they were being unrealistic; they wanted them to be doable and achievable. So this is one of the five doable, achievable, bedrock commitments which provided the Premier with a mandate to govern that led to the turnover of power in late 1999 on the backs of a campaign that was in effect a social contract with the people of Manitoba, a commitment almost to the level of a binding legal commitment to the people of Manitoba that he would maintain in place the balanced budget legislation known as Bill 2, previously opposed by the Premier and many of his colleagues.

Who can forget those debates back in 1995 when, in fact, the Leader of the Opposition of the time said, and I quote, "I know it is a cynical pre-election ploy." And what a difference four years make, Mr. Chairman. Four years later the very same pre-election commitment being made by that very same Member for Concordia (Mr. Doer). In 1995, it's a cynical pre-election ploy. In 1999, it is the commitment that led to his election at that time.

So it's clear that the social contract between the Member for Concordia and the people of Manitoba, which was sealed at that time, to hang on to the balanced budget legislation, appears now to be in danger of being breached by that very same Member for Concordia, now only some eight years after that commitment was made.

For that reason, the motion makes a great deal of sense, that if the Member for Concordia is going to support Bill 38 and, in fact, be the driving force behind it or at least one of the driving forces behind

it, then certainly he should be present, and in person, and be prepared to respond to the very many questions that are going to come from members of the public who may want to ask questions such as: Why did you promise in 1999 to keep balanced budget laws and only eight years later introduce a bill to repeal them?

Those are the sorts of questions that people might want to ask if he was here. We don't know what the answer would be, and I think we're all impoverished as committee members not having the benefit of hearing those responses. I think that we would want to know what has transpired in that period between September of 1999 and today, June of 2008, that would lead to the Premier reneging on that core commitment that he made to the people of Manitoba in 1999, as I said almost to the level of a social-contract kind of commitment, that the people thought that they were getting one thing and quite clearly, today, are being told that they were, in effect, duped by the Member for Concordia into voting for him, knowing all along that there was a hidden agenda to gut the balanced budget law, the hidden agenda which has now been laid bare through Bill 38.

It's only fair to the people of Manitoba that they have the opportunity to question the Premier (Mr. Doer) on this hidden agenda and the subsequent steps to repeal the balanced budget law, that he be held to account for this Bill 38, that he be present at committee to justify the extreme position that he's taking now, not necessarily saying that he intends to run debts and deficits but certainly taking a step to legalize deficits on the core budget of the Province of Manitoba.

This is a very dramatic step away from the current legal regime here in Manitoba, one that calls on the Premier, we believe, certainly morally if not legally, to be present as the debates take place on this bill here in committee and at every other step through the process. That's why, Mr. Chairperson, this motion brought by the Member for Brandon West (Mr. Borotsik) is a reasonable motion. It is almost a motion that would be unconscionable to vote against for anybody who knows the history, understands that promise that was made, that sacred vow that was made by the Premier to the people of Manitoba in 1999.

So I don't think that any member of this committee is going to want to endorse the breach of a binding obligation by voting against this motion. I

think they will want to support the idea that if the Premier is bent and determined to repeal the balanced budget law, that he ought to be present to defend that decision, to respond to questions and participate in the debate.

When we look at what the implications of this bill are for the people of Manitoba, especially the next generation, many of whom don't have the opportunity and are not in a position today because of their young age to come and present to committee, those are the people who will pay for Bill 38 in the end. At some stage in life, when they receive that tax bill or when the creditors come calling on the Province of Manitoba demanding repayment of their debt, and that generation, say, 20 years from now, says how is it that we got ourselves into this position, they should be able to go back and refer to *Hansard* from this committee and see the comments of the Premier of the day, the justification provided and ask themselves the question, do I accept this justification or do we want to look back on this period in history as a very dark chapter in the history of Manitoba, a chapter where a premier elected on a promise to keep balanced budgets reneged on that promise at the first opportunity and left us this legacy of debt.

* (18:40)

So I believe, Mr. Chairman, that this is a good motion, that all members will want to support it. They will not want to have to look those young people in the eye 20 years from now, as they comb through *Hansard* and say to themselves, who was it who brought about this Bill 28 and how is it that we found ourselves in this situation? They won't want to say that we voted against a motion to suspend committee until the Premier (Mr. Doer) returned from his trip to Guanajuato, Mexico. They're not going to want to have to say that. They're going to want to be able say we supported the motion, we suspended committee until the Premier returned and that is why he is on the record in some vain attempt to justify Bill 38.

So we know that important business exists beyond the borders of Manitoba. Trade is an important part of our economy. Certainly, tens of thousands of jobs in Manitoba, in fact, in the hundreds of thousands depend on trade with other nations, including Mexico. That's why we're so appreciative of the work done by those who came before us, including Premier Filmon and prime ministers in previous governments, who stood up and stood in favour of free trade with Mexico, who had

the courage to face down opposition, enter into NAFTA and the foresight to know the benefits that would flow to all Manitobans, including our current Premier who, interestingly enough, and this is an interesting historical point, fought against NAFTA at the time that he was opposition leader, when he occupied the office that I, today, have the privilege of occupying. He was one of those vocal opponents in this province of NAFTA, and today to see him in Guanajuato, Mexico, singing the praises of NAFTA and free trade with Mexico, it is an unbelievable evolution. One might even say flip-flop, I think, might be the technical term for what he's done on the issue of free trade with Mexico.

That, Mr. Chairperson, is not a good enough reason to miss committee. I might have a different view on this motion if he was in Saskatchewan trying to negotiate free trade. If he was holed up in the Hotel Saskatchewan in Regina, right now, I might not support this motion. I might be inclined to say he should be in Saskatchewan negotiating free trade with our neighbour to the west. He should be travelling through western Canada negotiating free trade. But because that's not where he is, but because he's in a place where we already have free trade promoting an agreement that already exists, and which he opposed, in Guanajuato, I believe, that this motion makes eminent sense and I'm very pleased to support it. Thank you.

Mr. Chairperson: The next speaker is Mr. Faurshou.

Mr. Faurshou: I appreciate the opportunity to participate in the discussion on the motion moved by the honourable Member for Brandon West (Mr. Borotsik). I would like to congratulate him, once again, for bringing forward a motion that is, indeed, very important to the deliberations that we as committee members are placed with the responsibility to garner the public's participation and incorporate the wisdom that Manitobans wish to share with us.

I concur wholeheartedly with the motion stating that we should stand down as a committee in recess awaiting the Premier's return because, indeed, as has been outlined by the previous presenters here this evening, the Premier has changed, perhaps he has not because he is not here to defend his position, being that he did indeed promote in the past elections the position that he was totally supportive of maintaining the balanced budget legislation. This Bill 38 sets aside that legislation and allows for the government

to run a deficit as long as there are positive revenues available somewhere else within the summary budget. The committee recognizes that Bill 38 wants to provide Manitoba Hydro and other Crown corporations with the responsibility to balance off the government's operating deficit.

The position of Bill 38 is contrary to the Premier's previously stated positions, so I think it is incumbent upon the members that sit around this committee to recess and allow the Premier (Mr. Doer) to be in attendance and, perhaps, explain to presenters why, in fact—or even committee members—why the change in position.

I do understand that the Premier is away in Mexico, promoting free trade with that country. Again, that is a change in position from previously recorded positions of the Premier and Opposition Leader of the time. He made it well-known that free trade was not, in his assessment, in the best interests of Manitobans. Now a very, very short time later, he has, in fact, stated quite the contrary, that free trade is, indeed, in the best interests of Manitobans. That is the reason for his travels to Mexico.

As I sit here this evening, I look around the room under the general gaze of nine former Premiers and wonder whether any one of them would have left the province when such a substantive bill was being discussed by the Assembly. I think not, because all the premiers—their portraits hanging in the committee room here—took a genuine personal interest in the business of the Assembly and would not leave the business of the Assembly, because they all believed in leadership comes by example.

If all of us around the committee table looked to the Premier as the leader and followed his example, would we have anybody sitting around the committee table? All of us would off promoting the benefits of dealing with Canada and Manitoba. We wouldn't have anyone sitting at the committee table in which to listen to presenters, if we followed the leadership of the First Minister and followed his example.

That's how I was raised. If you wanted respect, if you wanted to be acknowledged as a leader, you showed leadership through your own actions, because you wanted people to follow you and reflect the actions that you were taking personally.

This motion before us this evening, indeed, reflects what we, as the committee, should show respect for—the Premier. If he believes that this was

an absolutely necessary trip to Mexico, we should acknowledge that necessity and stand down as a committee, allow the Premier time to promote Manitoba and, upon his return, come back into committee and again engage Manitobans with the Premier present, so that he can hear first-hand and show the leadership which he wants Manitobans to see in him and to reflect upon his actions and be present to hear Manitobans' concerns.

* (18:50)

How can we know what the Premier is thinking, without having him present? What has happened over the course of committee in his absence, whether it's been currently in Mexico or last week when he was at the Western Premiers' Conference. He has left instructions, obviously, to his Cabinet ministers as well as all NDP caucus members that they are not to say anything because he is the spokesperson, and that is why we have not heard any questioning from any of the members of the government side of the House.

We did hear a brief commentary from the Minister of Finance (Mr. Selinger) last week when—the terms that come to me are "baited" or "goaded" into saying a couple of words by one presenter. But, outside of that, there has been no initiative taken by any members on the government side of the House to query further any of the presenters that have come before committee.

I do believe, wholeheartedly, because it has been unanimous over the course of this committee sitting, that the Premier has obviously left instructions for no one to say anything on his behalf and not to ask any questions. I would look to the Minister of Health (Ms. Oswald) this evening to ask questions of presenters and participate in open debate. I know there are no presenters at this point in time, but there will be throughout the evening and perhaps she will indeed engage presenters.

We saw an example last night of the implementation of the Premier's order for no government members to participate in committee when the honourable Member for Radisson (Mr. Jha) raised his hand to be acknowledged by the Chairperson and to be immediately chastised by the Minister of Competitiveness, Training and Trade (Mr. Swan). The honourable Member for Radisson was not allowed to ask a question of a presenter, even though he visibly went about it to get the attention of the Chairperson.

Now, for those reasons, I think all members at the committee table should, in fact, support this motion, and without speaking to this motion we obviously believe that all members from the government side of the House are in support of the motion because no mention was made to the contrary.

So I'm feeling rather good that the honourable Member for Brandon has put forward this motion that currently all members of the committee are in support of. Thank you very much for the opportunity to participate.

Mr. Chairperson: The next speaker is Mr. Pedersen.

Mr. Blaine Pedersen (Carman): I would certainly like to speak in favour of this resolution, that all meetings of the Standing Committee on Legislative Affairs be immediately suspended and only resumed when the Premier's (Mr. Doer) current summit in Mexico ends, so he may be able to attend in person and hear public presentation on Bill 38, The Balanced Budget, Fiscal Management and Taxpayer Accountability Act.

I think it's somewhat ironic that we're surrounded by many former premiers in this room and yet our current Premier is absent from the meetings, from the hearings. The former premiers around this room remind me of most of the government members sitting there when presenters do come, sitting there in silence, in rapt attention, staring off into space, but whatever.

I can only hope that when the Premier is in Mexico this week, that he's out there promoting Manitoba pork because certainly the government at home here is not promoting Manitoba pork with Bill 17. I think they will probably hear that loud and clear now that they've finally called Bill 17 and start to listen to the farm families that come in to tell their story and how they feel they're being unfairly targeted by Bill 17.

But I wouldn't expect the Premier to be sitting here listening to that either. He spent, I believe it was, two evenings in committee and then has proceeded not to make himself known within the committees ever since then, and yet this is the same Premier who said he wanted to hear from Manitobans and it's such an open process and on and on about how he's going to be open to all Manitobans. I'm sure that as he's down in Mexico

he'll be speaking highly of NAFTA and the free trade agreement.

We mentioned today in question period that it would certainly be much better if he was out there. Because we do have NAFTA, it would be much better if he was out there promoting free trade with the western provinces, with our western neighbours. They continue to develop trade within them, between them, and yet Manitoba's being left out. I heard last week how the Premier said that 70 percent of our trade was with eastern Canada. I was surprised to hear that. I always thought that it was mainly with the south, the majority of our trade, but I guess the Premier must know better. I guess that's why he's in Mexico now, to make sure that we increase our trade so we're not dependent on the east anymore and we can depend more on the south for our trade.

Mr. Chairman, this resolution is very fair in that it asks for the Premier (Mr. Doer) to be here while these hearings are on and it would certainly make committee much more interesting to hear from the Premier as Manitobans come to present their views on these because we're certainly not hearing that out of the government members on the committee as they sit in here each and every night. I look forward to another late night tonight and, as promised, we will ramp up the Red Bull later on tonight to make sure we have—*[interjection]* Just the Red Bull. We're not into that other—*[interjection]* I hear some cynicism on the other side and I'm surprised. Like, here we are, we're very serious and we're in committee and we should be hearing from Manitobans from all over Manitoba and—

An Honourable Member: Give them a chance; you're doing all the talking.

Mr. Pedersen: Well, that's right. However, there are Manitobans that live outside the Perimeter and we've had some presentations, written presentations in from people that are four hours away and they're not going to drive in for their 10-minute presentation. We also had a resolution that, I believe, was voted down last night to take the committee hearings across the province, and I think there were other resolutions where we would open it up to hear for longer periods when people want to come and present. And yet the government seems to be not interested in opening up the process in getting it out to Manitoba to take it to Manitobans, not expecting Manitobans to come to them. *[interjection]* Yes, but the guy—*[interjection]* Yes, right. The one that they would like to speak to is not here and that's the purpose of this whole

resolution so that they—you know, there's no sense talking to the lesser bosses. When the boss is the one who makes all the decisions, that's the person to go to, and he's not here.

This resolution needs to be supported. There is no reason not to. The committee members know that the Premier should be here.

* (19:00)

Mr. Chairman, there are all these bills, Bill 37 and Bill 17, it would certainly be interesting to—when we get into Bill 17, the last count that I had was over 400 presenters, and he should be there for that. I hope the Minister of Water Stewardship (Ms. Melnick) and the Conservation and Agriculture ministers are all there also for the entire hearings to hear from all 400-and-some presenters that will come to that because my understanding is the people who have signed up there are very passionate about their business.

You will hear from those presenters because you're cutting off their livelihood with a bill like Bill 17, and, again, we ask where the science is behind on a bill like that. It's politics and not science that a bill like Bill 17 comes forward.

Bill 38, I don't recall seeing that in the election campaign that they were going to bring in—*[interjection]* that you were going to run deficits. I'm sure that you were advertising in the campaign to run deficits and balance it once every four years with the Crown corporations. I must have missed that in the campaign literature. Again, I don't read NDP propaganda so maybe I really did miss it, but apparently, most other Manitobans missed it too because it comes as a surprise to all Manitobans to hear that they're going to do away with balanced budgets when that's been the very essence of governments for the last—since 1995.

It's shameful that they would bring in a major piece of legislation like this just trying to sneak it in. We call it under the dark of night, if you like, and then try to keep people away or try to limit as much as they can public presentations to this, not take it around to the people of Manitoba. We can see what the real purpose of them is here. They're worried about running deficits, and this is how they're going to use the Crown corporations now to balance their budget.

Mr. Chairman, this resolution should be supported. We think it would be a win for Manitoba, for all Manitobans, if this committee would see fit to

support this resolution. With that, I'll turn it over to the next speaker. Thank you.

Mr. Chairperson: The next speaker is Mrs. Taillieu.

Mrs. Mavis Taillieu (Morris): I, too, want to speak in support of this motion that would suspend the Legislative Affairs Committee until the Premier (Mr. Doer) is able to be here, until he has finished his summit in Mexico, because I think it would be very important for the Premier to be at the committee and listen to what Manitobans have to say.

We know that in the last election, beginning in 1999, the Premier, with a sudden change of heart after all of the things that he called balanced budget legislation while he was in opposition, he actually realized that it was a popular thing with the people of Manitoba so he changed his mind and he campaigned on maintaining balanced budget legislation. In fact, in the most recent election, it was one of the pillars of the campaign, Mr. Chair.

I asked the Minister of Finance (Mr. Selinger) this morning, I believe it was, I'm losing track of time here. I'm wondering who in the public came to the minister and said, we think you should run deficit budgets. It really is sort of beyond comprehension that you run on a platform of balancing the budget, then after a year, you change your mind and flip-flop and decide that you want to run deficit budgets. I'm curious as to how many Manitobans have actually stepped forward and said this is a wonderful idea to the Finance Minister.

Since the Finance Minister didn't answer the question, it would be helpful, I think, if the Premier were here and we could ask the question of the Premier, who, Mr. Premier, came to you and said, we think it's a wonderful idea to run deficit budgets?

I don't believe that Manitobans knew anything about this government's ulterior motive when they campaigned on balancing the budget, and then within a year have plans to scrap it. I don't think that that was being very upfront with Manitobans and I think if we had a recall, as they do in some of the states in the United States, perhaps we'd be going back to the polls now because people would say, wait a minute, we elected you to do something, you're not doing it, maybe we should have a second chance at this.

But it's interesting that the Premier (Mr. Doer) decides always when it gets a little hot around the province and in the committee room, that he decides he'll leave the country. We've seen some pretty good debate here at the Bill 38 Legislative Affairs

Committee, but what's missing is, the Premier isn't here. I think, maybe, that might be by design. Perhaps he's scheduled his time away because he doesn't want to be at committee. He doesn't want to face the public and the public's questions to him about, why are you allowing yourselves to run deficit budgets? I think that the public would question that decision, but he doesn't want to be here to have to answer those kinds of decisions. He leaves that up to the rest of his caucus, leaving them to sit in committee and answer the questions that are coming forward.

However, we do notice that there are very few questions put to presenters from the government MLAs. There are probably a couple of reasons for that and one that my colleague touched on was perhaps they're being muzzled and not allowed to speak. We've actually seen that happen in other committees where the Member for Radisson (Mr. Jha) actually did want to speak and he was gagged, told, no, you can't speak. Perhaps the reason for that is they might say something just that doesn't hold the party line. Or perhaps they'll say something that might be used against them in the future, because it's all going on *Hansard*. Or perhaps they really just don't know anything about this legislation.

I kind of suspect it might be the latter, or a combination of all those. But I suspect that there's not a strong knowledge of this legislation among the government MLAs. Because I think some of this draconian legislation, specifically Bill 38, Bill 37, Bill 31, Bill 17, I believe that there are probably just a few people that have been privy to some of this legislation and written it without full consultation, not only with their own caucus and Cabinet, but certainly without consultation from Manitobans.

We certainly know that with these bills because I've spoken to many people in regard to some of these bills. In fact, people are very astounded to see that, we're doing what? We're having bills brought in that actually allow the government to run deficit budgets and raid Crown corporations? That's just not on. They are not happy with that kind of legislation.

The same holds true for Bill 37. People cannot believe that governments want to have a vote tax and pay themselves a million dollars over a term when there are so many other things that require that amount of money, whether it's health care, whether it's education, whether it's infrastructure, whether it's income assistance, social programs, whatever it may be.

Mr. Chairperson: Excuse me, Mrs. Taillieu, I think that was the other bill in the other committee. Perhaps you could come back to the relevance of the motion.

* (19:10)

Mrs. Taillieu: I was just going to reference that the Premier wasn't in that committee either. Yes, thank you, Mr. Chair, I was just about to reference that the Premier was not in the committee on Bill 37 either, and that's because he's away in Mexico trying to deal with the trade issue, or perhaps he should be in Saskatchewan trying to do a TILMA agreement with the western provinces instead of running off to Mexico so he can sit by the bar and have his martinis. Yet he leaves his caucus and his staff here to handle all the tough questions that he wants to deflect away from himself.

I think that the motion here should be supported by the government MLAs as well, because I think that they would want to have their Premier (Mr. Doer) here. I don't know why they would not want to have their leader and their Premier here involved in hearing the presentations from the public. I think that they might think that it's wrong that their leader is not here.

Our leader was here to make a presentation and has been here every night on all of the committee hearings, and I think that's exemplary when you have a leader that leads by example, Mr. Chairperson.

In fact, what we're doing with this bill at this committee is extremely important for future generations because we don't want to leave a legacy of debt to—at least I don't want to leave a legacy of debt in this province to my grandchildren, and certainly I would ask everybody around this table to really question that and ask yourselves, do you want leave a legacy of debt to your grandchildren? Do you want to sit at this table and say, I tried to make a difference, or do you want to sit at this table and say, I had the opportunity to speak up and support this motion, but I didn't. Thank you, Mr. Chairperson.

Mr. Peter Dyck (Pembina): I, too, want to just put a few words on the record regarding Bill 38, and I certainly do support the motion that has been brought forward by the Member for Brandon West (Mr. Borotsik).

Just talking about balanced budgets, I was actually asked to be on the board at the Winkler Credit Union for a number of years, and I was elected in 1980. It was at the time when the credit

unions were in some fairly difficult financial times, and they had, in the '70s, made some glaring mistakes and these came to haunt them. Of course, to make a long story short, that's where the stabilization fund came into place. It gave the credit unions an opportunity for 10 years, it gave them 10 years in order to be able to balance their books, and if they were not able to do that within that time limit, they were actually shut down. There were several credit unions in the province of Manitoba that were shut down.

Now, the reason I'm giving this information, Mr. Chairperson, is the fact that, when you start running deficits, and it doesn't matter where they are, whether they are on a personal level or they are in business that a person is a part of or owns, whether they are in a credit union or even in a province, in order to be able to recover from deficits takes an awful long time.

That's why I would very, very strongly advise the minister and the government of the day to really, really look seriously at this legislation. I know that the intent is that they're able to draw dollars from other Crown corporations in order to help balance the books. I think that is dangerous. That is no different than in fact if you have several businesses as a part of an organization and you draw from those businesses that are not being able to carry their own weight to show a profit, and you continue to just support them with dollars from the one company that is making money, and I think we've had examples of that and those illustrations given to us here in the past few evenings when we've heard presentations.

So I would clearly indicate that I believe that's a problem, and I would express that as a grave concern to the government and to the Minister of Finance (Mr. Selinger).

But specific to the motion here regarding the Premier (Mr. Doer), and, yes, he did indicate that it was very important that people did attend. In fact, I think at one point in time he indicated that he planned to be there for these discussions.

But I also want to indicate to the committee here tonight that the place that he is at, which is the city of Guanajuato, I was there several years ago. It is a gorgeous city, and so I don't blame him for being out there and probably staying there for an extra few days. In fact, if I were there I believe I would stay for an extra few days myself.

So just a little bit more history. We had the opportunity to drive out there. The city is just north of Zacatecas for any one of you who have travelled through central Mexico. It's the cultural capital of Bajío region in the central part of Mexico and is one of the most charming destinations in the nation. So the choice for going there for this conference was well chosen. It was a good choice that he made. Now, it has a semi-arid climate being in central Mexico, and your average temperature is around 17 to 20 degrees. So it's a wonderful area. It's mountainous. It's very scenic.

The other reason I can also understand why they would want to have their meetings out there is that it's a World Heritage Site that has been designated by UNESCO. The city's historic centre will impress you with its civic and religious buildings built in the colonial era. It was built in the 16th century. I had the opportunity to look at and to tour one of the cathedrals that was close to 500 years old. I would say that the steeples, the highest peak in any one of these—and there were multiple steeples in the cathedral—would have been higher than the Golden Boy. So it's really a wonderful place to see, to visit, and so I can understand why people would want to go there.

They've also got some other interesting features in the city. It's located—*[interjection]* Oh, a point of order. Was that a point of order?

Mr. Chairperson: We have a point of order from Mr. Dyck.

Mr. Dyck: No, not a point of order. I thought the minister had a point of order here, and I was just going to try and just indicate the reason. The Premier—

Mr. Chairperson: In that case—excuse me, there has been no point of order raised. However, I would ask you to try to keep your remarks relatively relevant to the motion at hand. Thank you.

Mr. Dyck: Okay. Well, thank you very much, Mr. Chairperson.

The minister is concerned that this is a travelogue, and I do want to bring it back to the reason I'm bringing this information to the table here, which I believe is important because the motion talks about the Premier (Mr. Doer) being absent while we are having the presentations on Bill 38. I'm trying to explain and give reasons as to why I believe he's in Guanajuato and touring the beautiful city out there. So I'm just giving that as a background, Mr.

Chairperson, but, yes, I take your admonition seriously and I will draw it back to the motion here.

However, Mr. Chairman, I did want to indicate just a few more features of this city. It used to be a mining town, and it's a mountainous area, and what they did was when the mines had been mined—if I can use that term—they, in fact, had the road systems going through the mountains from one end of the city to the other, and you go through tunnels from one part of the city to the other. So it's a very interesting city and if you ever have the opportunity—and I know that our Premier is out there at this point in time having meetings and I'm sure that he is working hard on behalf of Manitobans, so that, in fact, he would be able to balance the budget even if they would pass Bill 38.

Now, I would assume, though, that with the hearings that we've had in the past number of days and evenings that possibly the government is reconsidering Bill 38 as a result of the presentations. I also believe that the Premier will be coming back with added information regarding his conference out there, regarding the purpose of his meeting, which he's going to be able to bring back to the government as well.

* (19:20)

I can understand where it's important that you be able to leave for awhile, to go somewhere else, to be able to get a new perspective on life, and I'm assuming that that's what has taken place here because this is a city that is culturally diverse. It has a number of artistic disciplines out there which one can access. So I believe it is important that the Premier be in Guanajuato touring the city and also having meetings as he's out there.

Again, I would encourage any one of the members on this committee, if they ever have an opportunity to go and see this historic city—as I said, it is a UNESCO site—which would help to broaden your vision, and be able to bring some of that information you could glean in that city, which you could bring home and be able to apply that to some of the decisions that you, as government officials, need to make here in the province of Manitoba, yet, I believe it is—*[interjection]*—yes, the city of—and a very good question I was asked by the Member for Turtle Mountain (Mr. Cullen)—Guanajuato does have hydro. Its hydro is generated from one of the falls that is located within the area. There's a fairly large canyon; that's where they get the hydro generation from.

It's a very important point, because I think that's another thing that the Premier would be able to bring back. On that, though, from my recollection as to where the dam was to where the city of Guanajuato is, they did go across the mountains and took a very direct approach. They could have gone around the mountains; I believe it would've been on the west side; however, they went straight through.

It's very important that we add this to the debate here, because this does add to the running of the province. As I've said all along, I strongly disagree with running deficits—

Mr. Chairperson: One minute.

Mr. Dyck: —if there are any ways that we could save money, we need to do that.

Thank you, Mr. Chairman. I realize that 10 minutes does go by very quickly, so I just want to indicate to the members present that I tried to put pertinent information on the record here, which would be specific to the motion that was brought forward by the Member for Brandon West (Mr. Borotsik).

I want to thank you for that opportunity to be able to do that.

Mr. Larry Maguire (Arthur-Virden): Excuse me, Mr. Chairman, thank you very much for the opportunity to speak to this motion.

When I first came into the room, I thought it might have come forward from one of the government members. It says that all meetings of the Standing Committee on Legislative Affairs be immediately suspended and only resumed when the Premier's current summit in Mexico ends, so he may be able to attend in person and hear public presentations on Bill 38, The Balanced Budget, Fiscal Management and Taxpayer Accountability Act.

Then I realized that it wasn't brought forward by one of the government members. It was brought forward, of course, by our Finance critic, the Member for Brandon West, Mr. Borotsik.

The only reason that I stated that I thought it might have come forward from one of the government members is because I thought that, maybe, they would want the Premier to hear the legislation which he brought forward, the legislation which he hadn't told them about, before it was presented in the House, just hours before the last opportunity to present this type of legislation.

No wonder he did it at the last minute; it's horrific legislation. I would say—and I've stated, I think, in one of the other motions before this House—that it is the worse piece of legislation in Manitoba's history to appear before this Legislature in this province.

I know that the Minister of Finance (Mr. Selinger) is a very sincere individual; I don't think he would bring this forward on his own. I know he was directed, as Finance Minister, to bring this forward. The only way he would bring this forward is if he knows that the finances of the Province are already in a decrepit situation, which they shouldn't be because, of course, this province has been on the receiving end of huge increases in transfer payments from Ottawa, the national government, over the last number of years.

I've stated earlier that I think, someday, with the Province of Ontario perhaps not going to be quite as wealthy in the future as it has been in the past, at least in relation to where the automotive industry is going, that maybe this type of bill coming forward, which allows the government to weasel out of balancing the books every year and never balance them again—legalizing deficits in the future is what this bill does. That's what it should've been called, Mr. Chair.

I think that it's incumbent upon the Finance Minister that, if he knows that Manitoba's in a less-than-favourable position in regard to balancing the books in the coming year, he actually inform the other Cabinet ministers who would have normally lost 20 percent of their salaries under the balanced budget legislation that's presently there, and debt reduction legislation and taxpayer accountability legislation, that he be honest with them and tell them that's why he's bringing this bill in is to save their salaries, and his own, of course, Mr. Chair.

I think Manitobans would understand an honest, up-front approach to issues. The government could come out and say, you know, things are getting tough in the future, and Manitobans could make the decision as to whether the government has put enough away in its rainy day fund to use it up when times get tough, as the previous Progressive Conservative government had to do in those days, the belt-wrenching days, Mr. Chair, of huge cutbacks from transfer payments from Ottawa in regard to the future finances of Manitoba.

Of course, our leader spoke earlier tonight about the expectations of Manitobans. The government did

keep it simple in 1999. You know, after 11 years, perhaps there were Manitobans that were looking for a change and that change occurred. *[interjection]* I think the Minister of Labour (Ms. Allan) is going on into the future, but I would have to remind her, Mr. Chair, that 11 years of her reign will come just about—I believe, to be fair, she and I came into the Legislature at the same time, so did the Finance Minister. But to be fair about the next time the next election rolls around, it will be her turn for the 11 years. Perhaps we will see a flip-flop in change of government at that time as well. By that time, it will probably be up to the 80th flip-flop that's been made by the Premier. We're well into the 50s now since he came in in '99. It won't be any too soon, but as Progressive Conservative governments have had to do in the past, they'll have to come in and clean up the mess that's been left behind.

I know that this minister, if he's going to be fair to Manitobans, he should tell at least his own Cabinet and caucus, too, I think all members of the government side, at least they deserve to know that the Finance Minister and the Premier know that the finances of the province, from a government perspective, are not in good shape.

They should be in good shape, as I said earlier, because of all the funds that have come in and because of the increased taxes that this government has collected and actually brought in. The balanced budget legislation actually called for the government to have to go before the people in an election to indicate that they would increase taxes or at least have a referendum on that decision. This government has abused that and already broken balanced budget legislation by not having any kind of referendum, and certainly hasn't been straightforward in any of the election campaigns that it's held to date to say that it wanted to go ahead and break balanced budget legislation and not balance the books every year.

If their intention is to balance the books every year, Mr. Chair, then you don't need the legislation at all, just continue forward with what we already have and we can continue with the 30-year plan that was put in place to eliminate the debt of the province as well.

They've already broken that promise as well because the debt has increased tremendously in the province. As you know, we're close to \$20 billion, the highest it's ever been. The operating amount and the amount from Manitoba Hydro are certainly higher than they've ever been. The only situation is

that Manitoba Hydro is able to pay down its debt at this point through the rates that it's charging ratepayers or hydro users in the province of Manitoba.

To be fair, the government should be able to do that as well but Manitobans don't trust them anymore because of course, they've taken \$203 million in a bill out of Manitoba Hydro earlier in this decade. The interest payments on all of that, spread over the 30 years that money has probably been borrowed on, would amount to at least another \$300 million to \$350 million, and that has to come out of the future generations of Manitobans.

I say that this is all relevant because the Premier should be back here to listen to that. It was he who said that he would be here to listen on Friday and listen on Saturday to this type of legislation for Bill 37 and Bill 38.

* (19:30)

Of course, now he's come in and taken up three days of debate with Bill 17, of which there are over 400 people to come and speak to. That bill, of course, is another one that wreaks havoc on the agriculture community in Manitoba and wreaks havoc on the city of Winnipeg from a processing sector side. They've already driven the processing jobs out of Manitoba, out of Manitoba's capital and into other areas of Manitoba in the processing of the meat products that we have in this province, not just in hogs but other areas as well.

We have a situation where those jobs have been driven away to other provinces, and certainly you only have to look at the number of hogs being exported into the United States, millions every year for slaughter, Mr. Chair, to know that we've lost those jobs to our American neighbours. Now we know the Premier (Mr. Doer) is in Mexico trying to enhance trade opportunities. He's now been one to speak highly of our neighbours to the south in spite of the fact that he—I don't have the quotes right in front of me, but I pretty well have them by memory, he lambasted the previous government for being in favour of NAFTA and the trade agreements.

Certainly, he never at that time went outside the Perimeter to ask farmers what they thought of that either because agriculture depends on trade, Mr. Chair. We couldn't begin to eat all of the produce that we could have in Manitoba and you only had to know the small population that we have and you'd only have had to have been at the Minister of

Agriculture's breakfast this morning to understand and hear from the likes of John Oliver and Dr. Pierce from the St. Boniface Hospital and Les Rankin in regard to the Flax Council, 2015 project, that they have an excellent project on the go to add value-added to flax in the province of Manitoba. We have a tremendous amount of opportunity here in the land base that we have.

We cannot idle all of that land. We have to use it to enhance the value of our products, and the Premier should be here to understand that and know that. There are so many issues that you can speak on this, the development of the west, and you know I see the Minister of Water Stewardship (Ms. Melnick) chirping from her chair. I'd just like to remind her that I also had the opportunity of being on the agriculture diversification initiative back in the late '90s when I was the one that seconded the motion to put \$3 million of Agriculture Research and Development Initiatives into the St. Boniface facility to combine agriculture and health.

Of course, the discussion this morning was about how agriculture is the health of the future, and this government's trying to shut it down as opposed to expanding it, so very much a detriment to the future of the province, and they of course need to have more understanding of that.

I'm going to speak later. I'm sure there'll be another opportunity, Mr. Chair, to speak about the development of the west. I was feeling that I'd have the opportunity to do that here because, of course, it's the direction that the minister's gone tonight that is most interesting in regard to the future development of Manitoba, but I think we'll get into that later.

Mr. Chairperson: Mr. Maguire, your time has expired. Time has expired.

Seeing no further speakers, is the committee ready for the question?

An Honourable Member: Question.

Mr. Chairperson: It has been moved by Mr. Borotsik and recommended to the House that all meetings of the Standing Committee on Legislative Affairs be immediately suspended and only resumed when the Premier's current summit in Mexico ends so he may be able to attend in person to hear public presentations on Bill 38, The Balanced Budget, Fiscal Management and Taxpayer Accountability Act.

Voice Vote

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

Some Honourable Members: Yea.

Mr. Chairperson: All those opposed, say nay.

Some Honourable Members: Nay.

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

Formal Vote

Mr. Borotsik: A recorded vote, please, Mr. Chairman.

Mr. Chairperson: A recorded vote has been requested.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 3, Nays 6.

Mr. Chairperson: The motion is defeated.

* * *

Mr. Chairperson: We will now go to presentations.

Mr. Borotsik: I wonder if I could have the indulgence of the committee and ask for leave. There are three presenters who are from out of town, and I wonder if we may hear them first, Mr. Chairman, and then go back to our order?

Mr. Chairperson: There has been a request for leave of the committee to hear out-of-town presenters who are in the room. Is there leave? *[Agreed]*

So Nos. 17, 31 and 46. Before we proceed with presentations, we do have a number of other items and points of information to consider. For the information of all presenters, while written versions of presentations are not required, if you're going to accompany your presentation with written materials, we ask that you provide 20 copies. If you need help with photocopying, please speak with our staff.

As well, I would like to inform presenters that, in accordance with our rules, a time limit of 10 minutes has been allotted for presentations, with another five minutes allowed for questions from committee members. Also in accordance with our rules, if a presenter is not in attendance when their name is called, they will be dropped to the bottom of the list. If the presenter is not in attendance when their name is called a second time, they will be removed from the presenters' list.

Prior to proceeding with public presentations, I would like to advise members of the public regarding the process for speaking in committee. The proceedings of our meetings are recorded in order to provide a verbatim transcript. Each time someone wishes to speak, whether it be an MLA or a presenter, I first have to say the person's name. This is the signal for the Hansard recorder to turn the mikes on and off. Thank you for your patience. We'll now proceed with public presentations.

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

Mr. Chairperson: Mr. Gordie Dehnn, please come forward. Do you have a written presentation?

Mr. Gordie Dehnn (Private Citizen): Yes, I do.

Mr. Chairperson: Do you have copies?

Mr. Dehnn: No, I don't.

Mr. Chairperson: Okay, please proceed.

Mr. Dehnn: Okay. I just want to thank you for letting me speak tonight. I especially enjoyed Peter Dyck's lesson on the history and geography of Mexico. In 1995, Manitoba's balanced budget legislation was passed to ensure that the Province lived within its means. It required a referendum before taxes were increased, reduced salaries for Cabinet ministers who ran deficits and put in place measures to prevent the Province from increasing debt.

Bill 38 essentially kills the 1995 balanced budget legislation. Most importantly, it removes the Province's requirement to balance its operating budget. The Province's operating budget includes all departments under the government's direct control and allows Manitobans to clearly view and assess the financial performance of the government. Under Bill 38 the Province is only required to balance its summary budget. The summary budget includes all government departments under the government's direct control plus government-related operations such as Crown corporations and universities. In effect, the Province can now use the net income of Crown corporations and other reporting agencies such as universities to artificially boost the performance of the government and balance their summary budget.

Bill 38 not only allows the Province to use the net income of Crowns to balance its books, they will only have to balance their summary budget every four years. The 1995 legislation included a

requirement that the operating budget be balanced every year. It will be virtually impossible for a deficit to occur with a four-year summary budget even with hundreds of millions of dollars of unfunded spending by core government each year.

In the extremely unlikely event that the Province can't balance its summary budget, some losses can be excluded. For example, if there is a drought, Manitoba Hydro's loss would not be included in the summary budget balance. Cities, municipalities and individuals have to balance their books. It isn't right that Bill 38 sets a different standard for the province. The Province's overspending will come out of the pockets of Manitobans by raiding the Crowns of increasing debt. Even though the summary of books will balance on paper, the government will need to come up with cash to pay for an extra departmental spending. This cash will come by accumulating more debt or by raiding the Crowns. There were \$958 million in net income from the Crowns for the year ended March 31, 2006, and \$703 million for the year ended March 31, 2007.

Mr. Vice-Chairperson in the Chair

The forecast of the years ending March 31, 2008, and 2009, according to the province's budgets, are \$686 million and \$668 million respectively. This income could be used to offset core deficits under Bill 38. Now, under debt, increases to debt will lead to increases in taxes and means the Province will have less money to pay for services.

My occupation is schoolteacher. I've been teaching now for about 16 years. I had the pleasure of teaching this young man here today, Brett Rach [*phonetic*]. I taught him for a number of years, and I've also coached him in rugby. He's supposed to be at rugby practice next Monday. Now he's playing senior men. During that time we had to raise several thousands of dollars throughout the last five, six, seven years to raise money for things like uniforms. This year we had to raise \$1,500 just to provide the girls team with a new set of uniforms. Now that doesn't come out of school budgets or phys ed budgets. It comes out of work as coaches and parents and students like Brett helping to pay for jerseys so they can wear.

* (19:40)

Now, if there's less money for services, as you can see, two weeks ago, I cut my hair for CancerCare research. There are seven or eight of us teachers at Lockport School that cut our hair for cancer research,

and we raised over \$2,500. Now, if more money's going to pay on the debt, there'd be less money for those services, and I think we'd all be having to cut our hair to pay for such things as cancer care.

Now, Manitoba already spends more money to service its debt than any other province west of Québec. The average cost to each and every Manitoban to service the debt is well over the national average of \$1,143 per person. The \$806 million in debt-servicing is already more than the combined 2008-2009 forecast spending for Justice, Finance, Labour and Immigration, Water Stewardship, Science, Energy and Technology, Competitiveness, Training and Trade, and Aboriginal and Northern Affairs.

While the government might say that Bill 38 is about accounting, it's really about using accounting as an excuse to limit accountability. The current government is trying to cover up the changes in Bill 38 by saying that they have to change how Manitoba reports its financial statements to incorporate generally accepted accounting principles, GAAP, the current accounting standards. Now, the Manitoba PC caucus, the Auditor General, the Canadian Federation of Independent Business, the Canadian Taxpayers Federation and the Chambers of Commerce of Manitoba repeatedly called on the current government to adopt GAAP before they moved to do so in early 2006.

GAAP doesn't preclude presenting an operating budget in addition to a summary budget. The Province should continue to balance its operating budget every year. This would provide a clearer picture of the Province's ability to live within its means. Now, experts agree that we should have a balanced operating budget every year. Chuck Davidson, the vice-president of policy and communications from the Winnipeg Chamber of Commerce says: In a nutshell, Bill 38 makes it virtually impossible for a government not to balance the books and, in fact, allows for governments to run annual operating deficits, and, in turn, it creates the provincial debt. Manitobans should demand more and urge that future governments continue to balance the operating fund on an annual basis to ensure accountability and transparency; *Winnipeg Sun*, May 20, 2008.

Adrienne Batra, former provincial director of the Canadian Taxpayers Federation, goes on to say: What should be raising alarm bells for Manitobans is the government's desire to abandon mandatory debt

repayment and living within their means. At a time when revenues are at an all-time high, the last thing the Province should be doing is cooking up ways to spend more and add to the debt. There may be required changes to the balanced budget legislation to incorporate GAAP, but there should not be amendments that water down the legislation. It is one of our most important pieces of legislation, and the Province must move forward to strengthen it for current and future generations of taxpayers.

Dan Overall from the Manitoba Chambers of Commerce goes on to say: Why can't we have both systems? Surely it makes sense to have a one-year system for the finances that are directly within the government's control, the current balanced budget legislation, and a four-year system that takes into account the big picture, including those entities over which government has only limited control.

The Business Council of Manitoba stated in their 2000 pre-budget submission: We agree that a four-year rolling average is appropriate when factoring in the performance of Crown corporations and government-reporting entities. We do believe, however, that it is appropriate to keep the provisions of the balanced budget law that require annual compliance on the operating line of government.

I want to thank you for letting me speak tonight. I enjoyed it.

Any questions?

Mr. Vice-Chairperson: Thank you very much, Mr. Dehnn.

Mr. Rick Borotsik (Brandon West): Thank you for your presentation, Mr. Dehnn.

I think you touched on all of the salient points, actually, and I know the Finance Minister was very appreciative when you mentioned the fact that a lot of individuals, including the Auditor General, were calling for a summary budget to be compliant with GAAP. He was excited about that, but when you went on to say that there should also be a core operating budget, he didn't quite mention that.

Mr. Dehnn, you also mentioned in your presentation municipalities at one time. Are you aware that under provincial law actually—it's The Municipal Act—municipalities are required to balance their budget every year? If there's a loss, they're required to then tax the next year to recover that loss.

Do you think that that's a wise thing to ask the municipalities to do, or should we allow them to

have a four-year rolling average and let them spend more money in three years and have them try to make it up in the fourth year?

Mr. Dehnn: Well, it's a big question. From being a private citizen, the way I look at it is that you only have so much money to spend and that's all you have to spend and that's what you should spend within your means. To raise taxes and to spend over your means is being irresponsible, period.

I was in charge of phys ed for a number of years in my program, and if I only had \$3,500 to spend on phys ed equipment and I ordered more, then I was in some serious trouble and had to take out from some other places like textbooks. That was not fair. I learned the hard way, getting in a lot of trouble for that. I don't agree with that. If that's what you have to spend, then that's all you have to spend on that.

Mr. Borotsik: My last question. We've just, not that long ago, gone through an election campaign. Do you recall at any time, did you receive any materials, did you have any advertising from the NDP who had indicated that one of their campaign platform, or planks, was going to be the fact that they were going to repeal the balanced budget legislation?

Mr. Dhenn: No. I never saw that at all.

Mr. Larry Maguire (Arthur-Virden): Thank you very much for your insightful presentation. I'm just going to read this to you. The bill that we have before us, as you well know, is Bill 38, The Balanced Budget, Fiscal Management and Taxpayer Accountability Act. It replaces The Balanced Budget, Debt Repayment and Taxpayer Accountability Act.

I find it an oxymoron that, you know, you're replacing debt repayment with fiscal management, a bit of a contradiction in terms to my way of thinking because debt repayment has always been a part of fiscal management in any business or home in Manitoba. Responsible management would tell you that. So paying interest and making those payments is a credible, you know, you can borrow money within your means, but you still have to make those payments.

Your comment, and I'm well aware of the number, somewhere just over the \$800 million that we're paying in interest. I was impressed by all of the departments that you named that the interest payments are higher than those total budgets for those departments.

Are you aware that in the time it took you to make your presentation, the province paid \$16,000 in interest? That's what that breaks down to and I wonder what you think of that.

Mr. Dehnn: What I think of that? Well, I could spend a lot of money, a lot of rugby uniforms, and new equipment for our club, I'll tell you that much, instead of raising, doing things like bake sales and fundraising through things like bingos and spending extra time doing that, plus buying—in my experience, schools never seem to have enough money for whatever reason, and \$16,000 in the time it took me to speak, in our budget, would increasingly brought more textbooks and a lot more stuff for any school or school division.

Mr. Vice-Chairperson: Mr. Maguire, in about 30 seconds or less.

Mr. Maguire: You could break it down even further to \$1,600 a minute, so there are your uniforms in probably the time it'll take me to ask this question.

You've been very responsible with the presentation and I know that Manitobans want to be accountable. The money that I just talked about, I mean, do you feel that it could be better spent if we continued on a plan of 30 years, whatever the term might be, to reduce the deficit of the Province of Manitoba, or reduce the debt, pardon me, of the Province of Manitoba and use those interest dollars, obviously, on things like more beds in our hospitals, particularly hiring more doctors, more nurses, and the shortages that we have, putting more recreational facilities in place to prevent health problems in the first place by—you know, you're obviously involved in phys ed.

I've always been a big promoter of the fact that we need preventative medicine in Manitoba to help alleviate the future costs that we have in the system as much as we possibly can. Can you comment on whether you think that would be appropriate or not?

Mr. Dehnn: Yes, absolutely. You know, we're spending more money servicing the debt every year by going further and further in debt. That means less money to go in essential services such as like, again, where it hits home for me, especially in schools and school divisions. We're always trying to save a buck and trying to make a buck, either by doing things like fundraising in schools.

* (19:50)

I know, just driving around the province, lucky thing I have a truck. Unfortunately, the gas is expensive, but if I was driving a small car my car would probably be ripped apart because the roads that we're on—if we don't have any money because there's more and more money servicing the debt then it's just not right.

At the end of the day you've got to pay that money back. We have to have a plan to do that. Any financial planner will look at that and say to you, you have to get your house in order; you pay this back; you can't go on irresponsibly spending.

Mr. Vice-Chairperson: Thank you very much for your time with us this evening.

Mr. Dehnn: Thank you. I enjoyed it.

Mr. Vice-Chairperson: Up next, in terms of the out-of-town presenters that we are aware that are here tonight, I have No. 31, Ms. Valerie Chatain-White. Apologies, if I'm not pronouncing that correctly. I'm probably not.

I see you have paper with you. Do you have copies of your presentation for us?

Ms. Valerie Chatain-White (Private Citizen): Yes, I do.

Mr. Vice-Chairperson: Fantastic. Thank you.

Ms. Chatain-White: To all the members of the committee here, I would like to say thank you for being here. Generally, I'm very pleased with the work that each and every one of you does every day on behalf of all Manitobans.

However, when it comes to Bill 38, I've been so disturbed with what I've read in the newspapers that I have put pen to paper, and I'm here today to share my thoughts with you.

Why, after years of balanced budgets, would we even contemplate reversing a sensible fiscal requirement? Is this an attempt to hide a soon-to-be-realized capital loss?

We've seen, in recent years, the government has accessed funds, such as the Manitoba Hydro rainy day fund, for reasons that, quite frankly, seem to me merely balancing the budget. If the budget was never really balanced, whereby it required accessing other specific surpluses, I truly fear what we're going to see if the balanced budget requirement is lifted.

Operating budgets must balance. We must know where our province stands in real numbers, not in deficit numbers.

We live in a time where capital markets have just barely resurfaced from U.S. sub-prime mortgage scandals. We know that it is not only U.S. citizens that live on credit. More and more evidence surfaces daily that Canadians are no longer a nation of savers, but a nation living on credit.

I see it every day in my financial practice. It is not limited to the very young; it plagues all Canadians. I see Manitobans in their 40s, 50s and 60s, pondering retirement with substantial debt loads, who think nothing of continuing debt financing during their retirement years.

If Manitoba opts for a system where the summary budget need balance only every four years, we will never truly know where we stand. It is sound financial management to take stock of income and expenses every year.

I'd like to ask you to ponder a question, and don't answer this, please. Just think about it. Each and every one of you in this entire room, including the people behind me, think about your personal credit cards.

Do you determine what you're going to pay, based on your rolling average of the last four years of what's been on your credit card? Don't answer that; it could be embarrassing for some of you. Not everyone out there has a zero-balance credit card. I think we need to take these topics to a level that the average Manitoban will truly understand, and I have more examples coming on that.

Just because some Manitobans don't fully understand the basics of finance and the necessity of budgeting does not mean that our government, which is mandated to take care of all Manitobans, should blindly augment debt financing. If we know that the current national average per capita allocated annually to debt repayment is in the range of \$1,143 per person, what will it increase to, once we factor in Manitoba debt? What will it be for our future generations?

Manitoba has much to offer, or I would have moved away a very long time ago. There were many offers I turned down. It has come a long way in fiscal responsibility, but it's definitely not what I would class as a super have province.

Our population faces many challenges on many fronts—educational, agricultural, timely medical accessibility, to mention but a few. We do have some valuable resources that, fortunately, are extremely coveted, such as water, pulp, minerals and even pockets of oil.

I urge you to be good stewards of all resources for all Manitobans now and into the future. If we owe future generations an ecologically inhabitable province, we also owe them a proper balance sheet.

GAAP is intended to provide clarity and transparency. How are we to have clarity and transparency when the summary budget will only be done every four years? Forecasting budgets don't obliterate the need for annual balanced operating budgets. Governments have an obligation to live within their means, the same as the rest of us. This means that there must be tough decisions taken on occasion. Governments cannot and should not simply create paper money where none exists. This can only lead to serious future shortfalls.

At what point will taxes need to be increased to cover shortfalls? At what point are we going to see cuts in social services? Abolition of the 1995 balanced budget law is not the answer to our future prosperity. I urge each and every one of you at this table to reconsider this. As an individual Manitoban, I vote against this proposed Bill 38 as it stands.

I have gone and looked specifically at two sections that really disturb me, and I would like to leave you with thoughts of reworking section 3(1), which is the balance at the end of the fiscal year because, quite frankly, when I read that, it looks to me like we're creating a rolling four. Well, if you don't do a rolling four on your household budget or your credit cards, why would you do it with the province?

The other area that I find deeply disturbing because it will be hugely misunderstood by the public at large is this debt retirement fund. That sounds to me, I'm sad to say, like a good catch phrase to rename a lot of the debt issues. I do not believe the average Manitoban will have a grasp on that. I do urge you to debate those two areas, in particular, going forward. Thank you for your time.

Mr. Blaine Pedersen (Carman): Thank you, Ms. Chatain-White. Hopefully, I've pronounced it correctly. Obviously, you have a very good understanding of accounting. When you look at rolling four averages and your concern about the

debt retirement fund and economic forecasts that are out there, do you have any doubt that we're headed into debt financing in the next few years? I'm not trying to lead you on in an answer, but do you think this is headed towards debt financing the way this bill is being presented?

Ms. Chatain-White: Yes, it would be simply because if you never have a clear—

Mr. Vice-Chairperson: Sorry, just a moment. For the purposes of *Hansard* who will be recording everything we say tonight, I just need to recognize each person who speaks. How do you pronounce your last name properly? Is it Chatain-White? Okay, thank you.

Ms. Chatain-White: Where was I? I believe I was saying that, yes, in fact, I do have some serious concerns about where we're going forward. You don't have to look too far back in our Manitoba history to know that there were some very critical areas, such as the Manitoba Superannuation Fund, that were in serious, serious trouble.

Now my belief is that that is currently being addressed and there's been a lot of progress made. However, if all of these funds and surpluses from the various accounting departments end up on some interesting rolling four average, how are we really going to have an accurate balance at the end of the day? When I took basic math in school, one plus one equals two. It's not a matter of five minus four equals whatever you think it was the last five years. I believe there were some major accounting scandals in the past because of errors of that type. So creativity on this area, I think, is very dangerous.

I have no doubt that balancing a government budget is a huge endeavour. There are multiple areas to be considered. Hats off to everybody in this room who worked so diligently on these tasks, but I do want to urge you to make it more transparent because wrapping it up won't do it.

* (20:00)

Mrs. Mavis Taillieu (Morris): Thanks, Valerie. I'm sorry I missed part of that. I was just in the other committee room and I sat here specifically to listen to your presentation, so sorry about that.

I know that you have done a wonderful job because I know that you are intricately involved in the financial community, and you understand that very, very well, probably more so than most people around this table. In that regard, I think I would

almost want to call you an expert in this area. We need to listen to more people like you who bring these very valid points forward.

Give us an indication of what would happen if we look at the balance—the budget now, and rolling it for four years into the future and interest rates go up 5 percent.

Ms. Chatain-White: I did leave my financial calculator in my car, however, I would suggest that if we're already quoting daily interest figures of debt repayment such as we heard from the previous speaker's presentation, and you now compound that with rising inflation as well as interest rates, we could be in some serious trouble. My fear with the rolling of anything without specific balances is the fact that you will not know until it's far too late whether or not you've actually compounded your deficit to a point where you will have to increase taxes, and I don't think anybody in this room wants to increase taxes.

Mr. Peter Dyck (Pembina): Thank you very much for your presentation. Certainly, I appreciated your putting it down into a language that, I think, most of us can understand when you gave the example of your credit card. Certainly a very valid point. But I want to just ask you the question, when you look at this in respect to government—I mean, obviously, they're dealing with totally different dollars than we are as individuals, but what would you suggest—and you know, there are circumstances that do arise. For instance, in the home you could have a vehicle that had a motor go out of it and so you'd need to get extra dollars in order to finance that motor. Provincially, of course, there are other extreme conditions out there, so what would you suggest that they do in order to be able to meet the requirements without going into debt?

Ms. Chatain-White: Thank you. I think to answer that I'm going to call upon the present tour that our Premier (Mr. Doer) is on. If you think of the number of immigrants that this province welcomes every year, and if you think of the challenges that these people have adopting to our culture, a great many of the immigrants I've met come from countries where democracy is absolutely valuable. They cherish that. There's a huge learning curve for newcomers to Canada on how our systems operate, on how their own personal households will operate on what's acceptable, what isn't. My big concern here is that we're not sharing the information in a manner which a large percentage of our population will not

understand. We need to be able to give concrete examples and not simply wrap existing debt with a new name, and it becomes a cloak and dagger issue. We need to be clearer about what it is if we're going to ask Manitobans to take a stand one way or another. I have some very serious concerns with some of these things.

Mr. Vice-Chairperson: Thank you very much for your presentation before the committee tonight.

Up next, we call Mr. Greg McIvor.

Good evening, sir.

Mr. Greg McIvor (Private Citizen): Good evening.

Mr. Vice-Chairperson: You may begin your presentation when you're ready.

Mr. McIvor: Okay. I was just sitting listening to some of the presentations. I'm not going to go into all the, you know, preamble about, 1995, the Conservatives introduced this and that. But I think, more importantly, as a First Nation member coming to this House to talk about accountability, I mean, I think it was important enough to do.

We First Nations people are accountable more than anybody else. Our communities operate on an 8 percent deficit financing. If our budgets exceed 8 percent of our—or our spending exceeds 8 percent of our budgets, then we're in third-party management. I think what is being suggested here, by not having proper controls year to year, and have—like the young lady said about rolling fours in terms of financing, I mean, you're going to end up in a whole whack of problems. One of the things that'll be missing, like the young lady said earlier, is that these resources that we take for granted here in Manitoba, like mining and logging, hydro development, electricity, tourism, those things need to be monitored so that our communities can look at what the benefits are for them and where the growth is going to be from year to year. We need to manage our resources, which means we need to manage our money as well.

I think it's important that as Manitobans we know from year to year what's going to happen. I mean, I've worked in a lot of Aboriginal organizations, both outside of the city of Winnipeg, inside the city of Winnipeg, non-profit organizations that when we come to government, they say, well, we can't commit beyond one year, so now you're telling us, well, you know what? We don't want to commit to one year. We want to be able to do this stuff on a rolling basis for four years, balance

everything at the end and say, well, all those concerns you had three years ago were not valid because this four-year budget shows that we're on target.

I'll give you an example. I mean, you look at that Hydro tower downtown. It was supposed to open in 2006. It's already approaching 2008. The CEO says it's not going to open until December this year, and they've expended hundreds of millions of dollars on that thing. It was estimated at \$167 million. Mrs. Rowat was out there last November saying that it's already at \$278 million.

So how do you allow a Crown corporation to do that type of project management and not be accountable here? Where's our money going to? Could you imagine what the Canadian Human Rights Museum is going to look like if they took that kind of approach? I mean, they've got a fixed budget of \$250 million and they've got to build it on time. They can't roll it over for another four years and hope the numbers are still going to be \$250 million at the end.

Coming from a community where we do on average 330 reports annually in any given community just to ensure that we are accountable, that we are transparent and that we are spending the money that, you know, the taxpayers of this province give us as well as Canadian taxpayers, I just find that this proposal is ludicrous. How can you expect one group of people to report 330 times a year just to know where your money is going, and then you guys don't want to report at all? I mean, how does that make sense? You can't have it both ways.

So I think that when you look at all the accounting principles, I'm not an accountant by any stretch, but, you know, I've got to manage my household income, my budgets, my travel, my spending, I mean, I can't just tell the landlord, well, look, you'll get your rent at the end of four years. I mean, they want it every month, and they want to know that at the end of the year that I'm paid up to date, otherwise out the door you go. We don't have time for you. We don't need you.

So I think that this legislation should be considered a little bit more seriously than that, because what kind of message are you sending to the people that struggle every day just to make the basic income levels in this province. You know, we have a lot of activity, a lot of positive activity happening in this province in terms of development, whether it's hydro development or mining, and we have a lot of people that need to be assured that what they're doing

and what they're trying to do to improve their conditions in their community is being taken seriously, so they continue to do those 330 reports a year so that they can access more dollars to meet their needs.

Mr. Chairperson in the Chair

I was hoping to try and put something in writing so that I could get it to you guys to look at, but I wanted to do the oral presentation because I think it's important that as one of the major taxpayers—because, you know, our resources are being used to finance this province, and you look at the equity in that, I mean, we're not getting the type of equity and fairness and treatment that First Nations should be given in terms of resource revenue sharing. So we depend on what's happening here so that we can improve the lives of our families and the future of our children just as well, because we're living in communities where we've got 95 percent unemployment. We're dependent on fiscal contributions from both levels of government, and there is no hope, there is no future for a lot of these communities because of where they're situated. I think the message has to be clear that if we have to follow the accounting principles and the reporting requirements and the transparency and the accountability, well, then, this government should do the same thing.

Brief as that was, thank you very much.

* (20:10)

Mr. Chairperson: Thank you, Mr. McIvor, for your presentation. We're out of time for questions. [*interjection*] No? I'm sorry. I was asleep at the switch. He's finished his presentation now. We'll start questions.

Mr. Borotsik: Mr. Chairman, obviously, you came in sort of mid-speech there, didn't you? Thank you.

Mr. McIvor, thank you. Thank you, thank you so very much for that very common sense approach to this whole issue. I can't tell you how happy I am to have you here making a presentation.

You made a comment that really piqued my interest. You had talked about some of the programs or some of the funding that you were receiving from, I assume, the provincial government, and you said that their comment was at that time: We can't commit beyond one year. And that happens quite frequently when you're looking at program funding. Maybe you could just expand a little bit on that, okay? I mean,

why do we expect this government to do a four-year rolling average in their budgeting when they can't commit to you for one year? How do your programs operate if you can't have long-term—and I know they don't. I know that the commitment that they make to you is a one-year period. Why should they only allow you one year and why should they be allowed to have a four-year rolling average to try to make it up in the fourth year?

Mr. McIvor: One example I'll use is, in 1996, '97, '98, I ran a summer youth program up in northern Manitoban where we partnered with the RCMP, we partnered with Calm Air. You know, we had all the appropriate partners and links. What we were looking for from government was commitment. We got an annual commitment. We got commitments in various other programs that operate today with housing, CFS, various health programs that are only committed to one year. The reason they can't commit is because their fiscal policies dictate that they can only go from April 1 one year to March 31 of the next year. Beyond that there's no commitments, so for us, what it does, it creates a situation irregardless of the fact that the RCMP can vouch for us and give us letters from D Division, saying, that's a great program; it reduces vandalism, crime, youth violence and acts of violence in these communities that you attend by up to 60 percent while during that period you were there. I mean, that's one of the biggest costs to this community is justice issues and health issues. Planning proactive strategies around some of the issues that we're dealing with on a daily basis I think needs to be given some consideration for long-term development as well.

Mr. Cliff Cullen (Turtle Mountain): Thank you, Mr. McIvor, for your presentation. Certainly bring a different element and perception to this. The point that I find interesting is, you know, First Nations communities are being asked to be more accountable and they're being asked by different levels of government to be more accountable. My view is here, and I want to get your view on this, that this particular legislation takes a step backwards in terms of accountability. I know our previous presenter also mentioned that same concept, so would you share the vision that this particular legislation actually makes the government less accountable to Manitobans?

Mr. McIvor: Yes, I believe that enacting this type of legislation allows for, for a lack of a better term, a lot of shell games to happen because if your Crown corporations aren't providing full accounting on their

expenses and revenues or income, I mean, how do you make decisions to plan for the future?

I was listening to David Keam, the mattress expert, in the other room there just now. He used the suggestion that you've got to be able to plan for down the road, but you can't do that if you don't know where you are today.

By mixing those and not having the appropriate practices in place or procedures in place to be able to do any kind of proper planning, then you're going to forfeit a lot of the benefits that should be accrued to Manitobans.

Mr. Maguire: Mr. Chair, I just had a quick question. I'm doing some calculations here.

In the next room, Mr. Keam might be able to provide people with a soft landing on a firm base, but my previous question to the previous speaker was what he thought we should be doing or could be doing with the—I pointed out to him that the interest payment on the debt which he indicated Manitoba is paying is \$809 million a year in interest payments.

I pointed out to him that that was something like \$1,600 per minute—\$16,000, while he or you had made the 10-minute presentation here in this Legislature tonight. I thank you for coming forward to do that. When you break it down even further, that's for 365 days of the year, 24 hours in a day.

If you look at the amount of work hours that we have, which are just under 2,100 in a 40-hour week, the actual interest payment per minute on a working day in Manitoba is \$6,480, just about \$6,500.

I'm assuming, from your comments, you would find it unacceptable to do that, that the change in legislation here does not provide as much accountability as what is in the present legislation. We could be doing an awful lot more with that \$6,500.

Mr. McIvor: Mr. Chair, for sure. I think that there's a lot of opportunity here to look at how you could better utilize the resources, if we had the proper accounting in place and we were using the proper accounting methods.

We have a responsibility, as organizations or individuals that receive government funds, to use generally accepted accounting principles. Because a lot of us don't have that, we hire the experts who provide that type of service; that's how we do our accounting.

Through the accounting process, if you have an issue with looking at how you have to manage an organization or a business, there are opportunities to look at various accounts that can be included in a balance sheet or an income statement, where you can defer revenue or you could defer expense, whether it's research and development or whether it's pilot projects—which is a catch phrase around here; everybody likes to use that because then you don't make commitments to it.

There are opportunities where we can maximize the resources which we have and the way we calculate that, so we can either pay it down faster, or accelerate the payments on it, and maximize the return on it. There are ways of doing that; it means having all the information available at the end of each year, so that you can plan for the next four.

Mr. Maguire: Your comment as to whether I've used a credible analogy or not as well—the reason I use it is because we don't earn income when we're sleeping. We have to earn income to pay taxes, to pay down the debt of the province. That's why I've used a 2,080-hour work year per person that's working. I haven't even broken that down per person in the province. That's just what the debt of the province is per minute.

I wonder if you think that's something that's credible, in relation to trying to point out to people how severe the situation is that we're in.

* (20:20)

Mr. McIvor: Maybe, without going into all the details on the numbers and the fixed hours required for a 52 work week and those types of things.

In 2006, during the Canadian census that was being done, this government paid for a lot of advertising to convince a lot of us Aboriginal people to participate in the census. As a result of that, this government received an additional \$1 billion for their coffers.

So, you know, with that kind of an influx, where did that go? Where has that billion dollars gone to? If we were balancing our budgets prior to that and all of a sudden we get a billion dollars and we owe 806 million bucks, I mean there's a little bit of flexibility there I think to pay off some of that and still have some in the bank if you look at the accounting.

Mr. Chairperson: Thank you, Mr. McIvor, and I apologize once again for almost cutting you off. *[interjection]* Our time is finished, yes. I gave him

an extra five minutes. Thank you for your presentation.

The next name on our list to call is Henry Enns. Henry Enns. Henry Enns's name is dropped to the bottom of the list.

Wayne Benson. Wayne Benson, do you have a written presentation?

Mr. Wayne Benson (Private Citizen): Oral.

Mr. Chairperson: That's fine, please proceed.

Mr. Benson: I've written it for myself. I hope that's okay.

Good evening. My name is, as you have said, Wayne Benson. I believe legally I might be described as a businessman in Winnipeg, Manitoba. More importantly though I am a taxpaying citizen, homeowner and I believe a member in good standing of this fine community in which we all live and we call Manitoba.

Each and every day I'm becoming more and more troubled and confused by legislation being tabled and the direction our provincial government is taking. I'm not alone in my thoughts. Countless numbers of my friends and colleagues are sharing their increasing frustration with the political process these days which in so many cases seems to continually distance itself from the day to day reality in which we live and breathe.

Until today, I've never stood before a committee of our provincial government to express my concerns and beg for your consideration to issues which I consider extremely important. Bill 38, for me, was one where the straw proverbially broke the camel's back. It will be impossible for me to know what exactly runs through the minds of people like our Premier, our Finance Minister or any other member of the Legislative Assembly who draft and promote legislation like Bill 38.

Forgive me if I seem confused, but in reading Bill 38 in its entirety, and I did, really makes we wonder just what the heck is going on, so I read it again. I'm still perplexed and confused. Would it not be possible to draft legislation that somebody could actually understand? If I could actually understand it perhaps then and only then might some of my comments be held back.

As a partner in a small household my wife and I have to balance our books month to month and year to year. We do not have the luxury of going to the

people and raise taxes. We do not have Crown corporations from which to extract cash infusions, and we do not have any exemption which would allow us to forgo deficits until the following year. We have to balance our sources of revenues and expenses on a regular basis. I certainly think it is within reason to expect our government to live by a similar standard as those who abide under their rule.

As a partner in a small business, my business partner and I have to balance our books each and every year. Failure to do so and we must dig into the pockets of our respective households, which in itself causes budgetary problems on the former front. Not unlike a government, we provide employment to individuals, pay our share of legislated taxes and endeavour to have an income stream that exceeds our expenses. However, unlike government, running a deficit for a small business is totally unacceptable. I certainly think it appropriate for the business of government to aspire to manage their affairs no differently.

Crown corporations must be considered separate and apart from any government accounting summary. The NDP government has, time and time again, used incomes from Crown corporations. Lotteries, a form of voluntary taxation, which I oppose in principle on the principle of gambling, is slightly different from, say, hydro which we require in our households and our businesses. MPI, which we require without options in our households and businesses, as well, or the Manitoba Liquor Commission, which is arguably voluntary in nature, should not be expected to support the mismanagement of our political leaders.

I do not have a choice when it comes to hydro or MPI, so for those two entities specifically, I have a serious problem with their excesses potentially going towards balancing our provincial budget. Their costs must be kept to a minimum.

Debt servicing has become so exaggerated and verbose that it exceeds the comprehension of most people. With revenues at all-time highs, we should be paying down our debt, not allowing it to continually escalate. There should be absolutely no way, no way in this world, that we are running a deficit here in Manitoba. Let's get rid of our debt. At last report it was what, \$20 billion? I checked and I heard earlier the debt-servicing cost per Manitoban was in excess of \$1,100 a year. This is totally unacceptable. We need to get rid of our debt now.

It is my understanding that Bill 38 will defer balanced budget legislation to a period of four years. Why not every year like any other business? I smell something fishy here. Earlier balanced budget legislation, the one from the 1990s, I believe was passed to ensure that the Province lived within its means. Why are we changing good legislation?

The new legislation proposes that the requirement to balance the operations budget be removed. Why? Further, there's the play with words. Bill 38 only requires the Province to balance the summary budget. Operations budget is a term most citizens might understand, but summary budget is a new one on me and I'm sure many others as well. My research suggests that the summary budget includes all government departments plus government-related operations like Crowns. Again, I smell something fishy going on.

Do I read the new legislation correctly when I understand it to be that the Province may use Crown corporations' net income, in part, to balance the books? Let them, please, be separate entities and balance their own books, and let the Province balance its books just like my household, my business and the Crowns as well.

Why would we not pay down our accumulated debt each and every year? The legislation proposes once every five years. Again, I'm a little confused.

The pension liability issue also causes me some concern. Perhaps government should consider revamping the whole pension structure in order that there are not pension liabilities in the future. I believe this is called defined contributions versus the defined benefit plans which seem to be creating a lot of havoc for institutions and governments today. Perhaps the pensions of governments are just a little bit too rich at the expense of, you guessed it, the taxpayer. It's no wonder we're not balancing the books.

My final comments are these. We have balanced budget legislation in place. Why change it? If businesses and individuals must balance their own accounts each year, why not government?

Finally, my foremost concern, I have a serious issue with the use of, or the perceived use of, Crown corporation revenues, some of them where use is mandatory or monopoly, that that be used to create the image of balance. In the interest of good government, please reconsider Bill 38. Thank you.

* (20:30)

Mrs. Taillieu: Thank you, Mr. Benson, for your presentation. The points you make emphasize the points we've heard from many presenters.

I'm just curious, I was thinking to myself, what if we as citizens said we'd pay our taxes only once every four years, and then what would happen at the end of four years if we didn't have the money? I wonder what the government would say to that. But that's not my question. It was just something I was thinking about.

You made a point about how wording can be very confusing in the legislation. I concur with you because as you comb through it, you find many phrases that can be interpreted in many different ways, and you're not even quite sure if you are interpreting it correctly. I'd just like to ask you if you would recommend that perhaps more consultation be done on this bill and, perhaps, encourage the government to make amendments and accept amendments from all parties?

Mr. Benson: I definitely think there should be more consultation. I think as this process seems to go on more and more people are hearing about and understanding the legislation. Back to your original question about paying taxes every four years: I'd like to pay mine every four years. I'm not sure if everybody in our society would have the fortitude or the discipline, yes, to manage their household for four years down the road. I think that's asking for trouble. I think let's deal with it on a year to year. I think the previous presenter talked about government funding for certain things being done on an annual basis. I think that the accounts should be balanced that way, as well.

Mr. Pedersen: Thank you for your presentation, Mr. Benson. It's certainly good to hear a down-to-earth presentation. I noticed when you mentioned \$20-billion debt in Manitoba, the Finance Minister has some issues with that. As I understand it, and I can be corrected if I'm wrong, but Manitoba Hydro's debt is currently about \$8 billion and that's included in this \$20 billion. *[interjection]* Okay. But this \$8 billion, if we just concentrate on \$8 billion, which is more money than you and I could ever imagine, who's responsible? Who do you feel is responsible for that debt?

We say it's Manitoba Hydro debt, but ultimately who is responsible for that debt? Customers?

Mr. Benson: I'm probably not the one to answer that question, but off the top of my head, as a consumer

and user of hydro, ultimately I think I'm going to be the one to pay it. Whether I'm responsible for it or not, that's a different issue.

Mr. Cullen: Thank you very much for your presentation, Mr. Benson. Very few Manitobans actually take the time to read proposed legislation, so I certainly want to applaud you for your efforts. It is quite a piece of work, this legislation, and it is tough to get our heads around it. Quite often what we see from this government is they bring forward legislation with a nice fancy title so that they give the perception to the public that they're actually doing something positive. When you get down and you get into the nitty-gritty of a lot of this legislation, and this one in particular, there's a lot of bad things going on here. We do have existing balanced budget legislation. Basically what this bill does, it actually repeals that. It takes it away and starts over.

Interestingly enough, they've got a new title on this one. It's The Balanced Budget, Fiscal Management and Taxpayer Accountability Act. Well, that sounds good but, I'm assuming, unless you've kind of got your head around what's going on here, you wouldn't agree with the title on this particular piece of legislation.

Mr. Benson: No, I probably wouldn't, and I think the 10 or 12 pages that I printed off-line of the legislation, I think it could be summed up in one page or less. I think it's something like that that would get more interest from the public at large. I don't think a lot of people would like to sit and read 12 pages that say what could and should be said in less than a page.

Mr. Chairperson: Mr. Borotsik, with a short question.

Mr. Borotsik: Thank you.

The very opening comment of your presentation, you said you were perplexed. Well, I could assure you on this side, and probably on that side too, we are also perplexed. The Finance Minister has done a reasonable job over the last numbers of years because of the economy, because of increased transfer and equalization payments from the federal government, but it's been a reasonable job. He takes great pride in saying that he's balanced his budget for the last nine years based on the 1995 balanced budget legislation.

Well, if I were doing it or you were doing it, and you were being able to comply with that legislation over the number of years, I would probably leave it

in place. Why do you think he wants to take that legislation out that he's been working with over the last nine years successfully and replace it with something else at this time?

Mr. Benson: Forgive me, Mr. Selinger, for what I'm going to say. I don't know what is going on in your mind. I can't answer that question, but when I read the legislation it just sounds fishy to me. I'm sorry.

I'm sure, like previous presenters have said, I know that everybody's sitting around here trying their best to do a good job for the province, but—

Mr. Chairperson: Mr. Selinger.

Hon. Greg Selinger (Minister of Finance): I'd just like to thank you, Mr. Benson, for your presentation tonight.

There was a report that was done by Deloitte which explains the recommendations that formed the basis for the legislation. I'm going to ask one of my staff to provide it to so you can have the background you're looking for, why we got to the point where we arrived today.

Mr. Chairperson: Thank you for your presentation.

The next presenter is David G. Newman, Q.C., private citizen.

Mr. Newman, welcome back. Do you have a written presentation?

Mr. David G. Newman (Private Citizen): I do not have a written presentation. I wanted to make this an original and you'd know it's all mine.

I want to give a bit of background, if I may, first. I'm a father of three children in their thirties. I'm a grandfather of two grandchildren. I was on the board of the Canadian Chambers of Commerce back in '88, '89, and '89-90, and I was president of the Manitoba Chambers of Commerce in '89-90. When I was on the Canadian Chamber board, I was witness to and privy to and a participant in many discussions that took place during those years about the threat of our lack of balanced budgets and the accumulated debts and the interest charges that were becoming unacceptable to any moral person when it came to the impact on future generations.

We were spending beyond our means. We were abominable stewards of our economic environment at the time. In 1995, I read this document, a 1995 budget document that set out the balanced budget legislation and included in that was a debt eradication plan. I was so inspired and moved by this

discipline of a government thinking generations ahead that I actually, on a Sunday afternoon, announced to my wife that I was seriously considering getting involved to show my support for this kind of approach to governing.

*(20:40)

The approach that I envisaged, this was just the beginning. This was a multigenerational approach to governance, real stewardship, and once you do it here, the easiest piece of it, you do it for the environment and then you do it for social issues. I was part of a government for the period I was there, '95 to October '99, where we were jointly and severally trying to pursue that objective. I had really done my service as a citizen by being part of a majority government that passed this despite the opposition from the NDP right off in 1995, but then we pursued the environmental agenda with The Sustainable Development Act, and we were doing the same thing to the Children and Youth Secretariat for social issues.

I couldn't have been prouder to be a Manitoban in those days because I felt that we were administering our jobs in those particular areas of governance responsibly, with sensitivity to the long-term needs of Manitobans, and I would go further, with morality.

When I was a legislator, I was very proud to be one, as all of you are and should be. I'm speaking to my MLA today as much as to everybody else because Christine Melnick is my MLA for Riel, and she's accountable to me and everybody else in our area. Greg Selinger's responsible to everybody in the province for what he does with that, and you're responsible, when you're in opposition, for everybody in the province as well as your own constituents. For those MLAs from the NDP party who are here, you, as individuals, can influence what your decision makers in Cabinet decide to do, whether you do it in caucus or otherwise.

I'm urging you to really reconsider what you're doing here. I quote from Václav Havel in a June 8, 1995 speech at Harvard University, which epitomized what I think MLAs stand for, when he said: "The main task of the present generation of politicians is . . . to assume their share of responsibility for the long-range prospects of our world and thus to set an example for the public in whose sight they work. Their responsibility is to think ahead boldly, not to fear the disfavor of the

crowd, to imbue their actions with a spiritual dimension."

I say to you, think about that. You're in a position, and a position of responsibility, to do things in a spiritual context to influence the world in a positive way when we have, increasingly, a collective consciousness which is influencing important matters in this world; to explain again and again, both to the public and to their colleagues, that politics must do far more than reflect the interests of particular groups or lobbies. After all, politics is a matter of serving the community, which means that it is morality in practice.

So what's immoral about this? I'm saying it does a disservice to future generations and to every ordinary citizen of Manitoba who is now going to have a government that no longer has the discipline in terms of fiscal management—I'm not talking accounting, Mr. Minister—fiscal management, and I urge you, all of you, to read in detail the brief of the Manitoba Chambers of Commerce which I understand has already been presented.

If Mr. Selinger responds in a glib way to Mr. Benson, then I'm going to send you a copy of the Deloitte & Touche report. Well, I can tell you, you read the Manitoba Chambers of Commerce report—Mr. Benson and everybody else should—because it answers what Mr. Selinger said had the answers. The Deloitte & Touche report doesn't have the answers. It raises the problem. The Auditor General's report which is, I would say, the surface defence to this government, justification for this legislation, also does not say, remove the fiscal management discipline.

So, how are you going to have the fiscal management discipline that I was part of when I was in government, thanks to this? Because, in those days, every deputy minister was under the gun to follow this and was liable if they didn't. Treasury Board was responsible to make sure that this was adhered to. There was a culture of discipline, a culture that I became exposed to after giving a speech about the Law Reform Commission and its 25 years of excellent service, and I come in to a caucus and a Cabinet and find out the Treasury Board has eliminated support for the Law Reform Commission. I might say the NDP had done it before and it had been then restored.

So that discipline meant those kinds of things happen. But the important morality to it was that discipline, for the sake of future generations, was

more important. Yes, a few mistakes were made here and there, but the overall morality was those mistakes can be fixed. But what you can't fix is a lack of discipline amongst your civil service and your Treasury Board. Manitoba Chambers' brief speaks to this with excellence and with a very careful analysis of the Auditor General's report and a careful analysis of the Deloitte Touche report, and, Mr. Chair—through Mr. Chair to the minister—please, give that conscientious attention, because what it is saying is, yeah, for accountants and people that want a uniform kind of generally accepted accounting principle treatment by a province, so you'd join four other provinces in the country, well, that's fine, but it does nothing for fiscal responsibility, fiscal management and year-to-year reporting.

I submit you should preserve the balanced budget legislation and its discipline and its rules and add to it this new generally accepted accounting principle approach. Have two parallel systems. Then everyone's a winner.

I see you smiling, Mr. Minister. I see you smiling, a small price to pay for discipline and for accountability. My time is up, so I would conclude on that basis, and I endorse, 100 percent, the recommendations of the Manitoba Chambers of Commerce in their brief which you have.

Mr. Chairperson: Thank you, Mr. Newman.

Mr. Borotsik, then Mr. Maguire.

Point of Order

Mr. Chairperson: Mr. Maguire, on a point of order.

Mr. Maguire: You know, we have an individual here before us tonight that I would say—as have some other previous members of the Legislature, not only from the Progressive Conservative Party but also from the New Democratic Party—has come before us with an expertise that we don't value, or we don't gain the value of, often enough at this table.

I sense that Mr. Newman may still have other comments that he'd like to put on the table, and I was wondering, if that was the case, if the committee would give some leave, not open-ended leave, but some leave to have him finish his presentation.

Mr. Chairperson: Well, it's not a point of order.

* * *

Mr. Chairperson: But it sounds like the member is asking for leave to extend the time. Did you have a particular amount of time in mind?

Mr. Maguire: Well, perhaps, four or five minutes, Mr. Chair, something like that. I was looking at the opportunity of having a former director of the Canadian Chamber of Commerce, past president of the Manitoba Chambers of Commerce, giving us some feel for—and I know he's still very involved with the policy development there. It's another area from his normal workday. Basically he volunteers in that area of helping Manitoba still. I'm aware of that from being at some Chamber of Commerce meetings in the past.

Mr. Chairperson: I hear your arguments.

Mr. Maguire: There may be an opportunity for him to enlighten us more on where they're at. Thank you.

Mr. Chairperson: Is there leave of the committee to extend the time for the presenter by five minutes?

Mr. Selinger: I've watched the Chair in action for the last three nights now, and I've found that he has given flexibility on questions up to five minutes without having to have a specific motion to do that.

I think we should continue to have confidence in the Chair, and the faster we get over this conversation, the more time we can have to ask questions to the member in front of us tonight.

Mr. Chairperson: I appreciate the comments, but we need to put the question: Is there leave to extend the time, yes or no?

Some Honourable Members: Leave.

Mr. Chairperson: I didn't hear any nos, so we'll give you another five minutes, Mr. Newman.

*(20:50)

Hon. Nancy Allan (Minister of Labour and Immigration): I noticed during the presenter's presentation that he referred several times to the Chambers of Commerce's presentation that they have already made, and he is supporting their presentation.

I would ask the presenter to take, perhaps three or four minutes, to update us on what he might have left to say in regard to his presentation this evening.

Mr. Chairperson: Please proceed, Mr. Newman.

Mr. Newman: The main thrust of the Manitoba Chamber's brief, which I certainly endorse, is the thrust for the fiscal management aspect of the current balanced budget legislation being perpetuated, have it survive the bill. That is the first and major recommendation that the Chamber has made.

What have they relied on in the Deloitte report and in the Auditor General's position? With respect to the Deloitte report, in their brief, they have recommendation No. 7 of Deloitte's which states: There should continue to be accountability of the government for the spending of revenues directly within its control, which is the operating budget. Therefore, it would be desirable for the government's annual financial management strategy to establish targets for spending, through the Legislature's approved Estimates. The government's post-year and annual report should then contain a specific comparison to the actual revenues and expenses incurred during the fiscal year, with the departmental Estimates included in that year's budget, this comparison to be outside the audited GAAP, generally accepted accounting principles, financial statements, as it is a non-GAAP measure. The government should retain the Fiscal Stabilization Fund in concept and in practice to enable transfers to and from this fund, to be available as permitted under the current balanced budget legislation to balance the operating fund revenues and expenses.

Deloitte's have made that recommendation, so it's not a great stretch to preserve the discipline that goes with the balanced budget legislation in addition to that. You have the reporting; if you're intending to do the reporting, then have the discipline.

The other main point which the Chambers advocate, besides the parallel systems, is that an independent committee should be appointed to monitor the transition and make recommendations for improvements. This was to appoint some form of committee to gauge and evaluate the new system against the measures of transparency, accountability, consistency and simplicity.

This is particularly so of a four-year BBL system, as included, for this would be untested ground in terms of its workability from both a public and government point of view. They suggest that Ontario's Economic Forecast Council might be a useful model. I suggest she should look at best practices in this respect from other jurisdictions as well. The committee would then report to the Finance Minister and the public in relation to the transparency, accountability, consistency and simplicity of the new system.

The Chamber does make the point that, if Manitobans, in this case the elected leadership of Manitobans, do not get this issue right now, it is our future generations that will pay. The Chamber

concludes as saying, the greatest mistake we could make is to be lulled into believing we must pick either GAAP, generally accepted accounting principles, or the current balanced budget legislation, or blur the distinctions between the two. We should focus on preserving both, as together they can provide the optimal level of fiscal accounting and fiscal management Manitobans need and deserve.

To not do so is going to make it extremely difficult for the Premier's office or the Minister of Finance (Mr. Selinger) or any other office in government to manage in a fiscal, responsible way the entire civil service as is necessary. This is why you have a principle with a backup discipline which should be perpetuated so that it becomes part of the system. It's not something that someone just says you do, legislation says you do it, and that's why this is so important.

So, that's the conclusion to my submission.

Mr. Chairperson: Thank you, Mr. Newman.

Mr. Maguire: Mr. Newman, I appreciate your comments and your experience, and I appreciate your indulgence with my request that you provide us with some more of that information because some of it was of a national nature as well and we should be looking at other jurisdictions.

The government has brought forward about 40 bills. We're sitting here tonight debating Bill 38. It's one bill by itself. It could normally be a stand-alone type of bill. I know from looking at the agenda in the other room that's carrying on tonight, there's a Bill 37 over there which we call is a bill to limit the ability of the opposition to inform the public about activities in the Legislature. Bill 38, basically legalizes deficit spending. I guess I'm asking you if you think that it's a coincidence that these two bills are coming forward at the same time in the first term of a new mandate of this government or do you believe, as I do, that they are very strategically placed and a decision by the Premier to entrench his government?

Mr. Newman: Having spoken to both bills this evening and knowing that many other Manitobans have lined up to make presentations on these bills, it's very clear that they're important bills. The government that I was part of and the party I belonged to in 1995 saw that this was such an important bill they actually put it into the budget in 1995, and they said if you want balanced budget legislation you elect us, and here's exactly what we're going to do. They got elected with a majority

government and they did it. That's transparency, so I just offer that as an option to the way this government is doing it. You draw your own conclusions.

Mr. Borotsik: I really appreciated your presentation, Mr. Newman. Having lived through the original balanced budget legislation certainly brings not only history to the table, but an experience that we couldn't get from anyone else, so I thank you for that.

You did mention from the operations of government after the balanced budget legislation was put into place, you said, and I quote, the deputy minister and the Treasury Board were given guidelines that they had to follow, a legislative guideline which they had to follow. It was their job. If they didn't, they would lose their jobs because that was the direction that was given to them and that's what they had to do.

This piece of legislation, Bill 38, with a four-year rolling average, with not necessarily having to balance on an operating basis, on an operating core account on an annual basis, what message does that send? I know you've touched on it, but I'd like you to just expand on it. What message does it send to those same bureaucrats, those same deputy ministers of those departments that want to, and legitimately so, want to expand the services that they provide within their own departments? What message does it send to them with respect to expenses, with respect to expansion, with respect to additional FTEs?

So could you maybe just touch on that, because you've lived the walk and I'd like to hear your comments?

* (21:00)

Mr. Newman: I can answer that with fairly considerable credibility because I was in the non-spending departments. Those were my responsibility. I had Aboriginal and Northern Affairs, I had Energy and Mines, I had Manitoba Hydro, I had the Communities Economic Development Fund, all within my areas of responsibility for three years. I knew northern and native affairs, that Energy and Mines were the consequence; they were cut. Their budgets were cut, and the Health and Education and Family Services and Justice all went up, okay. So there were spending departments and then there were the departments that had to make arguments to Treasury Board for investments in meaningful situations. Frankly, I welcomed the challenge and I thought it was a great discipline because it was the

way it should have been done. But the ones that suck all the money, the departments that suck all the money now are going to feel all kinds of wiggle room and they're going to be a monster to deal with.

The departments that had to suck it up and make arguments for investments are now going to have a sense it's back to the old days, it's back to pre-balanced budget legislation. Now we can get all those pet project fundings that we need. That's the way it's going to be, as the night follows the day, and if my MLA for Riel (Ms. Melnick) doesn't understand that, she doesn't understand me and the people that I believe are the people of Riel, no matter how poor, no matter how newly in Canada they are and no matter how rich they are. It's just human nature and a real concern to us.

Mr. Chairperson: Thank you, Mr. Newman. Our time has expired.

The next presenter is Rudy Derksen. Rudy Derksen. Rudy Derksen's name is dropped to the bottom of the list.

Clyde Huff. Clyde Huff. Clyde Huff's name is dropped to the bottom of the list.

John Feldsted. John Feldsted.

Welcome, Mr. Feldsted. Do you have a written brief for us?

Mr. John Feldsted (Private Citizen): No, I don't.

Mr. Chairperson: That's fine, please proceed.

Mr. Feldsted: Thank you for the opportunity to address you in regard to Bill 38. It should occur to members of this committee and to all members of this Legislature that you should be thoroughly ashamed of Bill 38 and of our discussions thereon.

If our past governments had a reputation for prudent and responsible management of public funds, balanced budget legislation would not be necessary. Our past governments have no such reputation and the legislation currently in place is needed.

Approximately 40 percent of our provincial budget is drawn from equalization payments or, if you prefer, from welfare provided by richer and better-run provinces. Our legislators have to try harder and work to become less dependent on external funding we cannot and should not rely on. Fiscal prudence is key to achieving this goal. Deficit spending is not a prudent way to move forward to greater independence. I've never heard of anyone

achieving independence through the process of acquiring debt.

As our elected representatives, on our behalf, you have a serious responsibility to my grandchildren's generation and you are on the brink of failing them. If we move forward with deficit spending, the burden of debt will fall on their shoulders and we have seen, time and again, where the generation that is saddled with large debt leaves. They go to other jurisdictions. They go to other places where there's less tax burden and that would be a very dark day for this province.

I am not impressed with this government's relationship with Crown corporations. Either Crowns operate as independent entities under the legislative authority that created them or not. The government cannot treat Crowns as another operational department.

Our Premier (Mr. Doer) recently said that he encouraged Crown corporations to engage in multimillion dollar philanthropy, and that is, in my opinion, disgusting and dishonest. I don't think anyone in this room can convince me that MPIC, as an example, has a greater responsibility to the Museum of Human Rights than it does to those it serves. I regret that this Crown philanthropy is also a clear indicator of what we can look forward to under Bill 38. It is bad law that should die in this committee. Thank you.

Mr. Chairperson: Thank you for your presentation.

Mr. Cullen: Thank you very much for your presentation. You certainly raised some very valid points. We certainly share your insight in terms of Crown corporations and how they're being handled by this particular government.

I was going to ask Mr. Newman this question, and maybe he could share your views on it. My view is, back in 1995 when this existing legislation was put in place, the government had to be very courageous at the time because they were facing a very different situation that we are in the province today. The money coming in wasn't as fluid as what it is now in terms of with this government. You know, we had a situation where the federal government transfer payments weren't coming in. As you mentioned, we're making close to 40 percent. It's over \$4 billion coming in from the federal government. It seems ironic to me, in tough times, back in 1995, the government was bringing forward very strict legislation on how they operate.

Here, we're in relatively good times when there's a lot of money coming into the province. The economy's rolling along relatively well, we've got a \$10-billion budget, and instead of trying to be fiscally responsible, we're actually going the other way. I see that as a tremendously ironic situation. Do you share that vision?

Mr. Feldsted: I guess I just have great difficulty understanding the logic behind it because we're taught from the time we're youngsters that you put away funds when income is rolling in against the day when it is not going to be rolling in, and we seem to be headed in the opposite direction. It's almost as if we're willing to mortgage our future for a little bit of fun today, and I don't think that that's the way I would like to see our government move.

Mr. Maguire: I certainly agree with your comments, sir, and I would further that by saying that—or add my piece to that, is that the difference between you and I doing that with our households and being responsible is we have to do it ourselves. As government though, they have the ability to tax and borrow against more of the income that you and I earn to make it even more difficult for us to balance our own salary and keep our families warm and fed.

*(21:10)

I guess that's more an editorial comment from my person agreeing with you on that. I wanted to know, though, if you think, you know, sometimes history repeats itself. I know from 1984 to 1988, the debt of the Province went from \$1.4 billion to \$5.2 billion in four short years, and it was done by the Province running deficits and re-capitalizing that into debt each year. Those were the Pawley years that, if you asked them and they stood up in the House every one of those years and said, we balanced the books. That's exactly what this legislation will allow this government to do again: borrow against the deficit to create future debt, and I just wonder if you see any analogy between this bill coming in at this time and the Pawley years of government.

Mr. Feldsted: I think we would all love to win the lottery, but our government has to be prudent and practical and assume that we're more likely to get a bill of some kind than we are to win 6/49. This legislation is written in language that I find difficult to read, and I might say that I have read an awful lot of legislation in my time and it sort of leaves me saying, well, where are we going? What is the objective?

I feel that our government will be supported by Manitobans when we're dealing with serious situations such as the fires up north and floods we've had in the past and so on, and is well capable of understanding a government that is facing those kinds of problems. But past experience has shown us that unfettered spending can really hurt us and that is what we have to avoid at all costs. That is why I feel this bill is very bad legislation.

Mr. Chairperson: Thank you for your presentation. Our time has expired.

Mr. Borotsik: Mr. Chairperson, I'd like to present a motion to the committee that is in order, I do believe. The motion is, I move

THAT this committee recommend to the House that Bill 38, The Balanced Budget, Fiscal Management and Taxpayer Accountability Act, be withdrawn, and that public hearings across the province be held, together with planned public hearings on budget 2009.

Motion presented.

Mr. Chairperson: I'm advised that the motion is in order.

Mr. Borotsik: I really appreciate the opportunity to speak to this motion because I honestly do believe that the motion is something that the minister should consider.

I think it's rather appropriate, rather apropos, that Mr. Newman was here to speak just prior to my tabling of this motion. As all members of this committee will recognize that Mr. Newman said that the 1995 budget legislation was, in fact, incorporated into that year's budget. It was incorporated into the budget and it went to the people in that format. It went to the people as balanced budget legislation. It was incorporated into the budget and there was an election that was run on that particular issue. I think that's transparent. I think that's honest, and I think that's the way Manitobans expect governments to treat them in all manners of service being provided, whether it be Health or whether it be Labour or whether it be Justice or whether it be Finance.

I know the Finance Minister himself takes great pride, as well he should, in travelling throughout the province after and before the budget, but before the budget, the pre-budget, he goes out and he does consult with Manitobans at that point in time. He does have a survey, for most parts, when he goes out and talks to Manitobans, and that survey covers a

range of issues with respect to how Manitobans feel about debt, how they feel about service, how they feel about taxes. He does that. Honestly, I believe he does it in the best interests of what Manitobans believe. He wants to go; he wants to talk; he wants to discuss with them.

He does a post-budget consultation, if you will, with Manitobans after the budget has been tabled and the budget documents are available. He goes out and he shows them these books. He goes out and shows them all of the charts, all of the bells and all of the whistles that he has in the budget book, the budget and budget papers books and the Estimates of Expenditures book. He tells us all of the wonderful things, how the revenue is generated from the province, how the expenses are over which departments. He tells us what our debt-to-GDP ratio is. He tells us all the good stuff that he and his department over a 12-month period put into this budget book, and he does that because he wants to be able to communicate with Manitobans.

But this legislation, Bill 38, snuck up on Manitobans. It snuck up on everyone. It was an 11th-hour opportunity for the government to put forward a piece of legislation that no one, no one with the exception of his office and with the exception of the Premier's office, knew was coming forward. There was no campaign promise in May of last year, when the NDP was going to the people, that said, we will, in fact, put forward a bill, Bill 38, which is going to be their likeness of the balanced budget legislation, but there's nothing similar to it.

Mr. Vice-Chairperson in the Chair

They didn't say that they were going to, in fact, put a four-year rolling average there. They didn't say that they were going to use a summary statement that was going to be balanced off of the backs of the Crown corporations that we have in this province, and other entities, not just the Crown corporations but other entities. They didn't say that during that election campaign. It wasn't listed in any election platform that I can ever recall. Not once did the Finance Minister or the Premier (Mr. Doer) stand with a press conference and say, by the way, we are going to repeal the 1995 balanced budget legislation. I cannot recall that. I'd like to see the press release that says: We will repeal the 1995 balanced budget legislation. So all this motion says is exactly what the minister had done and should do. *[interjection]* Now we're having a debate.

Mr. Vice-Chairperson, the motion simply says that we would like to have the Minister of Finance (Mr. Selinger) go across the province as he is wont to do at other times of his financial life. We want him to go and hear people across the province in different areas rather than have them come to this particular Legislature. We think that he should go to Churchill. We think that he should go to Swan River. We think he should go to Melita and Elgin. We think he should go to southeastern Manitoba, Steinbach. We think he should go all over the province, as he does, to let Manitobans know exactly what he's planning.

We've heard a number of presenters, and no one has a lock on ideas. There have been a number of presenters here who have brought forward some absolutely wonderful opinions that would have never been shared had they not taken the effort and the time to make their way into the Legislature. Now, not everybody can do that. We have a wonderful province here. It's a very large province, and there are people who cannot take the time, and the committee process, itself, does not necessarily lend itself to allow people to make that presentation before this committee. So it would be best, if we really wanted to consult, if we really wanted to hear what Manitobans had to say, to take the process to them.

* (21:20)

That's all it says, but it also says let's put it as part of budget 2009. Mr. Newman stood at that podium tonight and he showed us a document that incorporated the balanced budget legislation of 1995 into that document. I would challenge the minister to do the same with the 2009 budget, and we're not far off. In fact, we've just tabled the 2008 budget; we'll have our financials from the last fiscal year by September of this year. The minister could well be putting together the document right now for the 2009 budget. That's what this motion certainly is asking the minister to do—either that or eat candies. I'm not so sure.

Mr. Chairperson in the Chair.

The—[interjection]—I did, but I can't eat them because I'm trying to talk. I can't talk and eat my candies at the same time. How much time do I have left before I can eat my chocolate? I'm going to pass right now and take over my gift that was given to me by the Chair; I do appreciate that.

I'd like to also say—and I mean this sincerely—we did have a number of presenters here tonight. Most

of them, if not all of them, made a very special effort to come here and make presentations to this committee. Some were very comfortable in doing it; some were somewhat less comfortable in doing it. They weren't accustomed to public speaking.

I would like to say thank you to the majority of the members on the government's side, not all, but the majority who took the time and the effort to listen to what they had to say. The minister's very good at that, and I give him kudos for that. They're here, because they believe that they have a right, as residents of this province, to put their comments on the record, to put their opinions before us.

I think it's only fair that we listen to them when they do that. They made the sacrifice, and I do thank the members of this committee who, as I say, for the most part in fact, showed the respect that these speakers deserved when they came to the podium.

Mr. Chairperson, I do thank you for allowing me to speak to this motion. I think it's a legitimate motion. I believe that, if the minister thought about it carefully, he could, in fact, accomplish this very easily within the next six months—put the balanced budget legislation in the body of the document that would go out for the budget of 2009, and show Manitobans what it is that he wants to do and how he wants to accomplish it.

I think he would have a much better opportunity to try to convince the majority of the people who made presentations, who don't have faith in this government to be able to control and to manage their finances the way that they would like to have their finances managed and controlled.

Thank you, Mr. Chairperson, for the opportunity to speak to the motion.

Mr. Chairperson: Mr. Borotsik, you have one minute left. Are you sure you don't want to use it?

Mr. Borotsik: I'm voluntarily giving up my one minute.

Mr. Pedersen: I'm coming, Mr. Chairperson. I've just got to adjust the microphone here. Thank you.

I would like to thank the Member for Brandon West (Mr. Borotsik) for bringing forward this motion to recommend to the House that Bill 38, The Balanced Budget Fiscal Management and Taxpayer Accountability Act, be withdrawn and that public hearings be held across the province, held together with a planned public hearings on budget 2009.

We know that this has been a regular practice of the Minister of Finance (Mr. Selinger) to go across the province, promoting the budget in the coming year; this would fit in very well. We know that this particular bill, Bill 38, or for that matter Bill 37 or 17, was somehow missed in the last campaign, that it didn't get mentioned. It would be good to take this out to the public and hear what the public has to say about this.

I would think there may be even a good chance that they may hear from a lot more Manitobans than whom are able to come into here. It's difficult to get in to present to these committees when you're a long distance away, at times when you expect them to be in here, late in the evening, or come early in the morning, depending on when the committee's called.

I think it's a service to the people who are actually paying the taxes to be able to go out and go to them, instead of always expecting them to come to us.

As we've heard from a number of presenters, some have more expertise than others. Everybody's opinion is valued and should be valued. We've heard from a number of presenters who do have a great deal of financial expertise and have expressed grave concerns about this bill.

We're not even scratching the surface in terms of what we could actually hear back from in this bill. We've heard many ideas just from the few that we've had about spending beyond means and using discipline. We all use discipline in our jobs, or at least we should be using discipline in our jobs, and you would expect it from the Minister of Finance (Mr. Selinger) to use discipline both in the budget and in the fiscal practice of the Province.

I think it would be interesting to take this out as he's explaining his budget and then explain why he needs Bill 38 to go to a four-year core operating budget and a summary statement and then using Crown corporations to balance the budget on—but wait now, we don't have to balance it every year, we only have to balance it one in four years.

As we've heard from a number of presenters that have come in, that have made it here, they've all expressed the opinion that we don't run our household this way. We cannot run our household on balancing the budget only once every four years. We only have limited amounts of funds. So it would be very interesting to hear the Minister of Finance explain to everyday Manitobans how the Province

doesn't need to balance its budget every year and can spend and then use Crown corporations. Goodness, if we all had Crown corporations that we could balance our household budgets, there would certainly be some strange household budgets across the province.

So what people are asking for is some transparency both from this government and in this bill. If you really feel that this is what you truly believe in and that the people of Manitoba will truly believe in this, then take it out to the country and through the whole province. Many towns throughout the province would welcome this opportunity to actually know how their taxes are being spent on a yearly basis and how the government plans to, we would hope, reduce the debt. I know the minister gets a little antsy when he mentioned \$20 billion of debt, and he says—*[interjection]* See? I just say it and he gets antsy, and there we go.

But, you know, Hydro has approximately \$8 billion of debt and that is Manitobans' debt, that is not anybody else's debt, and Manitobans are going to have to pay that, whether it's through higher hydro rates or whether it's from taxes, they're going to have to pay it.

We've got Bill 37 here, which is going to pay the NDP party about a quarter of a million dollars a year, about \$5 per vote over four years, to ensure that they get back into government in the next election so that then they can continue and, oh, then they're going to balance the budget, though, the year after the next election.

So, I guess it just raises all kinds of questions that everyday Manitobans would like to have explained to them because if it really does make sense, I'm sure the Minister of Finance (Mr. Selinger) will be able to explain that to Manitobans and explain how their household budgets have to balance every year but he doesn't have to balance his budget.

We've heard from a number of presenters tonight that have a great deal of financial acumen, if I can call it that, but, you know, we haven't even scratched the surface in terms of the people that could come out and would come out if you would actually go out across the country and listen to Manitobans.

* (21:30)

If this bill really is absolutely necessary then take it out and present it with your budget for 2009. As I've said before, and I just want to reiterate, while

they're out there explaining Bill 38, I'm sure they can explain Bill 37, how they're going to tax the voters.

You know, this would help because in Bill 37 we're going to be limited in the amount of communications we can do as an opposition party. Perhaps we can be along and help to explain our side of—well, mind you, we might have to get it vetted through the Premier's office first whether we can actually come to the meetings because it may be considered communications, but then he's not here right now he's down on the—I almost said on the beaches but at the poolside in Mexico. I corrected myself. He's not on the beach but his sandals will not get much sand in them at the poolside.

I learned something tonight, too, about the UNESCO Heritage Site. They've got hydro lines running through there, and they didn't go around the west side of the mountain. They went through the east side of the mountain and through the boreal forest of Mexico to get the hydro into the town there through a UNESCO site. I'm sure—I can see this now, this is going to be a question for question period next week where we're going to be asking the Premier for an update on how the hydro line goes into the town in Mexico, and my Spanish is so bad that I won't—

An Honourable Member: Guanajuato.

Mr. Pedersen: Guanajuato. Guanajuato, there we go. I'm sure that, you know, and he's going to come back from Mexico next week and he's going to have tons and tons of Manitoba pork sold down there. We will still be on Bill 17 because we will have—

Mr. Chairperson: Excuse me, Mr. Pedersen. Things were going quite swimmingly tonight until the last couple of people entered the room, and I'm kind of losing control here. I'm having trouble hearing Mr. Pedersen and I would like to—

An Honourable Member: Of the committee.

Mr. Chairperson: Losing control of the committee, and I would like to hear Mr. Pedersen. I'm having trouble hearing because of the banter across the table which just started fairly recently. We need a little decorum for the interests of Mr. Pedersen.

Mr. Pedersen has the floor.

Mr. Pedersen: Thank you, Mr. Chairman, and I'm sure the government members will keep it down now from your admonition.

But as I was saying, I'm sure the Premier is going to sell tonnes and tonnes of pork down there,

and we will still be on Bill 17 hearing because we've got over 400 presenters willing to come to speak to Bill 17 even though they have to come to Winnipeg, even though we're not going out to the country where they are. He will explain to them how Bill 17 is going to help to increase our pork production and be able to export to Mexico. I'm sure that we will hear all this good news next week when the Premier reports back. I would even invite him to come back to committee, and I would think that the opposition, at least, would give leave for him to give a report in committees when he came back. We would be so—*[interjection]* Well, you know, I can't speak for the government. You never know what they'll do on that, but, you know, certainly I will speak to my caucus about giving leave to him.

So Bill 38, I'm sure he'll want to tell us all the good points about Bill 38 when he comes back. Also, when he sees this motion and he sees that the government has supported this motion, he will be most in favour of us taking this across the province next year on the budget 2009 so that all Manitobans can have input into Bill 38. Thank you.

Mr. Chairperson: I have a speakers' list which currently consists of Mr. Maguire, Mrs. Driedger, Mr. Schuler, Mr. Dyck.

Mr. Maguire has the floor.

Mr. Maguire: Thank you, Mr. Chair. I appreciate the opportunity to speak to this very important motion.

I think it's most timely as we sit here debating this, having heard from the presenters that we have tonight around this Bill 38. I won't go through all the names of them again. I appreciate the fact that the previous bill that's law in the province of Manitoba today, brought in by the Conservatives, Progressive Conservatives in 1995, is a much better piece of legislation, much more accountable to the taxpayers of Manitoba, as presented by Mr. Newman, who came, as a former Cabinet minister, tonight, in that government, to present his views.

I want to say that I know that he indicated tonight that he ran because he believed so strongly in the accountability and responsibility of the government of the day that it spurred him on to actually put his name forward to run for the Progressive Conservative Party in those years.

Mr. Chair, I want to confirm with you that I also, as a farmer in rural Manitoba, felt that legislation that came forward was a benchmark piece of

legislation in our province that I felt would be there for all future generations to gain the benefit of, and it allowed spending to take place within a province, but it had a planned reduction of the debt.

We have seen other provinces leapfrog ahead of us with the present legislation we've already got to the point where Alberta has eliminated its debt, never mind deficit. Saskatchewan is well on the road to doing the same; it certainly has no deficits anymore. It is not receiving any transfer payments this year either from the federal government. It still receives its equalization share.

But I think it's very important that we withdraw or ask the government through this motion to withdraw the present bill, Bill 39, and because they have three years left in their mandate, to come back, as the Member for Brandon West (Mr. Borotsik) that brought this motion forward indicated, every year that the Finance Minister (Mr. Selinger) has a budget review, and there is a great opportunity here to take this bill to part of those reviews as he goes around the province and holds public meetings, public hearings across the province. He always goes out with the idea that, I want to listen to you to hear how you feel about the budget that we should put forward. That's a credible mechanism I think to gain information from individuals across the province of Manitoba.

So why doesn't he, if there's no haste to this bill, do just that—withdraw the bill today and go to the public next fall, early in the new year, as he prepares for the 2009 budget, and as he goes across the province of Manitoba, hold public hearings—he always advertises that he's doing these anyway—and have public hearings on this very important bill. Take the bill with him, announce that he's coming out with this legislation, which no one asked for, and bring it forward and see what the public says at those public meetings.

We've heard well over 100 presenters to this bill already who have taken the time and energy out of their daily lives to come in here, and 99 percent, as far as I can tell from the committees that I've been at, 100 percent of the people have chastised the government for this piece of legislation. It should be pretty significant, if you were listening to Manitobans at all, Mr. Chair. I think the sad part of it is, I don't think a lot of his own government members knew, maybe a very small circle, I don't even think all Cabinet knew, from the indications that I've had that this bill was coming forward.

We can be team players; we all want to do that. We all want to be there for the long run, and once you get a piece of information or a bill like this published and actually tabled in the House, it's very hard for a fellow Cabinet minister, even a backbencher of the government, to go to his Premier (Mr. Doer) and say, well, I think this is rotten; you should withdraw it. It pretty much blows your credibility as a backbencher or a Cabinet minister when you've got a situation where the Premier's all-powerful in your future life within the party that's in power.

So, Mr. Chair, I think that's why many of the Cabinet ministers, who didn't know this legislation was actually being tabled in the House until it was very close to being done, have not spoken out against this bill. They've heard all of the Manitobans in this particular case that have come forward to speak against this particular piece of legislation. It's draconian. It's certainly unaccountable to future Manitobans. As I said earlier tonight, it says that it will include the tax referendum requirement from the former act. It prohibits the government from introducing a bill to increase the levy for health and post-secondary education or the rate of income tax or retail sales tax unless it's supported by a majority vote in a referendum.

* (21:40)

Well, Mr. Chairperson, the government has complied with this. They have not increased the rate of the PST, provincial sales tax or retail sales tax, in Manitoba, but they certainly have increased the amount of money that they gain from the PST. *[interjection]* Yes, not from an increased population in the province of Manitoba; perhaps from some business activity that's taken place in increased trade that we have, a little bit of manufacturing. But mostly they've increased their retail sales tax by broadening out the base that they're charging the tax on. It used to be just on items that the tax was on.

Mr. Vice-Chairperson in the Chair

Now in the first term, as I said previously, they increased the tax, broadened it out to include more products—pardon me, the labour on all of those repairs on electrical, plumbing and construction. Then, of course, that wasn't enough. They needed more funds so they broadened it off to all bills that are charged by lawyers, accountants and architects in the province of Manitoba. Now that's a pretty sneaky way of getting around balanced budget legislation. Some day it will catch up to them.

Mr. Vice-Chair, I also feel strongly that we are seeing history repeat itself here. I've done some numbers while we're sitting here tonight. In the four years from '84 to '88, the debt increased in this province from \$1.4 billion to \$5.2 billion, a 370 percent increase per year. I guess if you take that quickly, it's just over 90 percent a year was the increase in debt in this province in those years, in the terrible '80s.

For the next 11 years, Mr. Vice-Chair, the debt increased in this province by 1 percent; 1 percent in comparison to 90 percent under the NDP rule. Now, it's gone up again in the last nine years by over 22 percent a year, about 190 percent over the last nine years since this government came in. Do we see a pattern here? Your damn rights we do. It's terrible.

This is the most draconian piece of legislation in the history of this province, and that's why the government hasn't got the guts to take this bill out to the public, do a series of public meetings when the minister wants to go on his normal dog-and-pony show, out under the auspices of getting input from people. He's afraid to take the toughest piece of legislation that this province has ever seen out to the people of Manitoba to get their input.

You know, Mr. Vice-Chair, that's a crime because I asked Mr. Newman tonight, and maybe it was a set-up question, but he just presented in Bill 37 and I said to him, did he see any coincidence in the fact that the most draconian piece of budget legislation in the province of Manitoba was before us at the very same time and in the very same room in the first session of a new mandate on the same evening that Bill 37, which restricts the opposition from being able to send information out to the people of Manitoba, was being debated in the very same legislative building just down the hall?

Well, obviously, Mr. Vice-Chairman, these two are not a coincidence. They are well planned; in fact, I would go so far as to say that this is really the New Democratic plan. I won't go to the point of cheating, but I would say that it's to provide an unfair advantage—

Point of Order

Mr. Vice-Chairperson: Sorry to interrupt this. Point of order from Mr. Borotsik.

Mr. Borotsik: No, well, it's not really a point of order, it's more of information—

Mr. Vice-Chairperson: I rule it's not really a point of order.

Mr. Borotsik: Detroit just won the cup. They just beat Pittsburgh, 3 to 2?

An Honourable Member: Yup.

Mr. Borotsik: –3 to 2. Detroit is now the winner of the Stanley Cup. I thought that you—sorry, Mr. Vice-Chairman. I had to interrupt.

Mr. Vice-Chairperson: Why did I record the game? Point of disappointing information. Back to you, Mr. Maguire. You have one minute left. No offence to all the Detroit fans. Congratulations.

Mr. Maguire: I indicate that this is truly the New Democratic plan for Manitoba. Bring in the worst balanced budget legislation they've ever had and then restrict the opposition from sending information out as to why it's the worst piece of legislation in Manitoba's history. That's the plan, Mr. Vice-Chairman. It's no coincidence. It's been well documented, well planned, and I want to put the shoe on the other foot, if you don't think I'm correct.

Let me ask you if in opposition, anybody in the government side of the Legislature today would ever, ever, ever bring this type of legislation forward in a private member's bill or a private member's resolution. The answer is definitely not because it does not give the opposition the strength of government to continue to entrench their regime. It is definitely a benefit to the governing party in the province of Manitoba to have both of these pieces of legislation going forward simultaneously. I know I'll have an opportunity to continue this discussion at some other time, Mr. Vice-Chair, and I appreciate your indulgence. I understand that my time is up. That would be the time for presenting is up. Thank you, Mr. Vice-Chair.

Mrs. Myrna Driedger (Charleswood): I'm certainly appreciative of the opportunity to put some comments on the record about Bill 38, The Balanced Budget, Fiscal Management and Taxpayer Accountability Act.

I'm married to an accountant and I have been for just about 34 years, and if there is one thing that he is feeling pretty strongly about, it is the removal of balanced budget legislation in Manitoba, so there are some interesting conversations going on in our home.

One particular conversation from last night at a meeting that I was at, I was really I guess not surprised but interested to know from a number of people how livid they are about this legislation, where they're labelling it obscene, and they had a few other choice words for it, but there are actually a lot of Manitobans that are pretty outraged that this legislation is being contemplated by this government.

As this legislation affects every taxpayer in this province, I do think that this motion that is being put forward right now, that this particular legislation be withdrawn and that public hearings across the province be held together with planned public hearings on budget 2009, is a good thing that should be done because I think it would be a respectful process for Manitobans.

As the former speaker before me, the Member for Arthur-Virden (Mr. Maguire), has indicated, he has indicated that he doesn't think this government has the courage to take this out to the public, and based on the comments I'm hearing right now from a number of people, I believe that that is a very accurate representation of what is happening out there.

Governments are supposed to be good stewards. I've heard a lot of very famous people, people that have a lot of credibility and respect and recognition in the world, who talk about governments needing to be good stewards because they are only supposed to be there managing dollars. It is not their dollars. It is the public's dollars, and the government, if it was a good government, would be good stewards of that money. I think what we'll see with this legislation is a moving away from the government's responsibility to be good stewards, and I do think that this is very offensive, very offensive legislation.

In 1999, Manitobans rallied around balanced budget legislation, and there was a passionate view in this province about it. At the time it was touted as the best legislation of its kind in the country and was a model for what was happening in other provinces. I think there's a great deal of fear out there now as to why this government wants to change this legislation and that, in fact, they are going to leave themselves a lot of latitude, and now legally so with the legislation, to run deficits and increase the debt in this province.

I think that people are justified in their fears because we knew this was coming. We knew, and, in fact, we were surprised it didn't happen prior to the last election because there was a lot of talk in various

sectors of this province where there was all this speculation that the government was already looking at this. It was interesting that they did not put it forward in their election promises. In fact, this is a government that has always said that they would maintain balanced budget legislation, and that's how they won an election, too, in 1999 and in other years. Now it's reached a point where it is obvious that they have been misleading Manitoba. They've waited for the timing where they thought it would be something they could bring in well before the next election but didn't have the courage to put it forward as an election platform in the last election.

* (21:50)

We shouldn't be surprised to see this government moving in this direction because, as much as they have been indicating to the public that they support balanced budget legislation, in their heart of hearts, they never have. I could quote the Premier (Mr. Doer), and, in fact, on several occasions, back in 1995, quotes out of *Hansard* show that the Premier said, and I quote, I know it is a cynical pre-election ploy. Well, the Premier was very wrong at that time because the Filmon government won government that year because of balanced budget legislation.

The government may not have had to go down the road had Howard Pawley and Gary Doer not taken this province into the level of debt that they did in the '80s. You know, when you talk to people about what that government of that day did, they increased the debt substantially in this province in a period of six years. It's part of our history now as to the seriousness of that debt. Because they cranked up the debt to the degree they did, they really handcuffed this province. So, when the Filmon government won, and then they were faced with a recession a few years after winning, besides the Howard Pawley debt and the recession, it led to some very, very critical times for people of this province.

Then, on top of all that, the federal Liberals unilaterally decided that they wanted to balance their budget. So, third strike against the Filmon government, and they were put into a position of losing almost a billion dollars in a short period of time in terms of transfer payments from the federal government. They did not have the dollars in the budget to be able to do a number of things they would have liked to have done. In fact, they were put into a horrible, horrible financial position. Howard Pawley and Gary Doer were part of the challenge foisted on the Filmon government. In order to protect

future budgets in this province led to the Filmon government of the day bringing in balanced budget legislation.

We know that Minister McGifford at the time said that balanced budget legislation is trendy. Tim Sale at the time—and his comments have always been interesting about this because he was avidly against balanced budgets. He said, and I quote, "Balancing a budget every year cannot be defended on any economic grounds." He truly, truly believed that. He felt that governments should, when they had money, run deficits. He didn't have a problem with debt or deficits, and he felt that governments had the right to do that. I know there is a name for that theory in economics but it's certainly not one that I adhere to.

It was interesting also that one of the other comments, and it was actually made by Mr. Martindale, he said, and I quote, "One of the most odious parts of this bill is that it hamstring future governments." It just shows, Mr. Vice-Chair, exactly where the NDP come from in their view on balanced budgets. Then the Deputy Premier of today, Ms. Wowchuk, said then, and I quote, "No government needs balanced budget legislation."

Well, when you look at what these—and many of them are now Cabinet ministers that made these comments—it's actually a little bit frightening to know that these are the people that are now actually in government, and we have to wonder what their intent is in moving away from balanced budget legislation.

Mr. Mackintosh said at the time, and I quote, "this silly bill and this silly public relations stunt," was how he referenced balanced budget legislation. Then, at that same time, Gary Doer said, and I quote: "Well, you have not paid off the debt yet. Just do not give me the rhetoric. You know, walk the walk, do not talk the talk, my friend."

Well, isn't that the most interesting comment that we can hear from this Premier who has, on many, many occasions never walked the walk. All he has done is talk the talk. We know that action walks and—or action talks and something walks, and I don't think I can use the word or I'll be called out of order.

Mr. Vice-Chairperson: Order. Sorry, the 10 minutes of allotted speaking time is up. Time flies when you're having fun, I know.

Looking at the big clock on the wall, it says five to 10. I wondered if I might canvass the committee, since our last discussion in this area said that at 10

o'clock we would touch base and decide what it was that we might want to do at this point. Any speakers?

Ms. Allan: I would like to make the suggestion that we sit until midnight, and then we re-evaluate it at midnight.

An Honourable Member: Sure.

An Honourable Member: No problem.

Mr. Vice-Chairperson: So be it, then. The committee will continue to hear speeches until midnight, and then we will re-evaluate then. All right, Mrs. Driedger's presentation had ended. Up next on the list is Mr. Dyck.

Mr. Dyck: Well, thank you, Mr. Vice-Chair. I, too, am pleased to be able to speak to and in favour of this motion brought forward by the Member for Brandon West (Mr. Borotsik).

The whole area of having public hearings across the province is something that I would heartily endorse. I speak from a little bit of experience on this, and I think the Member for Burrows (Mr. Martindale) would agree that there were the days where we went across the province and we had public hearings, and those were good times. We got out to—*[interjection]* Yes. In fact, the member is indicating that we went out to Thompson. Good time. It was an opportunity to get together with the people in that community and that city. It was not only the fact that we were able to bring the issues to them, and—*[interjection]* Yes. I will mention that in a little while. I was about to get there. But we were able to meet with the people in that area—not only the issue that was at hand, I believe it was the Children's Advocate that we were on tour for, and getting input from people across the province.

But the Member for Burrows also reminded me that, actually, our committee struck a new height, I think it was, in technology. We were the first ones to go towards video conferencing rather than travelling all over the province. We were able to do some of it through video conferencing, and, of course, this was an opportunity for those who wanted to make presentations from a great distance to be able to do this via the video conferencing process. I believe that we—it was in the Trizec building, I think, that we were at where we were able to set it up. So the MTS set it up for us, that's correct. So this was a good process, and, just as I saw the motion, I was reflecting on those days of going and meeting other people, finding out where they were at. It's not only that you go and meet the people there, but you also

find out what makes the communities tick. I think if you go from the one community to another, you will find that, of course, it's the people within the community that make the communities what they are. But it's also the fact that there are many, many businesses within those communities that help to keep the economy going.

*(22:00)

That is one concern that I have regarding Bill 38. I think, again, tonight, we've had a number of presenters coming forward and indicating that a balanced budget is something that they are expected to have, or that they are in their own households, or whether they are in business. I know that we had several small business owners giving their presentations, and they indicated very clearly that the banks would not allow them to keep going if they could not balance their budgets. Speaking from experience, I know that there is some latitude that banks will give you if there are exceptional cases. They may give you an extension for a month or two, or maybe a few more months, but, ultimately, at the end of the day, they do want you to have more income than you have expenses. That's really what this is all about.

Just thinking about the whole aspect of going into other areas of the province, I was thinking of going a little further, of going to Churchill as well, to get a feel for what the people out there are thinking. Then I was moving across the province, thinking another good area might be in Russell and Brandon, just to be able to go and hear the comments which the people have and be able to present them, to be able to listen to them, because I think that the whole area of allowing them to come and we meeting them on their own grounds is very important.

I know that we have given the opportunity for them to come to the Legislature here and give presentations, but I know that, in talking to numerous people who have asked questions regarding the bill, they've indicated that they feel somewhat intimidated coming to this building, meeting the MLAs here and giving presentations.

I think that if, as individuals, we would put ourselves into that kind of a situation and probably go back a few years before we were elected members, we would feel the same thing and would agree with them that it is an intimidating process to come and speak to people, to MLAs who are eating and sleeping the legislation that's out here.

So the knowledge that we have is possibly greater than those who come and give a presentation. Consequently, I know—this is from personal experience—that you hate to come and speak on an issue and not have all the facts or knowledge but I think, by and large, what we have seen throughout the presentations which we've had within the last days and, of course, weeks, is that people are knowledgeable. They do know the information that they have and the concerns that they raise.

I just want to refer to Mr. David Newman. He and I are classmates of 1995; we were both elected the same year. I have great respect for him. Certainly, he was a man of integrity and, when he gave his word and when he spoke, he certainly spoke with authority. So I was pleased to see that he came and gave some of his background knowledge and information that he had, and he passed this on to the committee here tonight.

I think that, from his experience and the experience that we had, it was again illustrated to us the importance of running a balanced budget. That's, of course, why we are here and in this committee tonight.

We're very concerned that Bill 38, as it stands right now, is looking at doing away with that accountability which we believe we, as taxpayers, need to have and that our government needs to portray as well. We need to go and take this to the province of Manitoba, to the people out there. We need to look at the north, the east, the west, the southern part of the province, and I would welcome them coming into the Pembina constituency. Of course, we wouldn't want to forget the centre.

The Member for Burrows (Mr. Martindale) indicated that he was in Morden just a week ago; a fine, fine community it is. I know that they would be very receptive to having a travelling committee coming out, asking them their opinions regarding a balanced budget. I would indicate to you that southern Manitoba, Morden- Winkler area—and I've said this numerous times—is one of the fastest-growing areas in rural Manitoba.

I just want to indicate that the growth of that community, of course, is its people, the entrepreneurs that have been out there and have established the community. I think specifically of Triple E, when they got established in the '60s. They were certainly looking ahead. I think this is something that Mr. Newman mentioned tonight as well, that you need to project ahead, and they did

this. They were looking at the needs of Manitobans; then, of course, they went to different provinces and found out that there was a great need for travel trailers. This is really where their success started as a company.

I think it's important that we go out, that we go to different communities, that we find out what makes those communities tick. Why are they vibrant? Why are they growing? I know that not all communities within rural Manitoba are growing, and maybe we need to be out there to find out why are they not, in fact, able to grow. So that's what we need to find out.

The member here for Brandon West indicated that Brandon is growing, and, yes, they are. They, too, have a vibrant city that is looking at adding more and more businesses, which employ a lot of people, that give people jobs. I think that's very important that this takes place, because that's what makes an economy grow.

Mr. Vice-Chairperson, I know this committee is looking at different ways of being able to hear the responses from people within Manitoba. I think one of those ways of doing it is going out and meeting them on their own grounds, being able to find out what their feelings are. I know that what we've had here as well are people who have asked questions. They want to know exactly what this bill is all about. They've looked at it, they've gone through it and they have some real concerns, but I think they want to know and want to be assured that the Province will continue, on an annual basis, run a balanced budget, and that means that there are revenues that are greater than the expenses.

So it is important that we look at this, that we take this, the motion that we have, that the Member for Brandon West (Mr. Borotsik) has brought forward, that we take it out to the communities. I know I've mentioned a number of communities, and I'll just stop and conclude by saying that, certainly, we need to ask the people within the city of Winnipeg here, and continue to draw them to the Legislature here as well, and to hear from them. I think you have given me the signal, so with that I want to thank you for this opportunity to put a few comments on record. Thank you.

Mr. Vice-Chairperson: Thank you for that.

We now move on to Mr. Schuler.

Mr. Ron Schuler (Springfield): It's always a pleasure to be speaking to this committee. In fact, it's

a pleasure to be speaking to any committee. I think it's important that all of us as members of this committee have the opportunity to speak. In fact, I have the Member for The Maples (Mr. Saran) sitting right across from me and I know from his eyes that he is just dying to put some comments on the record. Unfortunately, he has a piece of tape across his mouth, put there by his Premier (Mr. Doer), which forces him not to be able to speak. But I know in his eyes he has had the opportunity to see this amendment and he is thinking to himself, there is something drastically wrong about this.

We have the freshly minted, new creation of a rookie MLA out of Brandon West who has brought forward some amazing resolutions. The Member for The Maples is sitting there thinking, why can't I do that? Why does the Member for Brandon West (Mr. Borotsik) always get to do all the fun stuff? Why is that? Why do I have to sit in committee night after night after night and not have the opportunity to actually participate in the democratic process of committee?

Now, Mr. Vice-Chairperson, we have before us a wonderful resolution, and the resolution is very good, because back in 1995, the Filmon government brought in balanced budget legislation, put it in with the budget consultations and went around the province and made it as part of a package, and that was very courageous. What we suggest is the Minister of Finance (Mr. Selinger) who is sitting at the edge of his seat listening to every word that members of this committee are putting on the record, that would be a great suggestion. Take Bill 38, put it in with the next budget, go around the province and, basically, put it out to the public and say, this is what we're planning to do.

* (22:10)

Now the Member for The Maples, I can see his eyes right through those glasses, and he's agreeing with me. Unfortunately, because of the duct tape on his mouth put there by the Premier, he can't say, I agree, and that is really unfortunate because he's being stifled. I actually think it's very unfortunate because, you know, there's something liberating about putting on the record what you stand for, what you believe in. I would say to the Member for The Maples, I don't think in his brochure he put in there that, vote for me and I promise I'll say nothing. I don't think he put that in his brochure. Maybe he should have. Maybe he should have put in his brochure: I promise, I commit to the electorate. If

you vote for me as your next MLA, I will say nothing. I will do nothing. I will sit at committee and I will be silent.

Because that's what he's doing. That's actually what he's doing now at committee. I say, really, we should have a campaign and part of this motion, and maybe it's a friendly amendment, and if the Member for The Maples (Mr. Saran) wants to make it, I'm sure that the rookie Member for Brandon West would be most agreeable that we would put in here: and that there be a provision to free the Member for The Maples. Let him be free. Let him speak to this legislation. Let him stand. Let his yes be his yes and his no be his no.

That would be the right way to go. We would like to see the Member for The Maples be free and have that duct tape—it only hurts for a minute, I say to the Member for The Maples; when you rip the duct tape off, it only hurts for a minute when you rip it off. Whissh. And that's it. Whissh.

Point of Order

Mr. Vice-Chairperson: Point of order, Mr. Selinger.

Mr. Selinger: The Member for Springfield (Mr. Schuler) seems to think that he has the floor to personally confront other members of the Legislature in a disrespectful way. I understood that the committee was speaking to a resolution put forward from the Member for Brandon West (Mr. Borotsik) and that all conversation and debate related to that motion was supposed to go through the Chair.

I would ask that you give instructions or directions to all of us in how we could best handle this debate, Mr. Vice-Chairperson.

Mr. Vice-Chairperson: Mr. Goertzen, on the same point of order.

Mr. Kelvin Goertzen (Steinbach): On the same point of order, Mr. Vice-Chairperson. I had the opportunity to hear my colleague from Springfield in his passionate debate. I heard him as I was walking down the hall. I heard his defence of freedom in trying to help the Member for The Maples. I suspect if you had asked the Member for The Maples, if you had asked him on the record, he would say that he appreciated the Member for Springfield coming to his defence and standing up for his democratic right under section 75 of *Beauchesne* for freedom of speech. He was a little direct perhaps to the Member for The Maples, perhaps, but I would say, when

you're defending freedom that you need to have a little latitude, because you're standing up for the Member for The Maples. I can see the Member for The Maples nodding in agreement with me. He also believes that freedom was being defended.

We will stand any day in this House or in the committee for all members, whether it's our members or members of the government or any members of this House. We'll stand for freedom. We stood for freedom yesterday; we'll stand for freedom today, and we'll stand for freedom tomorrow, Mr. Vice-Chairperson.

Mr. Vice-Chairperson: Order. This might shock a few people. I think I've heard enough to make a ruling.

The honourable Member for St. Boniface (Mr. Selinger) does in fact have a point of order. I thank him for that. I, as Chair, have been allowing a fair amount of latitude tonight, but it is important to remember all comments should be addressed through the Chair.

Mr. Vice-Chairperson: We will now return to the presentation from Mr. Schuler.

Mr. Schuler: Thank you very much and, of course, I will abide by the ruling.

So, through the Chair to the Member for The Maples (Mr. Saran), what we want to make sure that we do, is that we have Bill 38 go with a committee, that the minister goes around the province and he consults with Manitobans, and the Premier (Mr. Doer) goes to Mexico and dangles his little flip-flops with his toes hanging out into the pool and flipping water, with his *cucarachas* shouting, *dos cervezas, por favor, señor. [two beers, please, sir.]* You know, unfortunately, the Minister of Finance has to restrict himself to Manitoba. The Premier gets to do his consultations fighting for free trade in western Canada in Mexico.

You know, there might be madness to his reason or reason to his madness, but we don't know that. We'll find out when the Premier comes back. I'm sure he'll have an answer why it is that he would go south to negotiate a free trade agreement with the west because, I mean, it says after all, the Premier who takes power west so that he can sell it southeast. It's sort of like that Bridgestone commercial. He got on the airplane and he says to the guy beside him, he says, Winnipeg? What? Mexico? How'd I get on this

airplane? He thought, when he read WestJet on the airplane, it went west. He didn't realize this was the WestJet plane that went south.

This motion is very important because the Minister of Finance (Mr. Selinger), who has a very heavy responsibility on his shoulders, should take Bill 38, put it in with his budget consultations, and should travel the province. Then Manitobans will know exactly what this is all about. It's not snuck in at the darkness of night. They get a box and they paint it with black stealth paint and slink it into the Chamber. It's under the radar, and all of a sudden, at the last moment, the last bitter moment that they can possibly bring in that box, snuck in through the backdoor, they give the signal, you know, that little wink and a wave, and then the Premier (Mr. Doer) hightails it out of the Chamber to Mexico, and all of a sudden, there was Bill 38. *[interjection]*

No, no, I believe, and through the Chair, I believe, so does the Member for The Maples (Mr. Saran) believe, that it was done in the wrong fashion. That's why, through the Chair, when you look at the eyes of the Member for The Maples, because you can't see his lips because he has duct tape over them, put there by the Premier, I can see from his eyes, he is pleading. It's very honourable duct tape. I know that, through the Chair, all the members—I know that the former Family Services Minister, the Water Stewardship Minister who has spent the whole time heckling me, but I respect the fact—

Mr. Vice-Chairperson: Order. It's late. We all really want to be here.

Some Honourable Members: Oh, oh.

Mr. Vice-Chairperson: I'm just suggesting for the thousands of people listening at home, they might not know who has the floor at the moment. So let's make sure comments are directed through the Chair, let's make sure comments on the side are kept to a minimum and let's try and keep the presentation on topic. Thank you.

Mr. Schuler: The minister who represents St. Vital wants to hear the comments. I apologize to the committee. I am one of those shy, soft-spoken people. I know the Member for St. Vital (Ms. Allan) kept saying to me, louder, louder. Through the Chair to the minister, I'm just not a loud speaker. I don't know why she keeps saying louder, louder.

But I believe that it's important that Bill 38 be tacked on to the next budget. It should be taken across the province. It should go from community to

town hall, from pillar to post. It should be allowed to have full coverage, the width and breadth of this fine province.

I can't image a better salesman in the NDP caucus than the Minister of Finance (Mr. Selinger). I think this would be a great thing. I know, through the Chair, that the Member for The Maples would be right behind the minister helping him to sell this. He couldn't say anything because he's not allowed to, but he would be behind the minister, as I know the rest of the NDP—I'm sure the members of the entire government caucus would be behind this, would be behind the minister and would love to see this motion come forward.

We recommend it highly to the—oh, did I have the wrong—it's the Member for Riel (Ms. Melnick). I apologize to this committee. It was the Member for Riel who kept shouting, louder, louder, more, more. I apologize for that. I had the wrong member. The former, former—I mean, she's had so many Cabinet portfolios it's hard to keep them straight. *[interjection]* The minister asks me how many Cabinet portfolios I've had.

Mr. Vice-Chairperson: Order.

Mr. Schuler: You know what? I'm going to have to say to him, do your own research, minister.

Mr. Vice-Chairperson: The member's allotted time has expired.

* (22:20)

The next speaker I have on my list is—

Point of Order

Mr. Vice-Chairperson: On a point of order, Mr. Borotsik?

Mr. Borotsik: On a point of order, I'm just asking if I could ask leave of the committee, most of us, with the exception of some of the opposition members, had the opportunity to speak. I know there are people in this committee room that sit here day in, day out, hour after hour after hour, not having the opportunity to do it.

I ask leave of the committee to have the Clerk Assistant, Tamara Pomanski, if you would allow her to at least give us 10 minutes of what she feels is what's going on in this committee room. I just ask leave.

Have I got leave then?

Some Honourable Members: No.

Mr. Vice-Chairperson: Leave has been denied.

Mr. Borotsik: That's okay. The Chair was going to deny it anyway. Fine, fine. I thought it was—

Point of Order

Mr. Vice-Chairperson: Point of order from Mr. Selinger.

Mr. Selinger: I think the member intended that in the spirit of, perhaps, a sense of humour. I don't think we should ever be using the staff of the Legislature as the purpose of a joke. I would hope the member would put the record straight on what he was really intending there.

Mr. Borotsik: It was definitely done in the spirit of humour. As a matter of fact, I had talked to the Clerk Assistant about it, and she was okay. I appreciate that.

An Honourable Member: No, no. It's unacceptable.

An Honourable Member: That's not the point. It's completely inappropriate.

Mr. Borotsik: All right, I do apologize if I put her in any difficult position. It was done in a spirit—

An Honourable Member: Just like when they were being attacked the other night—

Mr. Borotsik: It wasn't being attacked. I never attacked her.

An Honourable Member: The other night, they were.

Mr. Borotsik: And I had no intention of attacking her.

So I do apologize.

An Honourable Member: I accept your apology.

Mr. Borotsik: Thank you very much.

* * *

Mr. Vice-Chairperson: Over to you, Mr. Faurshou.

Mr. David Faurshou (Portage la Prairie): Once again, it's a pleasure to speak to a motion brought forward by the honourable Member for Brandon West (Mr. Borotsik). I want to compliment him as to his efforts to make this committee more accountable to Manitobans. Once again, he has brought forward a motion that is, indeed, in keeping with making Manitobans more informed of the legislation that is before us.

The motion, as it reads, is that the committee recommend to the House that Bill 38, The Balanced Budget, Fiscal Management and Taxpayer Accountability Act, be withdrawn, and that public hearings across the province be held together with planned public hearings on budget 2009.

With the benefit of the earlier presenter, Mr. Newman, a former member of the Manitoba Legislative Assembly, representing the very, very great constituency of Riel during his tenure here at the Manitoba Legislative Assembly, gave us an insight into how the former administration was definitely accountable to the electorate, to all Manitobans, including the balanced budget legislation in the 1995-96 budget.

What better way to promote the balanced budget legislation than to send it to the general election and make it the focal point? Indeed, that is what did transpire. Obviously, Manitobans understood what the legislation was all about, because they then proceeded to provide the former Filmon administration with a resounding majority here in the Manitoba Legislative Assembly.

After this fact, there was a real change of heart because, up until that point, many of the members opposite were condemning the balanced budget legislation and trying to state in every term mentionable that it was only a political ploy; it was a gimmick; it was only trendy, that the bill would not work. More and more was said in the Legislative Assembly by the members opposite to, indeed, discredit the balanced budget legislation which, ultimately, Manitobans adopted.

Seeing the errors of their ways, the then-opposition leader took a look in the mirror, had a change of heart, and decided that the only way he was ever going to occupy the Premier's chair was, in fact, to adopt a Conservative piece of legislation as part of his election platform. That's exactly what he did in 1999. So after years upon years of condemning balanced budget legislation, he adopted and supported the budget of the Filmon administration in 1999. We all know what took place. Manitobans then believed that Mr. Doer was true to his word and elected him Premier, but it must be highly, highly embarrassing for the Premier at this point in time to be abandoning that election promise and abandoning what he has touted for so many years now as a cornerstone to his administration.

I can understand why he is absent from this committee, in fact absent from the city. He's even

absent from the province and it might go so far as, I believe, that he is absent from the country. That is very, very telling. Obviously, the First Minister does not want to be anywhere near this legislation, and by the obvious lack of participation from members on the government side of the House debating the motion here this evening that they too are embarrassed and do not want to have anything on the record that could potentially say what their true feelings are regarding this election, because up until this point they have gone door to door saying how fiscally responsible they are and that they are indeed reflective of the founding father of the party, Mr. Tommy Douglas, who in the most recent movie of his life, aired on CBC television, and one of the most notable quotes in that movie was Tommy Douglas when he was trying to restructure the finances of the near bankrupt province of Saskatchewan. He stated to the financiers of the day that even though he may be a socialist, he was not irresponsible. That term is one of the very, very fundamental planks in what was originally the socialist movement that came forward from Mr. Tommy Douglas.

Now I talked to many, many persons that have previously supported the NDP government, are coming forward and stating that they are old school NDP, and they cannot believe what today's NDP is touting. I would like to see—and I offered last night, I will offer again this evening—any members opposite that want to go door to door in any part of the city, any part of the country, and state why they believe that they need to mortgage the future of the children of Manitoba and of the grandchildren because today we cannot balance our budget and we need to do so.

I think that it would be quite enlightening to the members opposite as to the responses from the Manitobans if asked what they think of Bill 38 and the position that this government is abandoning balanced budget legislation. Indeed, if we were able to go even further and ask Manitobans whether they would continue to support the NDP, I think once again the members opposite would be very taken aback as to Manitobans' responses because, indeed, I believe Manitobans will say that they can no longer support the current or today's NDP for what they are doing.

* (22:30)

Now, this particular motion speaks very specifically to action that can be taken by the government and including the legislation that we are—we have a committee, Bill 38, and incorporating

it in the 2009-2010 budget and displaying quite clearly to all Manitobans exactly how this legislation will unfold, how exactly this legislation will impact average Manitobans. I believe that at that point in time there will be a significant outcry by Manitobans because Manitobans are common sense people. They know within their own household that they have to balance their books. They know that they cannot overspend. They know they can't go to any financial institution and say we would like to mortgage our children's future and the children will pay this back. We want to enjoy a better lifestyle than we are able to afford and that is why we are willing to mortgage our children. I don't believe there is a financial institution around that would look to financing and advancing funds on that basis.

So why, then, the questions begs to be asked, would government do something that we, as individuals, do not do in our own households? Looking to members opposite, I don't believe any one of them would take Bill 38 and take it back and adopt it within their own personal budgeting process. If they—*[interjection]* The honourable member suggests that perhaps I don't know her as well as I believe I do. Well, I would suggest that it wouldn't be too many years before the honourable member would have to see the errors in her ways because bankruptcy and foreclosure would be, I'm certain, in her future because no financial institution will base their mortgage and advancement of loan monies on children, children that are not of age of majority. Obviously, even children being born today will see, still, a deficit when they become of age in order to vote. There is no schedule of repayment anywhere on the horizon if Bill 38 is adopted.

Mr. Vice-Chair, I wholeheartedly support this motion and I truly believe that members opposite support it as well, because I know them all to be all honourable members of the Legislature and would very, very much want to take it to their constituents in order to hear first-hand their opinions. Thank you.

Mr. Vice-Chairperson: Thank you very much for that.

Mr. Cullen: I certainly appreciate the opportunity to discuss the latest motion put forward by the honourable Member for Brandon West (Mr. Borotsik), and another great motion he's putting forward here. What he's suggesting is that this committee recommend to the House that Bill 38, The Balanced Budget, Fiscal Management and Taxpayer Accountability Act be withdrawn and that public

hearings across the province be held together with planned public hearings on budget 2009. I thought I should just read that into the record, especially for the members that may have just joined us from other committees or somewhere else in the building.

I guess the point the motion raises here draws a question in my mind right off the hop. We know the Minister of Finance (Mr. Selinger) will, from time to time, tour the province of Manitoba, and he's seeking input from Manitobans in terms of what they think should be done with our provincial budget. I would be very surprised if, over the course of any time in the last eight or nine years, through his budget consultations, Manitobans had requested of the minister that the particular balanced budget legislation that we've had in place since 1995 would actually be repealed.

I would encourage the minister, if he has some documentation of the fact that, if there was even one Manitoban, even one organization somewhere in Manitoba, over the course of the last nine years told the Minister of Finance to repeal balanced budget legislation that's worked well for this province for the last nine years. If he could point to anyone, just pick one person anywhere in the province of Manitoba that indicated that they don't want balanced budget legislation.

I've said this before. This government is pretty typical in terms of bringing legislation forward, and their whole idea of bringing legislation forward is one of perception. Once you get over the title, and the title on most of the legislation gives Manitobans a warm and fuzzy feeling that this particular government is actually doing something positive on their behalf. Well, when you deal with this NDP government you have to make sure you look down below the title of any legislation that they're bringing forward. Nothing is more to the point in this particular budget, in this particular bill, Bill 38, and when you get into the fine print here it's just a it's just a messy piece of legislation.

I think it is incumbent on us as legislators to make sure that Manitobans fully understand what this particular government is trying to do with this bill, and the only way we can successfully do that is to get out on the road and take it to the people of Manitoba. In fact, we've heard one presenter tonight, and I certainly applaud Manitobans who take the initiative to actually go through the legislation and look and see what the government is trying to propose for the next three years, or maybe even

longer. And you look at this particular legislation, there are 16 pages here, and one of the presenters tonight said, you know, I read through it once and I didn't really have a clue what they were trying to accomplish. I read through it again and I'm still quite confused over what they're trying to accomplish. So it's disturbing that the government is hiding behind 16 pages of legislation. As one other presenter said, well, they probably could have done it in just one page.

So it would appear that part of the motive behind this particular legislation is to hide behind it and to actually try to fool Manitobans in what they are trying to do. If you look at the title of the bill itself, boy, nothing can be further from the truth. The balanced budget, I mean, what we're doing here is effectively repealing the existing balanced budget legislation, taking that and destroying it altogether and passing—it's not even anywhere close to what we have and what Manitobans believe is balanced budget.

So I know the government of the day is going to say, oh, you know, we balanced the budget. We brought this new balanced budget legislation in there. Fiscal management, well, fiscal management, again, nothing can be further from the truth when you get in there and dig in to the dirty deeds on this particular legislation.

Taxpayer accountability act, well, if you're sitting home and you're picking up the newspaper and saying, oh boy, look at that, the government's brought in this taxpayer accountability act. Boy, that sounds like a good thing.

We're lucky that some Manitobans do take the time and we've seen it in this government before, this underhanded approach, and even just the way the government brought in this particular legislation, at the last possible time tried to slide it through and pull the wool over Manitobans eyes. You know, us as Her Majesty's Loyal Opposition, it's our job to try to determine exactly what it is the government's trying to do. It's our job to get out there and tell Manitobans what it is this government is trying to do.

Mr. Vice-Chair, in my previous careers, I've had the opportunity to travel around Manitoba. In fact, one particular job I had was with the Association for a Clean Rural Environment or ACRE for short was the acronym we had, and that particular company we were looking after the pesticide container management program in Manitoba. So I had the opportunity to visit pretty well every municipality

throughout the province of Manitoba, and you get an appreciation for just how big the province of Manitoba is. You know, I know the government's fixated on what happens inside the perimeter of Winnipeg and realizing that in two-thirds of the province the population is in and around the city of Winnipeg, but I think it's incumbent on us as legislators to make sure we understand the rest of Manitoba and rural and northern Manitoba. So it's certainly our job, and I think we should be out on the road visiting these communities.

* (22:40)

A lot of rural Manitobans and northern Manitobans are reluctant to come to the city and take the time out of their busy schedules. A lot of times it's a matter that you have to stay overnight and then incur some considerable expenses in coming in and making presentations to the government. So I think it's just courteous of us as legislators to go out there, visit them in their backyards, make it as easy for them to come and present to committee as we can make it. I think that too would engage a lot more Manitobans in the legislative process, and they would understand what it is the government is trying to accomplish in some of these bills.

You know, it's pretty easy to tie in some of the important bills—37, 38, 17—it's pretty clear, Mr. Vice-Chairperson, when we get 100 or 200 people or, in the case of Bill 17, over 400 presenters coming to speak to legislation that this government proposes, there is fundamentally some serious issues with that legislation. It's an opportunity to take this event on the road and engage the rest of the public in Manitoba and make it easy for them to come and present to committee.

You know, Mr. Vice-Chairperson, it's just incumbent upon us to do the right thing. We've had the opportunity, we heard from some very renowned former legislators—in fact, Mr. Manness, who's actually a previous Finance Minister, Mr. Cummings, Mr. Newman, who all were through here in the 1990s, were part of the original balanced budget legislation brought in in 1995.

The point of Mr. Newman's presentation—it really struck me on the irony of what we're trying to accomplish, of what the government is trying to accomplish today. Back in the 1990s, it was a whole different situation. We were under some pretty tight economic times. The federal government transfers were being tightened up, the government had to make some very, very tough decisions in terms of

how spending was going to be done. And the revenue. Quite frankly, the revenue just wasn't there like it had been in the previous, so it would have been fairly easy for the government of the day under those tight economic times with little revenue just to go and borrow more money, borrow more money and finance whatever projects they had to do. But they didn't take the easy way out. They were determined to do the right thing. To do the right thing and bring in balanced budget legislation that could dramatically affect the way they were doing business. It was a very bold move. They had to have the stamina and the courage to bring that particular legislation forward.

Today, we've got the very opposite side of the spectrum here. We've got a government that is awash in cash, unprecedented transfers from the federal government. Unprecedented revenue, they've got \$10 billion of revenue coming into the province, and instead of being fiscally responsible in paying off our debt over the last few years when the economy's been in good times, this government now wants to change legislation and actually borrow more money. The fact is, Mr. Vice-Chair, we're in debt to the tune of over \$20 billion, and we're paying interest on that to the tune of \$800 million a year, absolutely unconscionable.

Mr. Vice-Chairperson: Order. The member's time has expired.

Moving on to Mr. Hawranik.

Mr. Gerald Hawranik (Lac du Bonnet): I welcome the opportunity to put a few words on the record with respect to this motion. I commend Mr. Borotsik, the Member for Brandon West, for bringing forward this motion. I think it's worthy of support by members opposite in the sense that it certainly broadens the impact, it broadens the hearings, the public input into such a very important bill. It's an extremely important bill, which was introduced at the very last moment by the Minister of Finance (Mr. Selinger). He kept it hidden within the Chamber until May 1 and then sprung it on everyone, expecting that the sessional order would pass it automatically without any problem, but I think what he's finding is that there are some challenges that he's going to have to overcome and that Bill 38 is an important piece of legislation, not only just for ourselves as a caucus, but for all Manitobans. All Manitobans should be outraged at Bill 38, and I think what we're seeing in committee over the last couple of weeks, and what we will

probably see in committee over the next few weeks at very least, Manitobans will be coming forward and voicing their view against Bill 38.

I can tell you, Mr. Vice-Chairperson, that, having been in this committee night after night, there's only been a couple of presenters who, in fact, have spoken in favour of Bill 38, and every other presenter that we've heard at this committee has, in fact, been opposed to Bill 38. That should send a message to members opposite. It should indicate to them that, perhaps, they should be voting against Bill 38 in the House, and they should be following the wishes of their constituents. I've noticed that several of the presenters that have come forward to committee, in fact, were constituents of members opposite. They should be listening to their constituents. I think if they took a poll of their constituency, they'd probably find that Bill 38 wasn't as popular as they thought it was initially.

They've been listening to people from all walks of life in Manitoba here at this committee. I think what they ought to do is listen to the presentations that were brought forward this evening as well as previous evenings, as well as ask questions. One thing I've noticed over the last couple of weeks is that members opposite don't seem to ask any questions of presenters. They don't seem to have any comments from presenters. That came out loud and clear several of the evenings of the last couple of weeks. The presenters were even upset with members opposite that they weren't commenting to their presentation, that they weren't asking questions.

The motion itself speaks to holding public hearings across the province, together with public hearings in budget 2009. I know that the Minister of Finance (Mr. Selinger) goes across this province before he presents and develops his new budget. Certainly, this wouldn't be a burden on the Minister of Finance. It would only serve to increase his credibility and visibility within the community, to go out into the community and ask the community, every community, what they think of Bill 38. What do they think about unbalanced budgets? What do they think about increased debt?

I think he's found out this evening, as well as previous evenings, that Manitobans are outraged by this bill. I think he's afraid to go out and combine public hearings on this bill with budget consultations for 2009. So I don't expect that he will do that. I don't think that he will do that, Mr. Vice-Chairperson.

If we had public hearings, certainly I would expect that the public hearings wouldn't be patterned after what we've seen in this committee. We wouldn't be sitting till 2 or 3 in the morning. We wouldn't be sitting till midnight trying to coerce the public to come out and express their views. We wouldn't be doing that if we were really interested in public input on this bill. What we see, night after night, is members opposite looking to extend the sitting of committee. We can oblige that. We're prepared for it. The public may not be. Certainly, we shouldn't expect people, for instance, coming from Brandon to present at midnight and sit here all evening to wait to present. The committee structure itself, in my view, has to change and it has to form part of new rules that we follow in this House and committee.

I was elected in 2002 and the rules themselves haven't changed since 2002. I think—

Mr. Vice-Chairperson: Order. I'm sorry. I've had a request for a little bit less background noise as one of the members of the committee is having trouble hearing the dialogue going on, so thank you very much everyone for your consideration. Please continue, Mr. Hawranik.

Mr. Hawranik: Mr. Vice-Chairperson, it certainly doesn't bother me. I'm used to what happens in the Chamber in question period. So it doesn't really bother me if other people talk. Obviously, if people were attentive, you would hear what I've got to say, so it doesn't really bother me. Certainly, if I was concerned about the noise level, I'd raise a point of order on my own.

* (22:50)

I believe that there should be public consultations throughout the province to ensure that we do have proper input from Manitobans and not just at committee. This is an extremely important bill, a bill that came forward at the last moment, a bill that will affect all Manitobans and, in fact, future generations of Manitobans because of its ability to allow the government to run deficits for three out of four years. That came loud and clear at committee here as well.

We've looked at this bill line by line and we're concerned about the effect that this bill will have on the debt of the Province. We know that, in accordance with the terms of the bill, the Province could run an operating deficit each and every year and still claim to have a balanced budget. Never mind once every four years or three or twice every

four years; every year there's a potential for the government to run an operating deficit every year and still claim to have balanced the budget.

I know the Minister of Finance (Mr. Selinger) has claimed that, well, we have to go to this type of legislation because we need to follow GAAP. Well, we can follow GAAP without proclaiming and without passing Bill 38. In fact, if the Minister of Finance were serious about following GAAP, he would, today, stand up in this committee and admit to all the committee members, as well as to members of the public, who are here at the time, he would actually admit that he ran a \$604-million deficit in 2003 and 2004, because that's what the Auditor General, the Auditor General at the time, Jon Singleton, indicated the deficit to be. In 2003-2004, we ran a \$604-million deficit, yet, at the same time, the Minister of Finance proclaimed that, in fact, he had an operating surplus, going as far as to say that he had \$13-million operating surplus at the time when the Auditor General thought it was and publicly stated that it was a \$604-million deficit.

I recall even the Member for Inkster (Mr. Lamoureux) making headlines in one of the newspapers, whether it was the *Free Press* or whether it was the *Winnipeg Sun*, going up Inkster Boulevard with signs, with placards and sandwich board, people honking horns at him, agreeing with him with the fact that the Province was carrying a \$604-million deficit. He got a great deal of publicity for that, and I give him all the credit for doing that because he brought attention to the fact that there was an operating deficit in spite of the fact that the Minister of Finance claimed it was surplus.

One of the statements made by the Auditor General at the time—and I remember him indicating in the report—he indicated that, in fact, he didn't know how the Minister of Finance arrived at a \$13-million surplus when the Auditor General claimed there to be a \$604-million deficit. The reason he stated that is because there was a transfer of funds from the rainy day fund to cover up the difference.

Mr. Vice-Chairperson: Order. The member's 10 minutes has expired.

Up next I have Mr. McFadyen.

Mr. Hugh McFadyen (Leader of the Official Opposition): I have a good feeling about this motion. Even without having to read it, I think that this is a motion I can support. But I have read the motion, Mr. Vice-Chairperson. It is a good motion. I

had occasion to read it before comments, and, similarly, I've had the opportunity to read Bill 38, as well, which took just a couple of minutes longer than to read the motion. But I want to support the motion and support the idea of going out for broad public hearings on Bill 38.

Bill 38 is a bill that doesn't do what its title purports to do. It doesn't require balanced budgets. It, in fact, allows deficits on the operating budget. It allows an accumulation of debt or obligations, whatever term you want to use. If it walks and talks and quacks like a duck, it's a debt, and it's building up under this bill, potentially, in any event.

So I want to support the Member for Brandon West (Mr. Borotsik) and say that Manitobans may have very many questions about Bill 38. As they have the opportunity to digest this bill and read through the details of the bill, they will see that, in addition to the elements of this bill that are now becoming better-known to the public, there are new exceptions and adjustments built in at section 3(3). There's this exception, this allowance for adjustments created by unanticipated natural or other disasters that affect the province, Canada being at war or under the apprehension of war.

Now many Manitobans may ask themselves whether we are not at war today in Afghanistan, whether that might relieve the government of its obligation to balance the budget.

They may want to ask about these unusual weather or climate conditions, the fiscal impact of which was not anticipated. We can't predict weather from one day to the next in Manitoba. What do they mean by unusual weather or climate conditions? I don't know that there is a usual here in Manitoba. I know we had a late winter this year; we had an early spring last year. There is no such thing as usual weather or climate conditions, so subclause (c) under 3(3) may very well exempt the government from ever balancing the budget.

I think Manitobans are going to want to know that the government has built in more escape hatches to this bill than you can imagine. This is a bill that even an amateur escape-artist would find their way out of, in no time at all. This is something that Houdini, in his infancy, could have gotten out of, when you look at these exceptions to the balanced budget requirement.

The bill is a dramatic change from where we are today. It's a departure from what the governing party

campaigned on and, as the Member for Russell (Mr. Derkach) says, it's a step backward, not forward. It's exactly the opposite of what the Premier (Mr. Doer) campaigned on, which was to move forward, not backward.

This bill takes us backward. It takes us back to the bad old days of NDP deficits and debt. We all remember the Kostyra budget of 1986; this was a budget that resulted in the fall of a government. It was, in large—in 1988, I'm sorry the Member for Burrows (Mr. Martindale) has corrected me on this. It was 1988 and it feels almost like yesterday. We're past the 20-year anniversary and I was—*[interjection]*—well, I didn't shave but that was for different reasons altogether. I was kind of a young hippie, like the Member for Wolseley (Mr. Altemeyer), and I was getting in touch with the Earth. I lost it along the way somewhere.

Churchill said something about, if you're not a certain way when you're 20, you're one thing. If you're not a certain other way by the time you're 40, you're something else. I don't think they're parliamentary words, so I'm not going to use them. There's some unparliamentary language; there's unparliamentary language, and I don't want to have the Chairman to have to spring into action to retrieve this presentation and bring it back into order.

There are other interesting elements to this story. I think that Manitobans are going to want to know not only about what is contained in Bill 38, but what led to Bill 38. What were the circumstances that caused the government to even want to introduce Bill 38?

We've seen a disturbing pattern of legislation coming forward since the last election campaign. There was always this perception that the Premier of the province was sort of a centrist, moderate fellow, who was pragmatic, middle-of-the-road and in touch with mainstream values. I think what Bill 38 shows is that the government is taking a dramatic lurch out of the mainstream of Manitoba thinking, away from fiscal responsibility.

I know that we had the debate about the differing positions between the Member for St. Boniface (Mr. Selinger) and the Member for Wolseley on the issue of the Hydro line. The Member for Wolseley is a hard-liner on the issue of never building on the east side, where the Member for St. Boniface is a moderate on that point and is open to the possibility of building on the east side.

I have a feeling that the Member for Wolseley may have had a hand in Bill 38, that he may be the person who's driving this agenda which seems to be coming to the surface with more recent pieces of legislation—Bill 37, Bill 38, Bill 17.

* (23:00)

There are a whole range of initiatives here which take the government off that centrist position which it has occupied with a lot of political success over the past eight years. Manitobans, through the public hearing process, will want to be able to express their views, but also hear from members of the government caucus about their perspective on the bill, honest views on how they really feel about it.

I have a feeling that there is an agenda at work here behind Bill 38 that may very well not be the agenda of the Member for St. Boniface (Mr. Selinger), but maybe the Member for Wolseley (Mr. Altemeyer), wagging the dog, as it were, calling the shots behind the scenes and setting the government's agenda. I think that the Member for Wolseley—*[interjection]*—and I will not take the bait that's being offered by the Member for St. Vital (Ms. Allan). The Member for Wolseley, I believe, has, for eight years, been drafting this bill in his office and pushing it at caucus meetings, and, finally, he got his way. I think Manitobans deserve to know that this is what led to Bill 38.

I believe that—and I don't have any proof to back this up, I'm only speculating now, based on pieces of anecdotal information, anecdotal evidence and circumstantial observations, that the Member for Wolseley has a certain perspective which, I disagree with it, but I respect it because he's consistent on a whole range of issues. I believe that the Member for Wolseley right from the get-go was opposed to the original balanced budget law and has for eight years been drafting Bill 38. I know that the Member for Wolseley for eight years has believed in a vote tax, and I think that he's finally gotten his way, through Bill 37. I believe that the Member for Wolseley has had a hidden agenda to force the next hydro line down the west side of the province, and he finally got his way after the election campaign. I think that a lot of these initiatives since the election campaign are indicative of the fact that the Member for Wolseley is carrying the day at caucus. *[interjection]* I believe he has.

I think the Member for St. Boniface is losing his grip on the agenda. He's losing his grip on the agenda, and, what we see happening today, is the old

left of the party is reasserting its authority within that party.

I believe Bill 38 has been on the desk of the Member for Wolseley now for probably no less than four years, and that, meeting after meeting, he's brought it forward. It was rejected by his colleagues, and, finally, he got his way. I think Manitobans, through a public hearing process, are going to want to know what led to the drafting of Bill 38 and how it is that we got to this stage in the process. They're going to want to say to the Member for Wolseley, no, Member for Wolseley, this is not the Manitoba way; this may very well be the Member for Wolseley way, but it's not the Manitoba way.

I think that this could play into the Minister of Finance's hands, that, through a public hearing process, once again the government will be forced to reconnect with the values of mainstream Manitobans, which will give the Minister of Finance the cards he needs at the Cabinet table to push back against a piece of legislation that I don't believe he believes in.

That's why I think it's important that we have public hearings throughout the province so the government can get out of this building, reconnect with the people of Manitoba, and what they'll hear from the people of Manitoba is that you cannot run a deficit and call it a surplus. You can't say that you're running surpluses while you're increasing the debt. These are things that defy common sense, and Manitobans are common sense people, and if they're allowed to make presentations on this bill they will say this is not a common sense bill. This bill is wrong for Manitoba. So I support the motion, Mr. Vice-Chairman. Thank you.

Point of Order

Mr. Vice-Chairperson: Ms. Allan, on a point of order?

Ms. Allan: Point of order. Well, Mr. Vice-Chair, the MLA for Russell passed me a note. And the last time I found a note on the table I thought it was the MLA's, but he didn't want it back, and then he asked for it back. I just want to clarify whether or not he wants this—I think we need to know whether or not he wants this note back because this could be noteworthy.

Mr. Vice-Chairperson: Mr. Derkach, on the same point of order.

Mr. Leonard Derkach (Russell): Well, on that same point of order, I know the minister wants to go

to sleep and she would like to end this committee somehow, so I was giving her a way out because she had made a motion that the committee not end till midnight. So, Mr. Vice-Chair, I suggested to her that perhaps she should support the concept that we should call it 12 o'clock.

Mr. Vice-Chairperson: I think I've heard enough to be able to issue a ruling. It's not a point of order. The honourable member does not have a point of order.

* * *

Mr. Vice-Chairperson: Mr. McFadyen, on a new point of order?

Mr. McFadyen: Just as a matter for the record, if the Member for Russell (Mr. Derkach) has left classified documents at the private residence of the Member for St. Vital (Ms. Allan), I think they should take that outside the committee.

Mr. Vice-Chairperson: I'll rule that as a point of view.

Mr. Lamoureux, you have the floor—10 minutes.

Mr. Kevin Lamoureux (Inkster): Mr. Vice-Chairperson, whether it's now or a later time, it doesn't really matter for me. I know the other committee has risen. If people feel that we might want to consider calling it 12 o'clock at this time, I don't have a problem with that, if it's the will of the committee to do that.

Mr. Vice-Chairperson: Just for clarification, are you asking for leave of the committee to see 12 o'clock now?

Mr. Lamoureux: Yes.

Mr. Vice-Chairperson: Mr. Lamoureux has asked to see 12 o'clock. Does he have leave?

Ms. Allan: It's my understanding that there are still four speakers that are on the list to speak tonight. I think we should have those individuals that are here to speak, speak to the legislation.

Mr. Vice-Chairperson: Leave has been denied.

Mr. Lamoureux, your 10 minutes is now beginning.

Mr. Lamoureux: Mr. Vice-Chairperson, I was just wanting to see if there—to be accommodating, in case members were wanting to.

The balanced budget legislation, I believe, is one of those pieces of legislation in a four-year time

period that will come out to be one of the more important pieces of legislation that the government will be bringing forward.

In terms of public attention, there is a great deal of public expectation nowadays because we've now had the balanced budget legislation in for, I guess it would have been since '95, '96. Since then, we have had elections that have occurred and political parties, from what I understand, all three major political parties, have gotten behind balanced budget legislation. There was never any indication whatsoever that we would be getting rid of balanced budget legislation from any of the three major political parties.

Now I say that, Mr. Vice-Chairperson, because I think it is important to realize the majority of members of the public, I believe, that follow or that are aware of balanced budget legislation, would like to see the balanced budget legislation stay in place.

Now here's the reason why I put it that way. My understanding of the legislation is that it's really widening the scope. It's allowing for the government to actually have an annual debt in any given year where you do not have balanced budget and you're able to put it off. That's one concern.

* (23:10)

The other concern is the fact that most Manitobans, I believe, want the government to balance the books based on the core government expenditures. What this legislation does is it confuses it. Ultimately, if you believe that Manitobans support balanced budgets on an annual basis, as I believe most of us think is the case, then we have to look at whether or not this legislation is weakening the current law or is it giving it additional strength. I believe, Mr. Vice-Chairperson, that it is weakening the law that, in fact, it's weakening it to the degree in which it really shouldn't be called balanced budget legislation because there are so many loopholes that are in the legislation. The government would almost be better off, and, again, I don't have maybe as good an understanding as some members of the committee, but my basic

understanding of the legislation is that this will not provide the public a true indication of whether or not there is a balanced budget dealing with the core expenditures of government, and there definitely will not be a penalty to the government ministers if, in fact, they do not have a balanced budget on an annual basis, Mr. Vice-Chairperson.

Because of that reason, I believe that the public needs to be made aware of it in a very big way. After all, election campaigns were fought in part talking about the importance of balanced budgets, so we all know that a majority of the public wants to see annual balanced budgets based on the core expenditures of government.

So this act is not giving strength to the current law. It's taking away from that. As a result, I would ultimately argue, then, that it's in Manitobans' best interest to have this whole debate being taken outside of the committee room.

Point of Order

An Honourable Member: Point of order, Mr. Vice-Chairperson, I'd like a quorum count. Could you please close the doors and then do a quorum count of those who are in the room?

Mr. Vice-Chairperson: Okay, a quorum count has been requested. Can we tie all the doors, please.

I'll now ask the Clerk to conduct a quorum count. All honourable members who are members of the committee, please rise—or raise your hand, sorry. Raise your hand is easier, a little exercise, all members of the committee.

Clerk Assistant (Ms. Tamara Pomanski): One, two, three, four.

Mr. Vice-Chairperson: Order. A quorum count has been conducted. We do not have a quorum and the meeting, therefore, cannot continue, so the committee's business for this evening is concluded.

Mr. Vice-Chairperson: Committee rise.

COMMITTEE ROSE AT: 11:13 p.m.

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