

**Second Session - Thirty-Ninth Legislature**  
of the  
**Legislative Assembly of Manitoba**  
**DEBATES**  
and  
**PROCEEDINGS**  
**Official Report**  
**(Hansard)**

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

**Vol. LX No. 73A – 10 a.m., Tuesday, September 23, 2008**

ISSN 0542-5492

**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Ninth Legislature**

<b>Member</b>	<b>Constituency</b>	<b>Political Affiliation</b>
ALLAN, Nancy, Hon.	St. Vital	N.D.P.
ALTEMEYER, Rob	Wolseley	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
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BLADY, Sharon	Kirkfield Park	N.D.P.
BOROTSIK, Rick	Brandon West	P.C.
BRAUN, Erna	Rossmere	N.D.P.
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.
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DYCK, Peter	Pembina	P.C.
EICHLER, Ralph	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
GERRARD, Jon, Hon.	River Heights	Lib.
GOERTZEN, Kelvin	Steinbach	P.C.
GRAYDON, Cliff	Emerson	P.C.
HAWRANIK, Gerald	Lac du Bonnet	P.C.
HICKES, George, Hon.	Point Douglas	N.D.P.
HOWARD, Jennifer	Fort Rouge	N.D.P.
IRVIN-ROSS, Kerri, Hon.	Fort Garry	N.D.P.
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LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
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WOWCHUK, Rosann, Hon.	Swan River	N.D.P.
<i>Vacant</i>	Elmwood	

**LEGISLATIVE ASSEMBLY OF MANITOBA**

**Tuesday, September 23, 2008**

**The House met at 10 a.m.**

*PRAYER*

**ORDERS OF THE DAY**

**PRIVATE MEMBERS' BUSINESS**

**SECOND READINGS—PUBLIC BILLS**

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, I believe that there would be leave of the House to move directly to Bill 207.

**Mr. Speaker:** Is there agreement of the House to move directly to Bill 207, The Manitoba Hydro Amendment Act? Is there agreement? [*Agreed*]

**Bill 207—The Manitoba Hydro Amendment Act**

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, I move, seconded by the MLA for Inkster (Mr. Lamoureux), that Bill 207, The Manitoba Hydro Amendment Act; Loi modifiant la Loi sur l'Hydro-Manitoba, be now read a second time and be referred to a committee of the House.

***Motion presented.***

**Mr. Gerrard:** Mr. Speaker, the objective of this bill is to have those who are appointed to the board of Manitoba Hydro interviewed, screened by a committee of the Manitoba Legislature, with a view to inquiring and ensuring that the individuals who are appointed to the board have a vision for the future of Manitoba Hydro, are able to talk about their vision and their goals in sitting on the board, and are able to talk about their background and experience as it would relate to the objective of providing competent service and excellent advice as a member of the board of Manitoba Hydro.

I think we would all agree here in this Chamber that Manitoba Hydro is very important to Manitobans. It's our largest and most important Crown corporation. It provides electricity to Manitobans, to almost all Manitobans. There are a few—four communities in northern Manitoba, which the NDP have not seen yet to hook up to the grid, but aside from that, all Manitobans who would like it are in the grid and are served by the grid where they want it.

The provision of hydro-electric power is, of course, a provision of clean energy, renewable energy and therefore, in the world where we're very concerned about climate change, it is of particular importance. Indeed, it gives us a natural advantage, and I will talk a little bit more about this a little later.

I want to say that premiers and governments of Manitoba, particularly going back to the governments of Garson and Campbell who started on the major project of rural electrification and consistently, through NDP and, perhaps to a lesser extent but still there, the Conservative governments, have built up Manitoba Hydro to the point where it performs an incredibly important role in Manitoba. It is vital for us that we have the very best stewardship of Manitoba Hydro that we could possibly have.

In that context, we want people who are very knowledgeable on the board and can give very wise and sage advice. I would suggest, Mr. Speaker, that, you know, recently, there's been a debate about whether the transmission line should go down the east side of Lake Winnipeg or the west side of Lake Winnipegosis or, as Liberals believe, a line underneath Lake Winnipeg would be best. As we all know, for a long time Manitoba Hydro did not consider—certainly not adequately, and indeed, President Brennan, as we know, before the committee was very dismissive of—the possibility of a line under Lake Winnipeg. It speaks to the fact that members of the board were lacking in the critical expertise and understanding of the potential for underwater hydro-electric lines.

We in the Liberal Party want to make sure that we're not missing opportunities, whether it be now or in the future and that we're benefiting from the very best advice from a technical perspective, from a financial perspective, and so on. Certainly, under the present government we have seen the government on a number of occasions reach into Manitoba Hydro's pockets in order to balance the budget. We believe that a strengthened board which has been through a review and an interview process before a legislative committee would be of better service to Manitoba Hydro and, in that context, be of better service to all Manitobans.

Now, it is in the context of how Manitoba Hydro provides energy to Manitoba in a clean fashion that we are in a position now to benefit, particularly from Manitoba Hydro. We are in the middle of a federal election and there are various proposals, and one of these proposals is called the green shift. Interestingly enough, under the green shift, much of the taxes which would be paid would be paid by people in other provinces who haven't got such clean energy, and so Manitoba would benefit disproportionately compared to other provinces from the green shift. It's an example of the benefits that Manitoba Hydro and hydro-electric power can bring to us that we should be in a position where we can benefit and will benefit under such programs.

So, Mr. Speaker, I would urge all members to rise unanimously and support this motion to have the very best possible stewardship that we can have of Manitoba Hydro for the benefit of all Manitobans.

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

**An Honourable Member:** No.

**An Honourable Member:** Yes.

**Mr. Speaker:** No?

**An Honourable Member:** No.

\*(10:10)

**Hon. Greg Selinger (Minister of Finance):** Thank you, Mr. Speaker, I just wish to put some comments on the board about this amendment act. This bill requires that any person appointed to the board must be publicly interviewed by an all-party committee of the Legislative Assembly. I think that would create unnecessary red tape and, actually, might have the effect of driving qualified people away from wishing to serve on the board because they feel they might be badly treated through the public review process that's being proposed in this legislation.

As we know, the Hydro Board is integral to the successful functioning of such a large and important company for Manitoba. The Hydro Board members are a highly qualified group, and I will talk a little bit more about their qualifications in a moment. They have a track record of managing Manitoba Hydro to its two most successful financial years in the corporation's 57-year history, last year and the years of 2005 and 2006. They bring a diversity and relevancy of skills to the board. They bring a lot of experience to the board and, I think, they bring a commitment to serve the public and the public interest by serving on the board.

The corporation, of course, Manitoba Hydro must be accountable to its shareholders, which are the people of Manitoba, in part through its government. But there are other requirements for public accountability which I will enunciate later on. Some of them include the Public Utilities Board, standing committees of the Legislature, reporting mechanisms, such as the Crown Corps Council, as well as other requirements for public meetings, and I'll give more detail on that later.

So I'm concerned that this proposal would create red tape and might have the perverse effect of driving good board members away from wanting to serve because of the proposed process they would have to go through here.

Just to give some background on Manitoba Hydro, it's one of our most important corporations in the province that employs about 6,000 people. Its gross revenues are over \$2 billion. It has about \$625 million of extra provincial revenues, commonly called export revenues. That was last year. They do annual reports every year, which are put on the Web site and made available to public in hard copy.

Manitoba Hydro has a high degree of exports. Upwards of 40 percent of the energy we produce is exported to over 30 electric utilities in Canada, as well as in the midwestern United States. Manitoba Hydro maintains itself as being as one of the lowest cost providers of domestic electricity in Canada. The Crown corporation offers a wide range of energy services and programs to its customers, such as the very well-known brand of Power Smart, which includes rebates on energy efficiency appliances, thermostats, loans for retrofitting your home, loans for geothermal installation, as well as some newly rolled out programs this summer for low income furnace purchase, as well as a rebate for anybody purchasing a high-efficiency gas furnace.

It actually went from being No. 9 to being No. 1 for its energy efficiency programs in this country, ranked by the Canadian Energy Efficiency Alliance. It's one of the largest utilities in Canada with assets in service exceeding \$11 billion. The market replacement value of those assets would likely be in the order of about three times of what their present value is if they had to be replaced. For example, the 1980s Limestone project was built for about \$1.5 billion. The roughly equivalent in terms of megawatts of power produced of Conawapa would be three to four times that today, at least \$5.5 billion.

Now, government has made many commitments to sustainable energy, and Manitoba Hydro has been a part of that. Hydro is also involved in purchasing wind power from the 100-megawatt project we have in St. Leon, as well as negotiating other wind power projects as we go forward. They have been very supportive of the geothermal industry in Manitoba, including putting the \$20,000 energy loan in place at an affordable rate of 4.9 percent for the first five years. They've also, as you know, become the owner of a gas company, for which they are responsible for running it and providing good service to Manitobans. They've been involved in a biomass initiative which was announced this summer, Mr. Speaker, which provides very significant incentives for energy displacement through offering biomass support and loans to allow people to displace electrical energy and provide biomass as an alternative for use in their own facilities whether they be farm facilities or other manufacturing or industrial facilities.

As I said earlier, the Canadian Energy Efficiency Alliance ranked them No. 1, but they've also been recognized by the David Suzuki Foundation as well as *BusinessWeek* magazine.

As you know, we have a green energy bill that's been put through the Legislature, which moves us towards meeting Kyoto reduction targets. Hydro is a big part of that and has made very serious contribution towards reducing greenhouse gas in this province through the conversion of the Selkirk plant from a coal plant to a natural gas plant, and through the winding down of the Brandon coal plant for emergency purposes only.

We've also enshrined in legislation the requirement that Crown corporations stay in the public sector and there has to be a referendum if there's any attempt to privatize it. So this protects this asset for the benefit of all Manitobans.

We have to be very clear, this government would not allow Manitoba Hydro to be privatized either through the front door or the back door such as we saw happen with the Manitoba Telephone System, which instead of having the lowest rates or among the lowest rates that they used to have when they were a Crown corporation, have among the highest rates in the country now.

We know that the only government that's actually built new hydro assets in this province is the New Democrats, Mr. Speaker. During the period of government of the members of the opposition, nothing really occurred in terms of building new

energy assets, new generating assets. It's the foresight that the previous government, the NDP government, had when they built Limestone at a time when everybody criticized it. The Liberals called it lemonstone. The Tories said it would never come in and would wind up paying billions of dollars for it. It actually came in on time, on budget, actually under budget, and has been a tremendous resource for this province and has supported up to \$5.5 billion of export sales in the past decade. This has allowed us to keep our domestic rates among the lowest in North America.

Today we are building Wuskwatim Dam in partnership with the Nelson House First Nation, the Nisichawayasihk Cree First Nation and we're moving ahead to build Conawapa and Keeyask with Aboriginal partnerships as well as with other northern communities. These major projects that we're moving forward on building will help to keep rates low for Manitoba consumers in the future.

Now the Leader of the Liberal Party said on October 6 in the *Free Press* that the appointment process for Manitoba Hydro is secretive and does not ensure a level of experience and qualifications regarding Hydro. I would have to say that the evidence proves him wrong on that point. I don't think it's very helpful to slam the very qualified individuals that we have serving on the Hydro Board who do it for a modest emolument every year but provide a tremendous service to the public.

We have on the board people like Bill Fraser, the former president and CEO of the Manitoba Telephone System, a former controller in the Province of Manitoba, a man with qualifications as a chartered accountant and very senior level management experience.

We have Ken Hildahl, a vice-president of Blue Cross, and a man with a lot of experience in labour relations. We have David Friesen, the president and CEO of a major printing company, Friesen printing company of Manitoba. We have Gary Leach, who used to run the Gerdau steel smelting facility in Selkirk and steel production facility in Selkirk and currently with Belcher Island Smelting and Refining.

We have a chairperson who is an experienced lawyer and former Cabinet minister in the Province of Manitoba, Vic Schroeder. We also have an economics professor, Dr. John Loxley, who has a tremendous amount of experience in economic development and working with First Nation people.

We also have northern representatives, people with experience and leadership. Phil Dorian, who has experience in economic development. Ken Paupanekis, who's a former superintendent of a major school division in the north of Manitoba as well as a school principal. Michael Spence who's the mayor of Churchill, as well as Gerard Jennissen, a member of this Legislature and a well respected former teacher and a person with tremendous experience in the north and knows those communities intimately.

We have a qualified board. To put these people through the meat grinder that the member of the Liberal Party is proposing could very well drive away these kinds of qualified people. I don't think that would be a good outcome for this kind of a process.

\*(10:20)

But what are the accountability mechanisms? There's the Standing Committee on Crown Corporations where the CEO and president has appeared eight times since 2000.

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

Before I recognize the honourable Member for Turtle Mountain, I just want to remind members when making reference to other members in the House, it's by their constituency or ministers by their portfolios, not by their names. I remind members of that.

**Mr. Cliff Cullen (Turtle Mountain):** Mr. Speaker, it's certainly a pleasure to have the opportunity to speak to this particular bill brought forward by the Member for River Heights (Mr. Gerrard). I certainly enjoyed some of his comments about the positive approach that the Progressive Conservatives had dealing with Manitoba Hydro over the years and how the Progressive Conservatives were able to move Hydro into a very positive position back in the 1990s.

Unfortunately, Mr. Speaker, I guess the reason for the member bringing forward this bill is probably a lack of leadership that the Member for River Heights and others around the province have seen from this NDP government over the last nine years in terms of the management of the great Crown corporation that we do have in Manitoba. So I think it's a good opportunity for us to really talk about the governance model that we have here in Manitoba for Manitoba Hydro, and how, you know, we as

Manitobans should probably be more engaged in the operation and the governance of our—I guess we'd call it our Crown jewel corporation here in Manitoba.

Now, Mr. Speaker, it's always been said that Manitoba Hydro could be compared to the oil business in Alberta in terms of economic activity here in Manitoba. But, quite frankly, we haven't seen that development occur as we would like it as Manitobans. In fact, what we have seen from Manitoba Hydro in the last few years—the only growth we've really seen, I guess, is in terms of the rates that Manitobans are paying. The other growth we've seen is in terms of the debt of Manitoba Hydro.

We haven't seen the construction boom that we kind of would expect that's been talked about, certainly, for several years here in Manitoba, but nothing has been constructed.

So we're wondering why the Crown corporation we have now has a debt of about \$7 billion. That's a fairly substantial portion of the provincial debt, which is in the neighbourhood of \$20 billion. So, clearly, most Manitobans should be a little concerned when our favourite Crown corporation carries about a third of the debt that our entire province carries. We have to wonder why we've got ourselves in that particular position. I think this whole notion really hits home here if we reflect back on the last couple of months in terms of what the Public Utilities Board has said about the operation and the governance within Manitoba Hydro.

We know that Manitoba Hydro has said, you know, we need a little bit of a rate increase because we think, obviously, our operating costs are going up and potential construction costs are going to go up. We're going to need a little bit of a small increase in our rates that we're going to have to charge Manitobans.

So the Public Utilities Board comes back after a complete analysis of this current situation and also looking at where the government wants to go, where Manitoba Hydro wants to go in terms of developing dams and developing hydro lines, transmission lines throughout the province. What the Public Utilities Board has recognized is that Manitoba Hydro does have a \$7-billion debt already and then we're going to be looking at future developments. We're looking at future developments and the Public Utilities Board is saying, what is the cost of that potential construction going to be, and who's going to pay for it? It always comes down to somebody at the end of

the day—and this is what the government opposite doesn't realize—somebody has got to pay the piper at the end of the day.

**An Honourable Member:** Wisconsin.

**Mr. Cullen:** The Minister of Science, Technology, Energy and Mines (Mr. Rondeau) can say Wisconsin. Well, you know, that brings in a whole other debate that the Public Utilities Board has brought forward too. Are we actually getting the proper value for our export market when we talk to Minnesota and Wisconsin, and are we actually covering our costs?

The Public Utilities Board recognizes that the cost of new constructions are going up dramatically. In fact, let's have a look at Wuskwatim, which the minister alluded to. The Wuskwatim project, just a few years ago, was pegged in the neighbourhood of about \$800 million, and I'm being pretty generous. I think it actually started out lower than that, but it was about \$800 million. Today, or at least the latest figures we've heard from Manitoba Hydro, the construction of that particular project is going to be double that, at least \$1.6 billion and all we have so far is a road into the construction site. We have no idea how much money, we know it's hundreds of millions of dollars, but we have a nice road into the construction site.

Because this government gets involved in what Manitoba Hydro does, we know that companies are reluctant to deal with Manitoba Hydro alone as a Crown corporation because the government is running interference with this Crown corporation. As a result, Mr. Speaker, Manitoba Hydro is sitting there trying to build a dam—and I say a relatively small dam, 200 megawatts, which, in terms of hydro development, is a relatively small project—and can't even find a contractor to build this particular facility.

Mr. Speaker, we certainly, as opposition members, are quite concerned that we can't build a relatively small dam when, on the books, we have a larger—we talk about Conawapa being five or six times the size, in terms of generation capacity, of the Wuskwatim Dam. So we know, well, we're a little concerned where the future cost of that particular structure may be and that's exactly the issue that the Public Utilities Board raised, was that very situation.  
*[interjection]*

The Member for Russell (Mr. Derkach) raises the issue of the Hydro building, and we know that the costs have spiralled out of control on that one,

and I guess the Premier (Mr. Doer) got his way. He's got a nice building downtown, but we're not sure what the final price is going to be and, of course, we as Manitobans are going to have to pay the cost of that particular building.

**An Honourable Member:** Yup. It won't be Wisconsin.

**Mr. Cullen:** The other issue—and the government can use the smoke and mirrors that Wisconsin's going to pay for everything, but we're going to be digging ourselves into a whole pile of debt, and you know when we have debt we have to service that debt, and it's through interest costs. We know the situation we're in here right now in terms of the world financial crisis. A lot of that has got us into the situation where we are because of tremendous amount of debt that a lot of these companies and businesses and government are carrying. So the government has to be very careful how they are going to manage this resource.

We think Manitoba Hydro does a pretty good job of managing things. The problem comes around is when this government sticks its nose into the business of Manitoba Hydro and starts demanding things of Manitoba Hydro. A very good case in point, Mr. Speaker, is the discussion about the new transmission line, the Bipole III. Now, this particular project has been on the books for 15 or 20 years. Manitoba Hydro has spent a tremendous amount of time and resources in looking at how the line might work on the east side, which, logistically speaking, from an engineer's perspective, from most people's perspective, is the right way to go. It's a shorter line. It will cut through less forest. There will be less agricultural land used up and we're going to have less line loss. So we're going to win on all accounts here.

We're looking at construction costs on the west side of at least three quarters of a billion dollars more than the east side line just alone and that's just in terms of the actual construction costs. Now, we're not talking or factoring in the extra maintenance costs on a line which might be 400 kilometres longer. We're not talking about the line loss in terms of a line that's 400 kilometres longer, and this is a direct result of this government getting involved in a decision which should be left up to the board of Manitoba Hydro.

I look at the open houses, for instance, that this particular government is holding, Manitoba Hydro is holding, around the province. This is an opportunity for Manitobans to become engaged in the

governance of Manitoba Hydro. If Manitoba Hydro were open and honest, and this government were open and honest, they'd be telling Manitobans: here's the option east side, here's the option west side. Here are the facts. Here are the figures. Maybe you should have an opinion on where your money is going to be spent because you, as Manitobans, are going to have to carry the debt and carry that extra service cost on that particular debt. But no, what Manitoba Hydro and this government are doing is only going to select communities around the province, some on the west side, some up north. They're missing major areas. They're missing the whole east side of the province, where there is tremendous potential for economic development. They're missing large communities. The second-largest city in Manitoba, Brandon, is being ignored under this, and Winnipeg is basically being ignored as well. St. Norbert is being looked at and that's the only one close to the area of Winnipeg.

\*(10:30)

So, clearly, we have tremendous concerns when the government intervenes in the operations of Manitoba Hydro. The other thing, the Premier said just recently—we talked about other forms of renewable energy in terms of wind production, and the Premier (Mr. Doer) said that he wouldn't get involved in wind production. *[interjection]* Thank you for my time there, Mr. Speaker.

**Hon. Jim Rondeau (Minister of Science, Technology, Energy and Mines):** Mr. Speaker, I'm very pleased that I was able to go after my colleague from the opposition to set forward some of the strategic moves that Manitoba Hydro, the board and the governments moved forward in the last little while.

I'm pleased that we have a board that's looking forward to the future. I notice that we went from ninth best in the country—that's nine out of 10—to first as far as demand-side energy efficiency. That's saving money. That's people using less fuel, putting in more insulation, better water efficiency, better heat efficiency, less greenhouse gases, save money, et cetera. That was done under the current board under the Hydro system where Manitoba as a province and Manitoba Hydro were rated as an A-plus by the Canadian Energy Efficiency Alliance and talked about a long-term, green-positive future. That was done by leadership that's currently established.

When we talk about other leadership that was currently established, under our government, we now

have a wind farm at St. Leon. It's the second-biggest tourist attraction in the province. What's nice about it? It's generating jobs; it's generating money. They set it up so that it's sort of like a land co-op where all farmers, whether they have a wind turbine or not on their property, are able to acquire some revenue from the project. We've got a lot of people employed. So we have the first wind turbine that was established in this province and it was done under the NDP leadership. It was done under the current board and management of Manitoba Hydro. I'm very pleased with that.

When you're also looking at other accomplishments, you look at a lot of the other sectors that we're working on with Manitoba Hydro and that might be paying Pharmacare deductibles through Manitoba Hydro bills. It might be other wonderful initiatives.

We talk about building. I notice now the member opposite talked about lack of vision. Well, our vision is we're going to grow hydro; we're going to build dams; we're going to export electricity. We're going to turn Manitoba into a have province by using its natural green-energy advantage. That's the vision and it's not a vision that we try to hide. We actually have a dam that's currently under construction, other dams that are getting planned. We're working with First Nations so that we have economic benefit, not just while the dam is being constructed, but for ongoing after the dam is constructed. What we're doing is building partnerships.

What have we done? We've had a very successful Manitoba Hydro Northern Training program in co-operation with the federal government, the provincial government and Manitoba Hydro that trains people, trains people to be heavy-equipment operators, to do all the jobs, apprenticeable trades, et cetera, so that we actually have a skilled, quality, work force in northern Manitoba that's being hired to construct the dams. That's very, very, positive progress.

I know that the members opposite never built a dam, never built one kilowatt of electrical infrastructure, so they don't have a lot of experience. But the way you do it is (a) you train people, (b) you start with a process by tendering parts of it, and I know that the members opposite never had troubles tendering projects because they didn't. They didn't tender hydro dams; they didn't build hydro dams. So I know they may criticize us but we've had experience building Limestone, which they call



lemonstone. We've had experience where we have grown hydro and I'm pleased on that.

You know, when they called Limestone lemonstone and told us that we should be building coal-fired generators—and they actually said that it was a stupid idea to build on Manitoba's hydro-electric advantage. That's what the Conservative Party said. We believe that it was a positive thing to do and we're proud of the NDP legacy.

We're also proud of the legacy we're now creating, which is building Wuskwatim, working with First Nations to work on building other dams. I think that's a great vision and I'm proud of what our government has accomplished, because the member opposite doesn't realize that we're the largest hydro-electric exporter in Canada. We export more energy than anyone else, and I'm proud of that. When he sits there and says, who's going to pay for this, the answer is we can export sales to Minnesota, North Dakota, Wisconsin and actually have them pay for the development of the dams. Pay for the development because the member opposite doesn't realize that we make hundreds of millions of dollars on export sales.

This means we're making profit, and I know that that's passing strange that we have worked with Hydro to make sure that they expand their export sales, they expand their profits, have long-term sales contracts so that the sales contracts will help pay for the infrastructure for Manitobans. That's a very good model, Mr. Speaker, because what we're having is, under the board, under the management of Hydro, and under this government, we actually are developing hydro-electric resources. We're building dams and we've established sales contracts which will pay for those dams. I think that's a great model. That benefit, after the dam is paid for, after a short period of time with export sales, will accrue to all Manitobans. It won't accrue to Manitobans for a short period of time, but for years.

*Ms. Bonnie Korzeniowski, Deputy Speaker, in the Chair*

So when the members opposite laughed at Limestone because they thought we couldn't sell a kilowatt and wouldn't make any money, they were wrong. What we're doing is we're building new dams, making more export sales, signing real contracts right now. What we're doing is we're selling power and having the U.S. customers pay for our infrastructure, and that's very good.

I think what we want to do is not just have the profit accrue to a small group of people. What I believe is that Hydro will make Manitoba a have province. I think Manitoba Hydro is a gem that's owned by all Manitobans and the benefit should accrue to all Manitobans. I think that when we contrast that to a privatization of a firm versus a public ownership of a firm, I think the public ownership model has shown that, with the insulation rebate, where people get \$500 of insulation free and they can get this, they can insulate their home and they can save money not just now, but now and in the future, for many, many years. They can actually, through a public utility, get money up front as a grant to put in a high-efficient furnace. That high-efficient furnace will save them money, not just this year, but for years to come. By having an energy audit where Hydro can go in and tell people how to save energy in the most cost-effective way, that's a very, very positive contribution, not just for a few people, but for all Manitobans, this can go out and do that.

I'm pleased that Manitoba Hydro's also gone forward as a partner in the low-income energy efficiency program in Centennial and in Brandon, et cetera, because what happens then is, the poorest people traditionally were paying the highest electricity bills. What they've now done is they've gone and we've got energy efficiency and water efficiency in these houses that are generally done by low-income renters. We fix up the houses and the bills that those people pay, the poorest Manitobans pay, have gone down. They've gone down substantially, about \$400 to \$600 per house per year and that makes a difference.

So, by having public ownership of a public Crown corporation, the benefits can accrue to all Manitobans. Madam Deputy Speaker, it's a model that I'm proud of. I believe in public ownership of utilities. The members opposite do not believe that. They believe that they should sell it so that certain people get certain benefits and they will get dividends and they will get—they will have an increase of their share prices. But not all Manitobans can buy shares. So what we believe is that by having a Crown-owned utility, all Manitobans can benefit. I appreciate that.

\* (10:40)

I have good faith in the Manitoba Hydro board, the management, and this government, on planning for the future, on planning for a green future and using the Crown corporation for the benefit of all.

That's why I believe we should be proud of what we have and make Manitoba a have province, not just sell our assets. Thank you very much, Madam Deputy Speaker.

**Mr. Kevin Lamoureux (Inkster):** I want to put a number of thoughts on the record in regard to Bill 207. Let me first start off by commenting on the minister's speech. Just prior to me standing up, the minister talked a great deal about Manitoba Hydro, and we appreciate that, but he never said anything about the bill itself.

Madam Deputy Speaker, we're talking about Bill 207, where it's The Manitoba Hydro Amendment Act, where the Liberal Party is proposing that the board actually be screened through a committee of sorts. Not once did the minister make reference to what it is that the bill is, in essence, all about.

What he chose to talk about was just Manitoba Hydro and some of his thoughts on Manitoba Hydro. So, unlike the Minister of Finance (Mr. Selinger), who spoke previously, and had it not been for him, we wouldn't have had an understanding in terms of where the government was at in regard to the bill itself.

When listening to the Minister of Finance, one has to question why it is the government actually does oppose Bill 207, and I think we need to be very clear on that particular point. The New Democratic Party does not support Bill 207 based on the remarks from the Minister of Finance and the remarks, or the lack of remarks, in regard to Bill 207 from the Member for Assiniboia (Mr. Rondeau).

Madam Deputy Speaker, what is it that we're hoping to be able to achieve here? I believe that if the government saw fit to pass this bill, that Manitoba Hydro would be a better board, and it's not a reflection on the current membership of the board. It's more about the future and what is the right thing to be doing when it comes to appointing board members to Manitoba Hydro.

For many of the reasons that the Member for Assiniboia (Mr. Rondeau), the minister, talked about how wonderful Manitoba Hydro is, when we think in terms of the future and he says, Manitoba Hydro has the potential to get us into a have province scenario in the years ahead, I think the minister is right on one point and that is that he has recognized the value that Manitoba Hydro, not only has for us today, but well

into the future. I believe that, ultimately, all members of this Legislature would recognize that value.

Years ago, putting material out to my constituents, I often made reference to hydro is to Manitoba what oil is to the province of Alberta. We need to recognize just to the degree in which we have been blessed with the good fortune of water in our province and what that valuable resource could do for us well into the future, Madam Deputy Speaker, whether it's providing drinking water, recreational activities, or the foundation of Manitoba Hydro, which has the potential to generate so much in terms of revenue if it's managed properly, that it could provide social programming, or its ultimate priority is to provide utility rates for all Manitobans in a very affordable way.

Well, if we recognize how important and how valuable Manitoba Hydro is to us today, I would suggest to you then we need to look at ways in which we can make sure that the management of those assets and its future is in fact being optimized, that the board itself is doing what's in the best interests of the province and Manitobans first and foremost, not necessarily a political party that happens to be in power. What it should be, given its very size and potential contribution, that we need to be able to recognize that there are things that we can do inside this Legislature that would make Manitoba Hydro even that much more powerful, and that's what Bill 207 does. What we're talking about is when we appoint board members that these board members would come before an all-party committee where the committee would be afforded the opportunity to find out who these individuals are that government wants to appoint and to pose questions.

Now, the only thing that the Minister of Finance had to say in regard to that issue was, well, if we have people coming before the Legislature and having to be before all-party committees, we will not get the type of people we want on the board. As the Member for Selkirk (Mr. Dewar) points out, we're going to drive away—and the Member for Selkirk was joined by the Minister of Finance (Mr. Selinger)—we're going to drive away these good people, Madam Deputy Speaker.

I recognize there's a bit of a difference, but I want to point out, whether it's Elections Manitoba, the Ombudsman's office, the Auditor's office, all are hired through all-party committees, Madam Deputy Speaker. Is the Minister of Finance and the Member for Selkirk going to say that it would be far better off

if there wasn't that hiring process, that the provincial Auditor would be best just to be hired by the Minister of Finance or appointed by the Premier? Now I recognize that there's a bit of a difference, but the principle is still there. Generally speaking, when you get more accountability and more scrutiny in dealing with the hiring of some of these critical positions, Manitobans, as a whole, will benefit.

If you have a prominent individual in our community, what would they have to fear about being in a committee where they could be questioned? Unless, of course, they have something to hide. If they don't feel comfortable coming before committee because maybe they don't have the level of expertise that the committee would feel might be more appropriate for an individual. Unless, of course, you feel that the appointment is more based on a political party or a patronage appointment, as opposed to what's in the best interest of running and managing a corporation, Madam Deputy Speaker. Is political patronage more of a priority than having good governance at Manitoba Hydro? If you listen to the Minister of Finance, you would believe that would be the case.

Madam Deputy Speaker, I would suggest to you, having a screening process is something that would be very, very healthy, and government would be well advised to look at Bill 207 and see the benefits of having a committee reviewing the hirings for the board or for the appointments of board members of Manitoba Hydro. They have nothing to fear. It's not about a character assassination in any fashion. What it is about is ensuring that we have the best people possible coming forward and being appointed to Manitoba Hydro.

\* (10:50)

One of the critical decisions, and my leader made reference to it, was the bipoles, the expansion of Conawapa and the building of transmission lines. We have the government of the day, who came up with, and it's been referred to as the daffy detour—well, you have the Premier (Mr. Doer) and this government saying, let's build along the west side of the lake. Why? I'm not sure, Madam Deputy Speaker. Not only has the government failed to make its case that that's in Manitoba's best interest, equally Manitoba Hydro has failed.

There was a proposal to build a line under Lake Winnipeg and, Madam Deputy Speaker, I still believe to this date that that is the best of the three

options that are before us. No one has demonstrated that it is not a viable option. Even the minister—

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

**Mr. Lamoureux:** Oh, no warning, Madam Deputy Speaker. I was—

**Mr. Daryl Reid (Transcona):** It's my pleasure to rise to speak to Bill 207, The Manitoba Hydro Amendment Act, that was sponsored by the Member for River Heights (Mr. Gerrard).

I listened very carefully to the debate to the Member for Inkster (Mr. Lamoureux) and some of the comments he made just prior to my rising, Madam Deputy Speaker. I was quite intrigued by the tack he was taking with respect to this piece of legislation and why we need to have more as I guess—using terms that he might indicate—political appointees to the board of Manitoba Hydro. I'm not sure why he'd want to do that.

Let's take a look first at some of the folks who are involved with the corporation now, some of the leaders who are currently involved on the Manitoba Hydro Board, and take a look at some of their qualifications. Let's start at the high-level management in accounting: William Fraser, chartered accountant; Ken Hildahl, one of the leaders of Blue Cross; business experience: David Friesen, President and CEO of Friesen Printing.

Let's take a look at Gary Leach, Belcher Island Smelting and Refining—business experience, obviously exporting as well. Let's take a look at the legal issues—Vic Schroeder, who's a very experienced lawyer with Levene Tadman—and take a look at the economics and community development—Dr. John Loxley—[interjection]—we'll get to that in a moment if the Member for Inkster will just bear with us.

Now, I'm not sure what problem the Member for Inkster and the Member for River Heights have with these individuals that I've mentioned already, but I know of these individuals and have known some of them for many many years, have met some of them at least once or twice and know of their business experience and acumen and know that they're qualified business leaders in the province of Manitoba. It's already been demonstrated.

Mr. Schroeder, of course, is the chair of the board, a lawyer, and has some experience with respect to government as well, as members opposite will well know. Dr. John Loxley, as most folks in

this Chamber will know, is a very pre-eminent leader in the University of Manitoba, a former head of Economics, so you would think that Dr. John Loxley and the Liberals wouldn't have any problem with Mr. Loxley being a member of the board of Manitoba Hydro.

Perhaps it's the First Nations representative that the Liberals have a problem with—Phil Dorian from Norway House. Is that who you have a problem with, or Mayor Michael Spence of Churchill? Do you have a problem with Michael Spence being on the board of directors of Manitoba Hydro, obviously representing northern Manitobans and the interests of all northern Manitobans on the board of Manitoba Hydro?

And, of course, our colleague in this Legislature, the MLA for Flin Flon (Mr. Jennissen), a northerner where all of the hydro-electric power in Manitoba is generated—do you have a problem with the MLA for Flin Flon representing his constituents on the board of Manitoba Hydro?

These are, in my mind, very highly qualified individuals who are currently on the board of Manitoba Hydro, representing the interests of all Manitobans. So I don't know why the Liberals now want to inject more political involvement and appointees to the board of Manitoba Hydro to make the decisions.

Let's take a look at some of the decisions that Hydro has made here in the last number of years. I don't know if the Liberals have a copy of this—you've got a copy of this annual report. I know it comes out every year and the members of the Liberal Party and any member of the public or any member of this Chamber has full access to this information. It's quite an extensive document talking about the plans of Hydro. It's talking about where they have been and where they are going to. It has even some nice glossy pictures for the Liberals to look at in this document, something that might—you know, big earth-moving equipment up north, working on the hydro-electric dams up north.

I know the Liberals did not support hydro-electric development in Manitoba. I remember Sharon Carstairs calling the Limestone dam that the previous NDP administration had started, they called it lemonstone. Now, you said, and I know the former member for Lakeside said it would never make any money. Well, if it wasn't for Limestone, right now Manitoba would be having some difficulties, I would suspect, because I think that Limestone was a very

worthwhile project to secure the energy future of the province of Manitoba and also to supply the 30-some electric utilities in Canada and United States that get power from Manitoba Hydro for their customers in those various jurisdictions.

So, I'm not sure why the Liberals want to put more political appointees on there. We have Manitoba Hydro in an energy conservation program that will help save Manitobans, I think, the equivalent of all the power consumed by a community the size of Portage la Prairie. We've got Manitoba Hydro involved in geothermal to help folks build properties and businesses using the geothermal technology of our province. We have Manitoba Hydro involved in energy conservation programs, and I know the folks of my community have been using that program. I give credit to my colleague, the Member for Wolseley (Mr. Altemeyer) here, who has also contacted his constituents and asked them to participate in the rebate program. I know the member and other members of our caucus are also involved in mailing out to their constituents advising them of the potential to be involved in these energy conservation programs. I know that it's something that I will look very seriously at involving my constituents as well. Perhaps the Leader of the Liberal Party over there wants to get a copy of this pamphlet and see some of the good work that Manitoba Hydro is doing with the board of directors who, obviously, they don't support here, judging by their piece of legislation that they've tabled here today.

Manitoba Hydro has undertaken good works in the north with respect to hydro-electric development, and we have the NCN council and people of northern Manitoba just outside the community of Thompson where they're going to be building the new Wuskwatim dam, currently under construction. We have the Conawapa dam that's on the drawing board. We have one or two other dams that are on the drawing board now that only the NDP government has undertaken and has the initiative and the intestinal fortitude to move forward with projects like this. No other political party in the history of the province of Manitoba has done the type of hydro-electric development work that the NDP has done in the province of Manitoba.

So, we have undertaken many, many initiatives to try and build the resource for the people of Manitoba, as my colleague the minister said a few moments ago, that this is the jewel for the province of Manitoba. This is what will sustain us long-term

into our future. Hydro-electric power to Manitoba and all of the other facets of that power company and generation is to Manitoba what oil and gas are to Saskatchewan and Alberta, and we're quite proud to have Manitoba Hydro as a publicly owned utility. Not like the Conservatives did when they sold off MTS and then the rates have now gone up 60 percent or 70 percent in the province of Manitoba.

Maybe that's what the Liberals want to do. Maybe you want to inject the political viewpoints onto the board of Manitoba Hydro so you can work with the Conservatives to privatize Manitoba Hydro. Maybe that's your alternate goal because I've never heard the Liberals say, we don't like what the Conservatives did. The NDP, as far as I remember, is the only party that stood up and voted and spoke against the sale of Manitoba Telephone System.

**An Honourable Member:** You've been privatizing Hydro. We don't support privatization.

**Mr. Reid:** Then why didn't you put that on the record? You've never put that on the record that I've ever heard. You don't ever support the good works that Manitoba Hydro has done, otherwise you wouldn't want to inject political positions onto the board of Manitoba Hydro, saying, in the meantime, that the folks that we currently have on Manitoba Hydro boards are not qualified. Because that's what you're saying by this piece of legislation. I look at the names that are on this, and I think that we have done an exceptional job in putting some balance onto the board of Manitoba Hydro, including folks from southern Manitoba, folks from the city of Winnipeg, folks from rural Manitoba. Folks of northern Manitoba and First Nations communities are all involved in Manitoba hydro-electric board, and I think they're wise decisions that our government has made with respect to the appointments of our make-up of Manitoba Hydro Board.

So, I know, Madam Deputy Speaker, that there is much more that I could talk about with respect to Manitoba Hydro and the good works that they have done, but I will leave it to other members of this Assembly to add comment to this piece of legislation. Thank you.

\* (11:00)

**Madam Deputy Speaker:** Order, please. When the matter is again before the House, the member has one minute remaining.

## RESOLUTIONS

### Res. 23—Northern Transportation

**Madam Deputy Speaker:** I will move on to resolutions. The honourable Member for Flin Flon, on Northern Transportation.

**Mr. Gerard Jennissen (Flin Flon):** I move, seconded by the Member for Selkirk (Mr. Dewar),

WHEREAS transportation involves the movement of people or goods by road, air, water and rail; and

WHEREAS northern Manitoba is a storehouse of wealth and opportunity from mineral deposits to timber; and

WHEREAS the stunning beauty of the north has spurred the development of a strong tourism industry highlighting the culturally diverse people who live in northern Manitoba; and

WHEREAS quality transportation routes in northern Manitoba are important for many reasons, including the transportation of food, fuel, and building materials; medical patients and personnel; the development of commerce and economic opportunities; and the promotion of tourism; and

WHEREAS the winter toll roads in northwestern Manitoba were in existence until the late 1990s and were an unfair and heavy-handed tax on the people of that region until the toll was finally removed; and

WHEREAS many northern communities do not even have all-weather roads and the rest may be linked by a single road, which becomes the only lifeline to the south; and

WHEREAS with federal government support, the Province has realigned a number of winter road systems, particularly in the Lynn Lake, Brochet, Lac Brochet and Tadoule Lake area; and

WHEREAS since 1999, the provincial government has doubled spending on winter roads which serve over 38,000 Manitobans in 24 communities and carry roughly 2,500 shipments of goods like fuel and construction supplies; and

WHEREAS the historic \$4-billion commitment in roads over the next 10 years will have a decidedly positive impact across the province, including northern Manitoba; and

WHEREAS the building of these highways and roads are proceeding with community consultation

ensuring that the people living in the area are directly involved with the planning process; and

WHEREAS the new and renovated airports in the north are increasing the number of high load-carrying aircraft, thereby lowering the freight costs; and

WHEREAS new airport terminals have opened in Island Lake, Gods River, Oxford House, Lac Brochet, York Landing, Thicket Portage, Pikwitonei and Gods Lake Narrows, greatly improving transportation and access to the north; and

WHEREAS in 2005-2006 the federal government collected \$151 million in fuel taxes and only spent \$14 million on transportation in all of Manitoba; and

WHEREAS fuel taxes collected in Manitoba should be spent in Manitoba; and

*Mr. Rob Altemeyer, Acting Speaker, in the Chair*

WHEREAS the positive investment by the federal and provincial governments into the Hudson Bay rail line and the Port of Churchill recognize Manitoba's seaport as a vital and essential transportation corridor to other markets in Canada and around the world;

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba support the efforts of the provincial government in continuing to invest in northern infrastructure to develop the economic potential of Manitoba's majestic north; and

BE IT FURTHER RESOLVED that the Legislative Assembly of Manitoba urge the federal government to spend 100 percent of the fuel taxes collected from Manitobans on Manitoba transportation initiatives.

**The Acting Speaker (Mr. Altemeyer):** It has been moved by the honourable Member for Flin Flon—

**Some Honourable Members:** Dispense.

**The Acting Speaker (Mr. Altemeyer):** Dispense. The floor is now open. [*interjection*] The honourable Member for Flin Flon; I sit corrected.

**Mr. Jennissen:** Mr. Acting Speaker, it's no accident that the Golden Boy faces the north because I believe that our forefathers and foremothers were well aware that the growth potential in this province would eventually be in northern Manitoba and we would have to eventually unlock the huge and hidden wealth of northern Manitoba. That is the mining

wealth, the timber and forestry wealth, the tourism, the hydro and so on, but in order to do that, to make that an economic reality, we need viable transportation links. We need roads. We need air service. We need railroads and we need water service with regard to ports as well.

With regard to roads, all-weather roads are a luxury in northern Manitoba. We have very few of them. We have some winter roads. We have some gravel and some paved roads but not nearly enough. Our airports are few and far between and they need more service and they need more dollars in order—and they need to be more upgraded. We have a railroad, yes, the Bay Line to Churchill and the Sherridon line to Lynn Lake and both of these need large infusions of capital, but at least they're still both operational. It's an irony, however, that one of the smaller railroads that linked Snow Lake to the Flin Flon smelter is no longer in commission, has been decommissioned a number of years ago at this very point when the Lawlor Lake deposit is being actively sought out for mining. It would be nice to have that railway working again.

Mr. Acting Speaker, over the next 10 years, and we're well into it now, we will be spending \$4 billion on transportation infrastructure, largely on roads. That's a lot of money. We're no longer ignoring northern Manitoba. We're getting our fair share and in fact, starting in 1999, we put a quarter of that total road budget into northern Manitoba, whereas in the past, the former government would put somewhere between 4 and 6 or 8 percent of their road budget into northern Manitoba.

*Ms. Marilyn Brick, Acting Speaker, in the Chair*

The argument always was, well 4 percent of the people live there and therefore, you get 4 percent of the budget. That, we thought, was hugely unfair.

Since we have come to power in 1999, that is the New Democratic government, we have built the road to South Indian Lake. We've also realigned a huge section of winter roads in the Tadoule Lake, Lac Brochet, Brochet region together with the federal government, 50-50 funding there. We took off the tolls because, again, we thought it was hugely unfair to have toll roads in that region because that would increase the cost of living for people already in many ways being the poorest people of Manitoba. Many of them on social assistance, they couldn't afford those huge tolls that were tacked on to groceries and gas prices and so on.

You may be interested to know, Madam Acting Speaker, that 38,000 Manitobans are served by those kinds of roads. Twenty-eight communities are not served by all-weather roads. Because this is so important to our economy, those people are so vital to our own interests that we have made sure that winter roads are functional whenever possible, if the weather permits, and we've tripled the budget since we've been in power. Global warming remains an issue because as sometimes those roads don't work well, or the season is immensely curtailed, we cannot always get the building materials and the groceries to those isolated northern communities. So in the future, winter roads are going to become more and more important, but as they're less and less likely, we'll have to transfer to all-weather roads. Of course, that's what we're attempting to do in the northwest corner of Manitoba when we realigned the winter roads to Brochet, Lac Brochet and Tadoule Lake because they are the forerunner of eventually being all-weather roads.

When we talk about railways, I think it was a sad day in 1996, when the federal Liberal government passed an act that basically threw all our transportation structures in jeopardy because of privatization and this affected ports and railways and airlines and airports and so on. In northern Manitoba, that put the Bay line at risk and the Sherridon line. Fortunately, a company did buy the line rather than, you know, mothball it or tear it apart and that company was an American company called OmniTRAX and now called Hudson Bay Railway. It was ironic that the Americans had to come and rescue basically our only inland port which is Churchill because if that rail line had been removed, our port would have been somewhat irrelevant.

Churchill, I believe, is critical to our future. It's the cheapest way to haul grain to market and not just grain, but other commodities as well. I talked to the mayor the other day, Mayor Michael Spence, and he tells me not only how important the port is and the capability of that port to ship a million tonnes of grain a year if necessary if we could just put it together, but hasn't quite happened yet. This is not a particularly good year, I believe, but nonetheless, the port has great potential and there seems to be some willingness on the part of the federal government to see Churchill in a new light. Of course, our government has always been supportive of Churchill.

We need, however, according to Mayor Spence and according to a lot of people, a strong Canadian Wheat Board in order to be able to deliver that grain.

Private grain companies have no vested interest in Churchill. They would rather go to the Lakehead or eastern Canada or western Canada and that would again, jeopardize Churchill. So, a strong Canadian Wheat Board is necessary to keep that grain going through Churchill. It's ironic to point out that, whereas the Liberals are ready to close the line, it's the Tories that are attacking the Wheat Board, so, you know, neither one of these initiatives are helpful, at least the federal Tories are certainly attacking the Wheat Board.

\* (11:10)

So neither of these approaches, Madam Acting Speaker, is a sensible approach. If we can't send grain through Churchill, the rationale for the port is largely lost. We know that private companies are not going to send grain through Churchill. It is noteworthy, however, that there is an initiative called CentrePort, which hopefully in the future will work. I know the Tories used to wax eloquent about Winnport and it never did get off the ground, but, you know, I don't know if I can blame them for that. The point is let's hope CentrePort does work because Manitoba is strategically located, is a keystone province. It's located in such a way that we can run a transportation corridor all the way from Mexico to Nunavut, and again, that will require Churchill and a strong railway, and that needs the support of the Liberals and the Tories.

Regarding air links, which are also critical to many northern Manitobans because, despite our best efforts, we do not have all-weather roads or even winter roads, sometimes we need air links and some of those isolated communities rely entirely on getting goods in sometimes, certainly getting people that need hospital attention out, Medivac. We have 24 northern airports. Again, it bears mentioning, it was Schreyer who built most of them, under the Schreyer government, some under the Pawley. The same way hydro development largely under Schreyer in the past and, of course, under our government now. So the north is developed under this government. As I said, 24 northern airports. Many of them needed runway extensions; we've done that. We've constructed airport terminals in many places, as I mentioned in the resolution, particularly in Lac Brochet. I remember clearly the former Minister of Transportation, the Member for Thompson (Mr. Ashton) and I meeting with the people of Lac Brochet, and they said their No. 1 issue was a new air terminal and we built that air terminal. We listen to the people. We consult with the people. That was

in stark contrast to the 10 years before that when the opposition was in power when basically the answer was always: You've got 4 percent of the population, go away, you get 4 percent of the money. Of course, that just was not acceptable.

We do need good winter roads though. We do need good winter roads and, even though we do have air links, because winter roads still are the corridors that are necessary to bring in the building materials, the huge bulky stuff that they can't really fly in, or if you try to fly it in, you know, it's going to be prohibitively expensive if you can even do it at all. With global warming on the horizon, as I said earlier, you've got to really be aware of building all-weather roads.

Now, regarding who funds this, well, we in Manitoba have a Gas Tax Accountability Act we passed in 2004, which means that every penny we collect in gas taxes goes back into the transportation infrastructure. I wish the feds would do that. By the way, we've not increased regular gas taxes under our government, not regular gas taxes at all. The Tories increased them three times between 1990 and 1993 for an increase of 44 percent, which means that they actually increased gas taxes at 44 percent and increased transportation infrastructure by 4 percent over their tenure, which was not very good. However, the federal excise tax is 10 percent. They also put a GST on it, and altogether that's \$155 million a year and \$78 million on the GST for a total of \$223 million annually, of which they gave us back last year exactly 5.5 million, which in my estimate is 2.36 percent. So, in other words, the federal Tory government puts 2.36 percent of our money back into the infrastructure. They collect 233 million, they give us back 5.5, so that again is not acceptable. We suggest that if they're in a generous mood, particularly now, they should be putting all that gas tax back into Manitoba.

We know how important economic development is. In Manitoba, in order to make the economy hum, we have to have the road, we have to have the infrastructure and we have to pay for it. We are certainly paying for it provincially, but we need the feds as partner. They have to come on board like they do in every other jurisdiction, in every other western developed country like the United States or any European country. We need a lot more money from the feds, and I look forward to my colleagues on both sides, despite the few mild slaps I took at them, for supporting this resolution. Thank you, Madam Acting Speaker.

**Mr. Blaine Pedersen (Carman):** Thank you, Madam Acting Speaker. I am pleased to rise today and put a few words on the record about this private members' resolution on transportation in northern Manitoba. I listened very carefully as the Member for Flin Flon (Mr. Jennissen) was giving his comments on this resolution, and it was certainly refreshing to hear a government member criticize his own government for a lack of action. We continue to do this and it seems to fall on deaf ears. Maybe if it comes from within the government caucus we will have a little more action on our words.

Well, the resolution quite accurately outlines a number of unique transportation challenges facing the residents, the businesses and the industries of northern Manitoba. I think what the Member for Flin Flon forgot to put in his resolution is that this is not unique to the north. The north has its challenges, but so does the south, so does the eastern part of Manitoba, so does the western part of Manitoba. To stand up and say that it's only the north that has problems here, that is quite wrong.

We have a lot of issues all over Manitoba. As this government should be doing and what this government fails to do is to take into account all parts of Manitoba in this, recognizing the uniqueness of the north but also the uniqueness of the south, the uniqueness of the west and uniqueness of the east part of Manitoba. That's where this resolution really fails because, without a sound network of roads, rail, seaports, air facilities, it's difficult to do business anywhere in Manitoba, no matter what region of the province you live in.

The rail connections to Churchill have been in the news lately, with the problems in delivering supplies to Churchill, and that continues to be a problem. We actually had a resolution—I believe it was the Member for Turtle Mountain (Mr. Cullen) who brought forward a resolution recently in the Legislature, asking the Province to look at all rail lines in Manitoba and to try and keep all rail lines, and the government refused to support that resolution. We realize there are unique aspects of the line to Churchill, but there's also some pretty unique aspects to the rail lines in southern Manitoba too in terms of economic development.

I noted the Member for Flin Flon was talking about gravel roads and what not. Yes, we have lots of highways in southern Manitoba compared to what they have. We also have very high traffic counts in southern Manitoba. In my constituency, I have one



of the higher-traffic-count highways on Highway 13. The amount of traffic that you would meet in a 20-mile stretch is unbelievable in terms of truck and car traffic. It's also very disturbing on that particular highway too—we have a five-inch drop-off on the shoulder, from the pavement to the shoulder, which is due to a lack of gravel. Unfortunately, there's lots of gravel and rock that we can make gravel with in northern Manitoba, but it seems to be a rare commodity in southern Manitoba. We have some real safety concerns with these roads. So to say that northern Manitoba has all the problems is certainly not true at all.

I did go through some of these WHEREAS clauses in this resolution. The WHEREAS quality transportation routes in northern Manitoba are important for many reasons, I thought transportation routes in all of Manitoba would be important. Is this unique to northern Manitoba that they're important? Apparently they're not important in other areas.

There's another WHEREAS in here: many northern communities do not even have all-weather roads. We don't have all-weather roads, provincial roads, in southern Manitoba. We have municipalities that clear snow in the wintertime, only to have a provincial road that's impassable due to snow and closed in the spring because the road is impassable. This is in a populated area, and they still can't maintain. If they can't maintain roads in populated areas, how do you ever expect this government to even make roads in the north?

Another section in here, the \$4-billion commitment to roads—if they were actually spending the \$400 million a year, that would be different, but they're not even spending that money. That money is being diverted into other accounts. Who knows? Maybe it's in the WRHA new headquarters on Main Street. We don't know, but they are not spending that. We see lots and lots of press releases, but we know that they're not spending that much money per year.

\* (11:20)

The fuel taxes that the member talks about being collected in Manitoba, we should always remember that 40 percent of the provincial budget comes from the federal government right now. That's 40 cents out of every dollar that the Province spends, not including the Building Canada Fund and the other federal programs.

The Member for Flin Flon (Mr. Jennissen), if his resolution had come out and supporting sound infrastructure for all of Manitoba, it would have made a lot more sense rather than just targetting one particular area. I realize that he is the Member for Flin Flon, and his area is important to him as should be, but to say that this area is the only area that's being neglected is just totally wrong.

To have a sound road network in Manitoba, well, to particularly key in—he talks about logging and mining—we also have a very large agriculture trucking industry in Manitoba that's depending on a road network. The trucking industry is extremely important in the north as it is through all of Manitoba. So where is the emphasis from this resolution to have a sound transportation program for all of Manitoba? We know it's not there. We know it's government by press release. So that's fine if that's how they want to work it. There are mines and I am, I'll very candidly admit, I do not know the mining industry of northern Manitoba. I hope to learn, I will learn more about it as we go on, but to say that is the only industry where we should be putting all our money and forgetting about the rest of Manitoba, is indeed—

**An Honourable Member:** How do you know that?

**Mr. Pedersen:** Well, that was the reference that was made, is that you're forgetting about the rest of the province.

**An Honourable Member:** What about those rail lines?

**Mr. Pedersen:** Well, we know that there's more rail lines going out all the time. They don't have any plan at all to do that, to fix—*[interjection]*

Well, rather than blame it on any particular government, I know this government likes to live in the '90s and that but you know, this is 2008, get on with the program, start coming up with your own programs instead of—this government actually reminds me of a coyote. A coyote always runs looking backwards. That's the way this government operates. They're always looking backwards. They're never looking forward to see where they can go.

I would just like to end this on BE IT RESOLVED that continuing to invest in northern infrastructure—for a member of the government to say that only to invest in northern infrastructure is very short-sighted. This resolution should have addressed all of Manitoba, not just northern Manitoba.

Again, I just want to come back to this talking about fuel taxes. When you spend 40 cents of every dollar—is a gift from another level of government and to criticize them for not giving you enough money, that's very unfortunate and again, just shows to the short-sightedness. When you live on donations, I guess it's just never enough and you always want more donations.

Why didn't they sign the Building Canada Fund a year and a half ago, instead of waiting until the 11th hour to, when he was forced into doing it because he knew there was a federal election coming. This government only runs on press release and on donations. Thank you.

**The Acting Speaker (Ms. Brick):** Order. Prior to recognizing the honourable minister, I would ask co-operation of all members. There are the loges available if you wish to have private conversations. It is getting a little difficult to hear the member who's speaking.

#### House Business

**Hon. Steve Ashton (Deputy Government House Leader):** On House business.

**The Acting Speaker (Ms. Brick):** Yes, on House business.

**Mr. Ashton:** Madam Acting Speaker, I'd like to announce, pursuant to rule 31(8), I'm announcing the private member's resolution to be considered next Tuesday be the one put forward by the honourable Member for Selkirk (Mr. Dewar). The title of the resolution is Increased Aboriginal Involvement in the Economy.

**The Acting Speaker (Ms. Brick):** Just for the information of all members, it has been announced that the private member's resolution to be considered next Tuesday will be the one put forward by the honourable Member for Selkirk on—I'm sorry, I missed the last piece—on—?

**Mr. Ashton:** Increased Aboriginal Involvement in the Economy.

**The Acting Speaker (Ms. Brick):** On Increased Aboriginal Involvement in the Economy. Thank you.

\* \* \*

**Hon. Ron Lemieux (Minister of Infrastructure and Transportation):** It gives me great pleasure to stand today to speak not only about this resolution and the importance of it, but also to give credit where credit is due to my colleagues.

A while back, when the Member for Thompson (Mr. Ashton) was the minister responsible for Transportation and Government Services, he put a committee together called Vision 2020 Manitoba committee. The MLA for Flin Flon (Mr. Jennissen) was on that committee, the MLA for Selkirk and the MLA for Transcona (Mr. Reid).

Why I mention this, Madam Acting Speaker, is because the impetus or the direction for our government with regard to, eventually, the \$4-billion 10-year plan, came as a result of the consultation that these three members of this Legislature went out, talked to people, First Nations, Métis communities, many community leaders within municipal governments and the general public, trying to find out from them where should a government go with regard to a crumbling infrastructure that was left for, virtually, 10 years and was getting worse. We need to have a plan put together as to the direction needed.

This group of three wise men gave the direction to government as to the plan that was needed with regard to not only where the government should be going, but what kind of projects and what needed to be put in place in order to make transportation more efficient.

What came as a result of that was the \$4-billion announcement, or 10-year plan; a more specific five-year component—a \$2-billion five-year component; the tendering and listing of projects by the Grey Cup period or in the fall, which was requested by the heavy construction industry and, also, giving a heads up for the industry so the industry knew exactly what projects it could count on and gear up for.

But, Madam Acting Speaker, not often does an MLA—in my case, a minister—have an opportunity to stand to speak to a resolution because, in question period, the give and take in question period is limited to a certain period of time where you don't have an opportunity to lay out the picture or the vision on where one's department is going. You just don't have that time in question period, nor do you have an opportunity to do that, generally, overall.

Why a Northern Transportation resolution by the MLA for Flin Flon is important? I'll try to cut to the chase. When the Leader of the Opposition (Mr. McFadyen) was asked, about a year and a half ago, when the provincial election took place, in Virden, Manitoba—standing beside him was the critic for Transportation and Infrastructure—the Leader of the Opposition stood up and when he was asked, are you

going to put any more money into transportation, or what's your plan with regard to transportation? He said, oh, no, I'm going to do the same as the NDP. And that was his vision: Me, too, I'll do the same. Except for one important point. With regard to the monies that are allocated to the north, he stated—and I'm not going to paraphrase, I don't know his exact quote, I don't have it before me. But it went like this: I'm going to take the majority of the money out of the north and put it into the south where most of the economic activity and the economic wheel takes place.

This is shameful, absolutely shameful because that—comments that were made from the Member for Carman (Mr. Pedersen) stated about, the resolution doesn't talk about all of Manitoba. We're the only government that can say that we represent each corner of the province in Manitoba. But not only that, we have a tremendous amount of projects that we have done in each corner of Manitoba, and we are proud of that record.

\* (11:30)

Yet the MLA for Flin Flon (Mr. Jennissen), when he stands up and mentions about the challenges that are in the north—and they do exist, certainly. We're not perfect, but we're trying to address a lot of these concerns. But having said that, we are also dealing with many challenges in the south. We put over \$61 million into Highway No. 1, the twinning to Saskatchewan. About \$83 million to Highway 75. We just announced another \$85 million to Highway 75 in southern Manitoba; over \$68 million in PTH No. 6, which, thank goodness, leads to the north; about \$60 million in PTH No. 10; \$41 million into Highway No. 16; \$45 million—I should say, sorry, \$59 million almost \$60 million on PTH 2 and 3 that runs right through the Carman constituency. I just mentioned a few of these projects because, Madam Acting Speaker, as a government we're trying to service and do what's best for the total population of Manitoba and not just one particular sector or one particular region.

It was shameful when the Leader of the Opposition (Mr. McFadyen) made this comment with regard to northern Manitoba. We're not going to let him forget it because this probably shows the difference, the true difference between what the government on this side stands for compared to the members opposite. This idea of cutting and divide—divide and conquer—has no place in the province of Manitoba, whether it's dealing with family services,

whether it deals with transportation, health care, education, any other issues related to that. That's why I'm proud to stand up today and talk about this resolution that was put forward by the MLA for Flin Flon. He addresses a number of the challenges we do have. We made a commitment under the Member for Thompson (Mr. Ashton), when he was the minister responsible, that we'd be putting approximately a quarter of our budget in northern Manitoba, and, Madam Acting Speaker, something that we're proud of. We are trying to address many of the challenges that were left for many, many years and were not addressed.

A number of the issues that were raised by the MLA for Flin Flon talked about—and one, specifically, was the Port of Churchill. Why the Port of Churchill is truly important? It's because—not only with regard to the Russians showing a lot of interest, and China and India, about the issue around global warming and how the port is going to be ice free in a number of years, but that you can keep the port open actually 12 months of the year with icebreakers. But the importance is that it's our only deep-sea arctic port. It's the quickest way to get to Chicago, for example, from Murmansk, Russia, as opposed to going through the Great Lakes, or going to New York, or going to Long Beach, or going to Vancouver. The other countries, being Russia, China, India, they all know it, and they're looking at ways to access Chicago. That is in years to come, and we know it's not going to happen overnight.

But one key component of Churchill is the Wheat Board, and what do the members opposite want to do with the Wheat Board? They want to gut it, destroy it, and that has a huge impact on the Port of Churchill because right now it's the Wheat Board that's sending a lot of product through the port. The challenge around that, Madam Acting Speaker, is that we need that product going through Churchill in the short term to ensure that Churchill stays viable. We are improving the rail line. You know, and I will give credit to the federal government on this, and Prime Minister Harper. Prime Minister Harper has invested money in that rail line. It's a private sector-owned rail line that will keep that port and keep that line open not only for passengers but for wheat and other product.

*Mr. Speaker in the Chair*

I want to just wrap up by saying that I appreciate all the work that the MLA for Flin Flon did with regard to the Vision 2020 committee, as well as the

MLAs for Selkirk (Mr. Dewar) and Transcona (Mr. Reid) because it set the vision, it set the path for this government over a number of years, and we are following that plan, Mr. Speaker, and we only can hope members opposite, when we bring a budget forward, that one time they might actually think about supporting that kind of money. One day they're criticizing they want cuts, cuts, cuts to the amount of monies we're spending. The next day, please spend it on my road, please spend it on Highway 13, please spend it on Highway 12, but in the meantime, when it comes time to voting for a budget in transportation, they're either critical or they vote against our overall budget. Very hypocritical. The public of Manitoba sees through this. They understand that we have a plan in Transportation. We have a vision for this province and we're pleased to be able to comment and say that, through the leadership of many on this side, we plan on putting many more dollars into transportation, whether that be roads and highways and airports and marine service in northern Manitoba, but also through every corner of the province of Manitoba.

We can point to projects that we have done, whether they're represented by members on this side of the House or members on the opposition. We have not taken highways and transportation and politicized it. We have been fair to every corner of the province of Manitoba and, yes indeed, we have a lot of work to do. We understand that but we do have a plan and we're going to address it in a methodical way with the dollars to back it up, Mr. Speaker, and—

**Mr. Speaker:** Order.

**Mr. Cliff Cullen (Turtle Mountain):** Mr. Speaker, I do want to thank the Member for Flin Flon (Mr. Jennissen) for bringing this resolution to the floor. I think it will provide us an opportunity to debate public policy, an idea of where our priorities should be in terms of spending taxpayers' money here in Manitoba. It also provides me an opportunity to give some feedback to the Minister of Transportation and Infrastructure on some of the comments that he made as well.

Now we know this particular government can spend money. There's no doubt in my mind that—and Manitobans probably recognize the fact that this government spends more money than any other provincial government in history—Manitobans are interested in results. Mr. Speaker, we've seen the provincial budget in Manitoba grow from around \$6 billion in 1999 to in the neighbourhood of

\$10 billion this past year. The question we ask Manitobans—we spend \$4 billion more every year in this province but, are we actually any better off today than we were nine years ago?

The first thing that comes to mind is health care, but obviously the resolution today is on transportation, so let's get into the meat and potatoes of transportation. I certainly may be the first one to acknowledge that there are challenges in the north in terms of infrastructure and I think it's incumbent on us as a government to have a serious debate on where we're going to spend our resources.

Now I will say that I had the opportunity along with our leader to tour the east side of the province this past spring and to travel the winter roads for the first time. Quite frankly, I was pleasantly surprised at the condition of the roads. I'd heard a lot of horror stories over the winter roads over the years but, on our particular trip, the roads were reasonable. They certainly weren't first-class but they were certainly reasonable. We had the opportunity to go to Bloodvein, Berens River and all the way up to Poplar River, so it certainly was a tremendous experience to have a look at the infrastructure on that side of the province.

I think the other thing we should recognize in terms of the infrastructure, there certainly is a need for an all-weather road in those communities. We heard it first-hand from those communities, that they're looking for economic development and they're looking for opportunities. They feel that an all-weather road to those communities would certainly be a part of that puzzle in terms of bringing economic opportunity to them.

Also along that particular stretch of road in a lot of places ran a hydro transmission line, so there is a fairly substantial right of way where the hydro transmission line runs right up to Poplar River, two-thirds of the way up Lake Winnipeg. So there's certainly an opportunity when we talk about the potential for Bipole III to incorporate to Bipole III on the east side of the lake.

We hope that would add to some economic development for those particular communities on the east side. We know there are 16 communities which would be impacted by an east-side development and, as of recently, there were 15 or 16 communities which agreed that an east-side line would be of benefit to them and look forward to that type of development.

So we think that, when we're having this debate about infrastructure in Manitoba, the government would be open to having a debate about an east-side line in Manitoba as well, because we think that can lead to the prosperity of the region.

\* (11:40)

The other thing the Member for Flin Flon (Mr. Jennissen) did talk about was the mining industry. I know there's been a lot of work done around the province in terms of looking at where we have assets, but, again, Manitobans are looking for results. What we have had is fairly substantial, fairly good prices for most commodities in the marketplace over the last few years. We would have hoped that we would have seen more development in terms of the mining sector. Obviously, there's a lot of research being done, exploration being done, but that sort of thing costs money.

The real value for Manitobans is in the actual development of mining. I think it's incumbent upon the government to make sure the infrastructure's in place there to allow mining to develop, to allow Manitobans to work in those particular facilities, to have Manitobans educated so they can work in those particular facilities.

Now, if we have social issues where certain areas can't work together with companies that want to do business in the mining sector, I believe it's incumbent upon the government to take a role in there and make sure that those communities and private industry can work together for the benefit of all Manitobans.

Mr. Speaker, we know, and the Member for Carman (Mr. Pedersen) certainly talked about it. There's a need for infrastructure all over this province, and we're certainly not a party that wants to pit one side against the other. We know the Premier (Mr. Doer) was up north and said that he will—he's kind of reluctant to spend money down south.

And I'll tell you, just to correct the record, I'm going to quote our leader. This is what our leader said just recently. I quote: We need to invest in the south, the north, the east and west. With a robust North American economy and record transfer payments from Ottawa, we have the means to repair a foundation for lasting prosperity. The inland port, the Port of Churchill, and the network of roads, rail and airports that connect Manitobans are in need of

serious and concerted investment. This will ensure we can bring jobs, opportunities and services like health care to our people wherever they live.

So, just to correct the record for the Minister of Infrastructure and Transportation (Mr. Lemieux), that is what the leader of our party is saying.

I know the minister also talked about his plan and his vision for infrastructure in Manitoba, and I know they put out a glossy document a couple of years ago on where they were headed in terms of their five-year plan. I'm certainly interested to see if the minister has updated that particular plan and if he's prepared to share his new vision with Manitobans. I think that's important so that we can have a discussion about what the priorities are, so that we, certainly as opposition members and ratepayers in Manitoba, as taxpayers, have an understanding of where this government wants to head so that we can have a good debate and discussion about those investment dollars.

One point I think I have to make in this whole thing is that the provincial government plays a fundamental role, and one of the basic jobs of a provincial government is to be sure that the infrastructure is there in place so that the economy of the province can run on all cylinders. If we don't have that infrastructure in place, the economy is going to suffer.

Now, certainly, we're hopeful that the inland port, the CentrePort venture comes into fruition. I really think it's incumbent upon this government to get the job done, get to the table, make sure the job gets done. It appears that we were a little late getting out of the blocks here. Obviously, we as opposition members tried to force the issue in terms of getting this government motivated, getting them at the table so they recognize it's a very important issue for the economy of Manitoba. We're looking forward to having them hopefully take the bull by the horns and try to get this job done.

The other one point I do want to make in terms of rail lines, and I know the Member for Flin Flon talked about a rail line being decommissioned in his area. He will understand that once that particular line is decommissioned, or in some cases, taken right out, it's very difficult and probably highly unlikely that a rail line will ever be replaced. We're seeing that happen in southern Manitoba just as northern Manitoba, and I think this government should take an active role in terms of assessing if that's where they want to go in terms of rail line abandonment, or if

they're prepared to actually work with private companies to facilitate development of those lines. It's not always about putting money into an operation. It's more working with companies to make sure that those types of operations can work. Certainly, I thank you for the opportunity to put some words on the record. Obviously, infrastructure is very important to all parts of Manitoba, and I certainly thank the member for bringing forward this resolution.

**Mr. Leonard Derkach (Russell):** Mr. Speaker, I'm really pleased to be able to address the resolution because I believe that the government has—every time they talk about transportation in this province, they like to pat themselves on the back about what it is they are doing across the province with regard to the transportation network that we have. But the reality is, if you were to compare our province to even places like Saskatchewan which the government likes to compare itself to in many ways, you will find that Saskatchewan even has moved miles ahead of where this province is at in terms of investing in the transportation infrastructure.

I'm going to use one very simple example just to illustrate where this government is at vis-à-vis the government of Saskatchewan. Yes, Mr. Speaker, it was an NDP government in Saskatchewan that started a lot of the initiatives as they relate to transportation upgrading in Saskatchewan, but that hasn't happened in this province.

Mr. Speaker, I'm going to refer to Highway 16 that flows right from this—it's our second Trans-Canada Highway—flows right across this province and takes a lot of the heavy transportation across this nation. A lot of the transport companies prefer Highway 16 to get to the west coast than they do No. 1, and that's a good thing because it allows that intensity of traffic to be dispersed through our province rather than it being concentrated on one route.

But, Mr. Speaker, if you look at Alberta, Alberta has basically twinned Highway 16 now from Edmonton to the border. Saskatchewan has moved to twin Highway 16, east of the Alberta border, and are moving very quickly towards the Yorkton area. Yet, Manitoba has trouble upgrading Highway 16 to at least a standard that would be acceptable to the trucking and the transportation standards, if you like.

That's a travesty because it shows that this government is really out of touch as to where the transportation investment dollars should be placed. Once again, as we've seen repeatedly from this government, transportation infrastructure just doesn't seem to be able to hit the Richter scale when it comes to priorities for this government.

Mr. Speaker, if we look at the way the budget of the government has mushroomed over the course of the last 10 years, we will see that the percentage which is dedicated to transportation has not kept pace with the way that the rest of the budget has increased. Although we have a minister who keeps pounding his chest about the wonderful work he is doing out there, the reality is we are falling further and further and further behind. The transportation budget that is actually spent every year—I'm not talking about the notional budget. I'm talking about actual dollars that are spent on our road network, and our transportation network infrastructure every year is a smaller percentage of the total budget than it was even five years ago.

So, Mr. Speaker, this minister has a lot more work to do when it comes to his role around the Cabinet table. He's got a lot more work to do when it comes to his role in presenting his case to the Treasury Board and he has failed.

I guess I'm one who should be thankful for the amount of work that has been done in my particular area but, to speak to that, it is work that was started 10 years ago, then took an eight-year hiatus for whatever reason and now the work has come back again. As a matter of fact, they left the project on hold for so long that there are trees growing out of the stockpile of asphalt that was placed there 10 years ago. You can drive by 16 and look at that pile of asphalt and there are actually trees growing on it, in the middle of a project, Mr. Speaker.

Now that just shows you the kind of priority they are putting on the second major transportation route in this province; that's one example. I could go on and on, but the department of highways has literally got its hands tied by this government because it doesn't have any clout when it comes to targeting the money where it should be; rather, it's a political game that this government is playing in terms of targeting dollars where they see it's politically advantageous to them to place money. They really

don't take into account in great measure the actual economy and what its foundation is for this province.

\* (11:50)

Now, in the last year or two we've seen some increase, but we are so far behind now that it's difficult to catch up to putting our infrastructure to where it should be because of the deterioration that has happened over the last 10 years.

Mr. Speaker, I want to talk a little bit about the Building Canada Fund because this is a fund that was made available to all provinces by the federal government, and all the provincial government's responsibility was to get this money flowing was to sign the agreement. Well, other provinces signed on early. They got money flowing into their provinces from the Building Canada Fund, and where was Manitoba at? Well, it was the day before the election that the Premier of this province, with great fanfare, signed the Building Canada Fund. Where was he until that last day? What was this Premier doing until the last day? Why did it take so long to sign the Building Canada Fund from our Province of Manitoba? I think, strategically we know that if you sign it late, you don't have to spend the money this year, so therefore you save your own dollars. You could put it to your own pet projects and next year, well, we'll hope that we can access the Building Canada Fund for some of the projects that are outstanding.

I can't understand why it's taken so long to finish Highway No. 1. Mr. Speaker, I've seen work in other jurisdictions and I can see that in other jurisdictions work on—well, Saskatchewan is an example. I can't believe how quickly the Saskatchewan Province can get a piece of road built. Well, once again, if you're travelling west of Virden, it looks like there used to be some construction there at one time. There's grass growing on the roadway that was supposed to be paved. That's how long it takes this government to move on a project that, in my mind, is a fairly critical piece of infrastructure that should be completed to the border in order to be able to accommodate the vast number of trucks and traffic that No. 1 handles.

Mr. Speaker, once again, it's delay, delay, delay and we can find examples of this anywhere in southern Manitoba you want to look. Now, I know the minister's responsible for much more than just road transportation. He is responsible for the infrastructure of transportation in Manitoba, and I

heard him in his remarks refer to the importance of Churchill and I think that this is something that we all agree on. It is—we are blessed as a province to have access to a port in the centre of the country and I think we have underutilized that port tremendously, but to say that the only reason that Churchill has a chance of survival and that it is of any importance is because of the Wheat Board is just an example of how out of touch this minister really is. Because if that's the only reason that Churchill exists, the minister needs to take a trip up there and take a look at what actually happens at the Port of Churchill and what kind of transportation vehicles are out there besides the Wheat Board.

Now, I know the terminal in Churchill is important and it should be expanded and we should be shipping a lot more of our products through Churchill, but it's not the Wheat Board that's going to transport that product through the Port of Churchill, Mr. Speaker. As a matter of fact, the Port of Churchill was a dead duck until we had the railway taken over by a private firm who then enhanced the amount of transportation that was going through that port. That just shows you what the private sector can do if you allow the private sector to operate in an economy. That's the only reason that Churchill's performance went up. As a matter of fact, when the railway was turned over to the private sector, the throughput at Churchill almost doubled. It almost doubled in that one year, and that just shows you what can happen if you allow the private sector to operate in an economic climate.

Now, Mr. Speaker—and I'm saying this, that if you in fact allowed the private sector to deal in the grain industry, you'd be moving a lot more product through that port than you are just with the Wheat Board, and the Wheat Board can operate. As far as I'm concerned, the Wheat Board is a Wheat Board. They can operate as an agency like any other agency should be able and allowed to operate in this country. But to say that the only reason that Churchill is successful is because of the Wheat Board is really missing the mark by a mile.

You know, the department of highways—I'm coming back to highways now—the department of highways has a measure of how and when highways should be upgraded, built and rebuilt. Well, Mr. Speaker, the government has ignored those numbers. There are traffic counts that are done. There are things of that nature. Well, I have to tell the minister

that I was travelling a northern Manitoba road which is wider than the Trans-Canada Highway. It's paved from shoulder to shoulder—

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

**Mr. Ralph Eichler (Lakeside):** I thank the Member for Russell. I know he was just starting to make his points just to try and drive them home, but I do want to put a few things on the record in regard to this public members' resolution brought forward by the Member for Flin Flon (Mr. Jennissen).

I actually had the opportunity to work in Churchill and certainly it was a great experience for me. The Member for Russell talked about the wheat being shipped out of there. There are a number of other commodities and goods and services that do flow out of there, so it is a very important port. We think that it is something we on this side of the House think is very important. We have the opportunity to see that grow and prosper. They did make reference to the Wheat Board, but it's not just about the Wheat Board. It's about those other services that we want to be able to provide to our producers. In fact, there was a load of fertilizer that came in there from Russia that flowed into Saskatchewan, so we need them all to work in harmony. We need the railways in line. We need the airlines in line, the roads in line, in order to see they do work in harmonization for the province as a whole. But you don't start at the top and work down. It's like a drain in the ditch; you work at the lake and work back.

Whenever we look at the south, we need to have that infrastructure in place in order to be able to get to the north. I think that's imperative whenever we're looking—in fact, you know, the area from Churchill sent a resolution in in regard to Highway 6. I know the Minister of Transportation referred to that, but you don't have to go very far off the Perimeter to look at No. 6 highway and most of that money was spent north of Lakeside. Unfortunately, we do have a significant number of curves on No. 6 in my particular area that needs to be addressed. We know that it's been on the recommended list for a number of years and months, and certainly encourage the government to look at straightening those curves out in order that we do have road No. 6 addressed in our particular area.

We know the number of trucks that travel on there. In fact, the minister has now allowed doubles

to be pulled there. In fact, I think it's a very great idea in order to be able to move that freight in a timely manner, but I think there needs checks and balances in place as well to ensure the public safety. In fact, one of my constituents called me not that long ago in regard to one of those units passing her when she was trying to turn off on that road. We don't have the shoulders. We don't have the safety mechanisms in place to deal with the heavy traffic that is on that particular road, in particular No. 6 highway.

Also, AMM was talking about a resolution that was brought forward for access roads, particularly the lakes which are so important to Manitoba's tourism industry. This resolution was brought forward by the Town of Lynn Lake, and we on this side of the House realize that tourism, in fact, is important. We also know that in order to get these other goods and services to the northern parts we have to have those access roads in good shape in order to make sure that they do, in fact, get to the north where a lot of goods and services are provided.

The Member for Russell (Mr. Derkach) started to talk about the Building Canada Fund. I, too, am very concerned about the fact that it took so long for this government to get their signature on that paper. When you look at B.C., in November of 2007 they signed on to the Building Canada Fund and certainly had the opportunity to get those dollars flowing in a very timely manner in a way of which able to help their province grow and prosper. Whenever we look at moving—not only southern Manitoba, northern Manitoba—in a significant way forward, we need those dollars, not only the provincial dollars to be committed but also dollars from the federal government to be committed. So we need to ensure that our government is at the table, whenever these negotiations take place, we need to ensure that the Province is there with their share of the dollars in order to see that this, in fact, does take place as well.

We haven't talked about the mines and smelters which need high-quality roads in order to ensure that the ore that's being shipped there—in fact, a number of the amount of ore being shipped from Ontario to northern—

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

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



**LEGISLATIVE ASSEMBLY OF MANITOBA**

**Tuesday, September 23, 2008**

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