

First Session - Fortieth Legislature
of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS

Official Report
(Hansard)

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The Honourable Daryl Reid
Speaker*

MANITOBA LEGISLATIVE ASSEMBLY
Fortieth Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 7, 2012

The House met at 10 a.m.

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

Good morning, colleagues. Please be seated.

ORDERS OF THE DAY

PRIVATE MEMBERS' BUSINESS

SECOND READINGS—PUBLIC BILLS

Mrs. Mavis Taillieu (Official Opposition House Leader): Yes, Mr. Speaker, I wonder if there's leave of the House to call Bill 217.

Mr. Speaker: Is there leave of the House to go directly to Bill 217? *[Agreed]*

Bill 217—The Portage Diversion Compensation Act (Water Resources Administration Act Amended)

Mr. Speaker: We'll now call Bill 217.

Mr. Ralph Eichler (Lakeside): Mr. Speaker, I move, seconded by the member from Agassiz, that Bill 217, The Portage Diversion Compensation Act (Water Resources Administration Act Amended), be now read a second time and referred to a committee of this House.

Mr. Speaker: I must advise the House that there is a significant procedural issue related to Bill 217.

Bill 217 seeks to amend The Water Resources Administration Act to allow victims of the flooding that occurred in 2011 as a result of the operation of the Portage Diversion or that might occur in future years to claim compensation for flood damage or economic—and economic losses.

If adopted as proposed, the entitlement to compensation would impose an additional or a new charge on the Consolidated Fund. Although the intent of the bill may be laudable—be a laudable goal,

it is problematic because it means the bill is a money bill requiring the expenditure of public funds.

Our rule 65 and long-standing parliamentary practice provide that any bill causing any expenditure of public funds or any new or additional charge on the public revenue must be accompanied by a message from the Lieutenant-Governor. The message can only be provided by a minister of the Crown—that message can only be provided by a minister of Crown. Therefore, only a minister can introduce what is generally known as a money bill. In looking at the content of Bill 217 and based on legal advice provided by Legislative Counsel office, I am satisfied that Bill 217 is indeed a money bill and is the type of bill that can only be introduced by a minister of the Crown.

Since the bill was not introduced by a minister of the Crown and does not have a message from the Lieutenant-Governor, which constitutionally can only be given to a minister of the Crown, I must therefore rule that bill—the bill is out of order due to the expenditure of public funds and cannot be proceeded with. The bill can either remain on the Order Paper with a designation "out of order" or the member from Lakeside can ask for unanimous consent for the bill to be withdrawn.

Mr. Eichler: Mr. Speaker, on a point of order.

Point of Order

Mr. Speaker: Honourable member for Lakeside, on a point of order.

Mr. Eichler: Mr. Speaker, clearly Bill 217 is a bill that, as you outlined, is, in fact, a compensation bill. But what this bill does, until it's passed, is it debates whether or not compensation will, in fact, be passed, and this would be a grand opportunity for the government to stand up, debate this bill with us and determine whether or not, in fact, compensation should be paid out. And this bill members—copies legislation that was brought forward in 2004 by the Red River flood act and also in 2008 with the Shellmouth Dam act. So this mirrors exact same legislation that was brought forward by this government.

So, Mr. Speaker, I have a hard time understanding the fact that this would be a money

bill until such time it would be referred to committee, so I welcome the government to debate this bill with us.

Mr. Speaker: If I understand the rules and the procedures correctly, it might be in the best interests of the member, with respect to the point of order that he raises, that if he was to—wishing to debate this bill further, he would ask—have to ask for leave of the House to do so. And if leave is granted, then that would be the case because that would be the will of the House.

So I leave it to the member to decide which best course of action he wishes to follow.

Mr. Eichler: Thank you, Mr. Speaker, for that advice. I will ask leave of the House to debate Bill 217, then.

Mr. Speaker: Is there leave of the House to debate Bill 217 here this morning? *[Agreed]*

It appears to the Speaker that leave has been granted to debate Bill 217 here this morning, but I want to indicate to the House that while debate appears to have been granted, or the opportunity for debate has been granted, the bill cannot proceed past second reading for constitutional reasons that I have outlined in the statement.

* * *

Mr. Speaker: So we'll proceed with Bill 217.

It's been moved by the honourable member for Lakeside, seconded by the honourable member for Agassiz (Mr. Briese), that Bill 217, The Portage Diversion Compensation Act (Water Resources Administration Act Amended), be now read for a second time.

Mr. Eichler: It is indeed a pleasure to rise today and debate Bill 217. In fact, we had quite a discussion in regards to the drafting of Bill 217, and I know that whenever we bring legislation forward in this House that it's imperative on each of us to make sure that, in fact, we represent our constituents the best way that we can. And it's a clear indication with Bill 217 that this mirrors the same legislation brought forward by this government in 2004, and, again, as I pointed out earlier, Mr. Speaker, in 2008 in regards to the Shellmouth Dam.

Now, the legislation is very clear. In fact, what we've seen is the fact that last night a group of people around Lake Manitoba had a very important meeting, a meeting that was talking about law suits in order to

receive compensation. And I know very clearly that those people that's been affected through no fault of their own—and that's what this legislation exactly does, through no fault of their own where water levels are exceeded to the normal level, gives them the opportunity to, in fact, be compensated in a fair way. It takes away the uncertainty that's out there in respect to compensation. You don't have to rebuild. You don't have to have the necessary claims in place to go through the hoops that you have to jump through in order to make sure that you're compensated fairly.

In fact, I know in the legislation that was announced in regards to the bill, The Red River Floodway Act, back in 2004 when it was brought forward—in announcing the legislation, the then-Water Stewardship minister who is now Minister responsible for Emergency Measures said in the bill, and I quote, recognizes that some individuals may be adversely impacted by spring floodway operations, and these property owners will have access to a unique compensation program for artificial floods—flooding that they may face. End of quote.

*(10:10)

And then, in fact, just four years after that, 2008, they brought forward similar legislation almost identical to the Shellmouth Dam and at that time, at that very same time they realized that the Portage Diversion was also going to be a problem. They allowed for regulations to come in to be brought forward at a later date. Unfortunately, that didn't happen, Mr. Speaker. What did happen was the flood of 2011, and I know very clearly that the government truly wished they probably would have brought in this legislation or the change in regulations at that point in time. It would have made it so simple, so simple for those people that are impacted to be able to go to their banks, to be able to go to their family, to go to their family farms to do the things they needed to do to keep their economy, those communities alive. In fact, many of these people are still at loggerheads. And I said last night, there was a meeting, and we all know nobody wins out of a lawsuit. Nobody wins, and that's the sad part. We don't encourage that; we don't want to be part of that. What we want to be part of is, in fact, true, fair compensation, and that's what this legislation does and the government knows it all too well. It was their legislation that was brought forward.

So I encourage all members on that side to listen to this very carefully and, in fact, if it don't get the

second reading, which we know it's not going to, but, in fact, they have an opportunity to right this wrong just as they did in 2004, just as they did in 2008.

Now, what's happened up until now, and I know this so well because it's a large part of my constituency. Some of it is not my riding anymore, but I can tell you I still in contact with those people each and every day, as I know many of the members on that side of the House are as well. But they're jumping through hoops. They don't know whether—what inspector's responsible for what, what payout is going to be based on what, what department, what forms are actually going to be there for them to be able to receive fair compensation. Also, it comes back to the fact of the water levels. Now, we haven't had a true indication about what those water levels are going to look like. So, as a result of that, these people that want to rebuild are unsure of what that would look like, and that's also what we need to be talking about and bringing forward as we move forward in these discussions.

The flood is going to be talked about for many, many years to come, and it was a devastating flood, as we all know. The impacts on those families, second, third generations that's carried on the family dwelling, whether it be permanent, seasonal, or the family farm that's been handed down from one generation to the other, and the impact on those communities that is going to be there forever. The impact it's going to have on those municipalities for their ability to be able to raise the amount of money that they need to raise, to be able to sustain themselves—a number of these losses, a lot of them will never be rebuilt, which is so unfortunate. In fact, I know one of the local businesses out in St. Laurent that used to be open on Saturdays and they had a thriving business selling meat for their barbecues for the family. They'd buy more meat to take back to the city. It was an opportunity to be engaged in their community and shop with those businesses there. They were dealing something like six, seven thousand dollars a weekend. That's dwindled down to three or four hundred. They can't sustain themselves on that.

That legislation that was brought forward by this government in 2004 and 2008 allows for compensation for those businesses. It is a terrific opportunity for this government to right the wrong, and by bringing this legislation forward, whether it's the government that does it, whether it's a member from the opposition, whether it's the independent member from River Heights, it doesn't matter, Mr.

Speaker. The true thing is those people need answers. They need to be able to be assured that the next step, the next step that they take is going to be one that's going to be where they're going to receive true and fair compensation.

Now, whenever we look at election time, I mean, the flood couldn't have come at a worse time. And I'm not going to play politics with this, but I can tell you people vote by emotions, and they thought that every program that was announced was going to be clear and cut and it's going to be real simple. We all know that that's not the way it works. That's why we need the Red River act, the Shellmouth act, based on now what we call the Portage Diversion act, in place in order to ensure this never happens again.

And we know there's—that Manitoba was built on a flood plain and there's going to be times that we have situations like this. And, sure, we had to make a decision—the government had to make a decision about Lake Manitoba, so you opened the Portage Diversion. Unfortunately, those families were impacted; those communities were impacted; those RMs were impacted.

As a result of that, all Manitobans come together and they share in that heartache. They share in that time of responsibility of what we all, in this House, have to look at. What we all have to make sure of is that when someone else receives, through no fault of their own, a loss, so we all need to be there to be able to pick up the pieces and make sure that, in fact, those families are, in fact, compensated.

Now, I know that the First Minister talks about us—go to your federal cousins and talk about disaster financial assistance program. It's not a fair program. Well, guess what? He had a perfect opportunity; I have a copy of the agenda. Back on May the 29th, that, when the first ministers of this country got together, our First Minister could have sat down—because, it's not about Manitoba when it comes to the disaster financial assistance program, it's about all provinces. All first ministers have to agree.

So there was his opportunity. Talked about some great topics: 'canergy' energy strategy, infrastructure, environmental 'assessments', devolution, labour market, employment insurance reform, skills development, immigration, *[inaudible]* If it was truly a problem in regards to the disaster financial assistance program, our First Minister could have brought it to the table. I wished he would've, if that is, in fact, the true problem, Mr. Speaker.

But, what we do want to focus on, that is, in fact, if it wasn't that priority, then the priority should be about how we going to treat these flood victims; how are we going to be able to get Manitoba, in specially those around Lake Manitoba, back to where they were prior to the flood of 2011.

So with that, Mr. Speaker, I know my time is up. I thank the members from the House for their indulgence on this debate and I can assure you, it's being listened to, right across this great country of ours.

Hon. Stan Struthers (Minister of Finance): I appreciate my colleague from Lakeside for bringing forward this resolution today and allowing all of us an opportunity to talk about what really were devastating effects of it—of the unprecedented flood of 2011, Mr. Speaker.

I also want to—I want to, very clearly, put on the record the kind of co-operation that I felt, at—as the then-Agriculture minister, from members like the member for Lakeside (Mr. Eichler) and Emerson, and the member from Morris and others, who accompanied me in a number of tours of—and spoke with a number of people. I will also include the member for Portage, who, at the time, was involved even before he was elected to this House, Mr. Speaker.

We met with Manitobans who were being impacted in an awful way by an unprecedented flood. We met with farmers—both grain farmers and ranchers, different parts of the province. We met with people who had businesses in and around, you know, the flood—flooded area last year. We met with homeowners and cottage owners. Mr. Speaker, there is no doubt that this flood—unprecedented flood, had an 'unprecedid' impact on so many Manitoba families.

And I want to say, one of the things that I felt that came out of the flood—a very negative situation—but one of the positive things that came out of that, was how so many Manitobans stepped forward to help each other out. There is no doubt about that, and I know members opposite feel the same way about the way Manitobans came together to help each other in a time of crisis.

I also want to reference, and the member for Agassiz (Mr. Briese) has referenced this in the House as well, meetings that took place all around the flood zone. The first one was in his constituency at Langruth. I was pleased to attend that meeting. It was

a huge meeting of people, all impacted in a negative way by this flood.

* (10:20)

We had meetings at Siglunes; we had meetings at St. Laurent that I attended; we had meetings in what was my constituency at the time, at Rorketon; we had meetings in what is still my constituency, in Ochre River. We had an opportunity to meet with a lot of people to talk about the approach that was necessary in moving forward.

But right from the beginning, our Premier (Mr. Selinger) and this government has been working very hard to, first, get ready for what we could see was going to be a flood. Although, no one—no one—could have predicted the magnitude of this flood. No one could predict the fact that we had a blizzard at the end of May—or, sorry, end of April last year, which then, predictably, melted and formed part of the problem. No one could have predicted the seven major rainstorms that happened in our watershed. But having said that, Mr. Speaker, we took steps before anybody was impacted to—and, actually, expended dollars to make sure that we were as ready as we could be. We planned for the flood of record plus two feet; clearly, it was a higher magnitude than that. And we worked as diligently as we could with our municipal partners, and, I will say, with our federal partners, to get ready for what was about to hit Manitoba families.

Mr. Speaker, at that Langruth meeting, we—I heard loud and clear from people basically two things: one, there's a cork in the bottle, and the cork is at Fairford. And we have to work on making sure that we uncork the problem, that we allow water to enter our watershed, the Manitoba watershed, on the west side and have that water flow right through to Hudson Bay where that water belongs. We understood that that was the problem. Our Premier undertook to do something about that. Members opposite know that we have expended dollars on that, and that is helping. They also know a whole number of compensation programs that we've put together that have worked for Manitobans. We've flowed \$734 million as of the end of March. That is really helping Manitoba families.

So with those few words, Mr. Speaker, I appreciate the opportunity that the member for Lakeside has given me to speak on that, and very pleased to participate in this discussion.

House Business

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

Hon. Jennifer Howard (Government House Leader): Yes, on House business.

Would you please canvass the House to see if there's leave to allow for two sections of the Committee of Supply to meet concurrently with the House tomorrow—this afternoon in order for the House to consider second reading of bills?

Further, is there leave so that the Department of Health be considered in room 254 and the Department of Children and Youth Opportunities be considered in room 255 tomorrow afternoon? Lastly—today, sorry, this afternoon.

Lastly, is there leave to waive the quorum requirements and any recorded votes arising in the two sections of Committee of Supply sitting in rooms 254 and 255?

Mr. Speaker: Is there a leave of the House to allow for two sections of the Committee of Supply to meet concurrently with the House tomorrow afternoon in order for the House to consider second readings—*[interjection]* today, pardon me, to consider second readings of bills?

Some Honourable Members: Agreed.

An Honourable Member: No.

Mr. Speaker: I heard a no. Leave has been denied.

So, then, the further question, then. Is there leave—so leave has been denied.

* * *

Mr. Speaker: We'll continue with debate on Bill 217.

Mr. Stuart Briese (Agassiz): It's indeed a pleasure to rise today to speak to Bill 217, brought forward by my colleague from Lakeside, The Portage Diversion Compensation Act, water resources administration act, and this is a bill that, actually, is asking only that the Portage Diversion is designated as a water control under The Water Resources Administration Act, and along with that goes with it all the things that are covered under that designation.

I have no idea why this wasn't done years ago. In 2004 they put in The Red River Floodway Act and then in 2008 they added the Portage Diversion—or the Shellmouth Dam act, and I don't know why the

Assiniboine floodway wasn't included at that time—or, the Portage Diversion.

The Portage Diversion—and I looked back at the old rules of operation and operation objectives, and some of them were quite interesting, and in Estimates a week ago, I asked if these rules had ever been changed and the answer was, no, they hadn't.

One of the operation objectives was to provide maximum benefits to the city of Winnipeg and areas along the Assiniboine River downstream of Portage la Prairie. So, for all intents and purposes, that's what was done in 2011. But the third one on here is not to increase the water level on Lake Manitoba beyond the maximum regulated level of 812.87 feet. Well, the water level of Lake Manitoba slightly exceeded that last year. In fact, it went to 817.15.

So, it was quite interesting to read that. I looked back, too, and looked at the press releases in 2004 when the legislation was put forward for the Red River Floodway, and it was the minister responsible for EMO today, at that time was the Minister of Water Stewardship. And he introduced the new legislation, and the legislation recognized that springtime floodway operations may be required to protect the property of thousands of Manitoba. However, it also recognizes that in instances of extreme flooding, some individuals may be adversely impacted by spring floodway operations, and those property owners will have access to a unique compensation program for artificial flooding they may face.

And some of the unique parts of that were the—compensation would extend to real and personal property damage in Manitoba by artificial spring flooding, property destroyed or made inoperable, or less useful, less valuable, less productive or hazardous to health because of artificial flooding.

Compensation could also be claimed for economic loss caused by artificial flooding, including wages, salary or business income lost, because the claimant can't work or carry out business due to artificial flooding, and extraordinary costs or expenses associated with working or carrying on business due to artificial flooding.

There was no claim ceiling and there was no deductible on the claims under this new act.

It pretty well covered what we've been hearing from the people around Lake Manitoba, in their fight to regain their lives and their livelihoods, their incomes and their properties. That bill pretty well

covered what they've been asking for, and all we're doing with the presentation of this bill is asking for the same kind of treatment at this time for the 2011 Portage Diversion flood caused—that caused the flood on Lake Manitoba.

Mr. Speaker, I travelled up and down along Lake Manitoba at every opportunity last year to visit the people. The people were very stressed, and to see the damages that were being done. And then I—this year, I get letters from people, and by the way, people are calling me from the Minister of Finance's (Mr. Struthers) constituency, from the Minister of Agriculture's (Mr. Kostyshyn) constituency, from the member for the Interlake's constituency—all asking me to help them in their problems and their fights and they're trying to get what they deem they should—was promised to them by this government.

Now, you know, Mr. Speaker, the minister responsible for EMO will get up in this House and he'll shake his finger at me, and he'll tell me that he's not an engineer, I'm not an engineer, and he'll take the word of his engineers.

*(10:30)

Well, one of the things I'd say back to him is, maybe talk to the people out there, because that's what I do. I go out and talk to the people that have lived beside that lake for two, three, four generations. They've watched that lake, they've lived with that lake all their lives. And they may not be engineers, but they certainly understand the nature of that lake.

I would suggest to the members opposite that they just step back a little and take a—put themselves in the shoes of those people that were artificially, intentionally flooded last year. They were flooded for good reason. They were flooded to provide—to save other properties, other properties that would have had far higher flood costs, and they realize that. They know that they were the victims of the flood, but they know it was for the good of other people in Manitoba, and they know that they should be fairly and reasonably compensated for it.

They shouldn't have 10 per cent deductibles; the flood was no fault of theirs. And yet if they go to the maximum on a home, that deductible will add up to about \$48,000. So they're paying \$48,000 out of their own pockets for damage that was not their fault. They had no action in it to cause it to happen.

You know, the flood isn't over yet and the problem isn't solved yet. The problem won't be solved, in all likelihood, and put to rest until we have

such legislation as the member's—from Lakeside has put forward here and, also, until we have another outlet out of Lake Manitoba. That hasn't changed.

The new ditch, the one that was dug late last fall, had an impact on Lake St. Martin. It's had very little impact on Lake Manitoba, and exactly the same situation could happen next year, the year after, on Lake Manitoba again because there's no additional outlet put in. They—the ministers rise and they take credit for the lowering of Lake Manitoba, but 10 months of drought conditions lowered Lake Manitoba far more than any impact that ditch had.

The other thing I noticed the minister doing is—the minister's doing is inflating the claims numbers and dollars. And always I, because it's my constituency, return to Lake Manitoba, but when they include something like 1,400 claims under livestock mortalities in the flood claims, that had nothing to do with floods, absolutely nothing to do with floods. That was a snowstorm and the mortalities were claimed. They claim the acres too wet to seed; that's, again, had nothing to do with the floods. It was a wet spring, the farmers pay premiums on that, and it's an insurance program. It has nothing to do with the floods. It's inflating the numbers.

I would encourage—I know, as the ruling has already been made, this bill isn't going to go past second reading, but I would certainly encourage all members of the House to pay attention to this type of bill. And I would hope that the members opposite will bring forward a bill at some point here that will include the Assiniboine Diversion in that same type of legislation. Thank you very much.

Mr. Tom Nevakshonoff (Interlake): I welcome the opportunity to rise today to speak to this bill.

It doesn't surprise me at all that members opposite are playing this card, so to speak, and it's unfortunate, I feel, that they're taking a political approach to this flood, but I'm not surprised. Over the 12 or 13 years that I've been in office here, four terms now, my particular area of the Interlake has undergone many catastrophes from an environmental perspective, from flood, to drought, to the onset of BSE. And every time that we have been confronted with disaster, members opposite have sought to capitalize on this politically rather than putting aside partisanship and trying to all pull together as a team. They have sought to divide and conquer, to go out into the rural areas and agitate and stir up people, and

this bill is just another example of that. It's really sad to see that they cannot take the high road.

And so I'd like to address some of the issues and the—one of the most obvious tactics that they're using is that this is a man-made flood, that the government intentionally flooded Lake Manitoba. That's such a shallow and crass 'approse'—approach to this whole disaster and, yet, that is their mantra—and not just their mantra, but the mantra of their federal colleagues in the federal Parliament as well. To suggest that this was some type of conspiracy to flood Lake Manitoba is just beyond the pale. There was nothing that this government could have done in—as an alternative to the actions that were taken. This would have been the strategy of any government, Conservative, NDP or whatever. There was no alternative. The decision was made back in 1970 when the Portage Diversion was put into place and, frankly, it was made before that in 1960, I think, or '65. I think it was a five-year construction project. So once that infrastructure was put in place there was—the message was clear that it would be used in the event of a disaster.

Another thing, and it's being perpetuated by the Selkirk-Interlake Member of Parliament, as well, that this is a provincial decision. That it was our responsibility and our responsibility alone which, again, is purely a political tactic. Flood waters came from right across western Canada, right from the very foothills of the Rockies, I think it could be said, but also out of the United States, water coming up the Souris River. So, in fact, this wasn't just a provincial thing. This was an international incident.

And in reference to the construction of the Portage Diversion, I might also put on the record the fact that the federal government of the day cost shared on the construction of this project. So for members opposite and their Conservative colleagues in Ottawa to suggest that this is a provincial thing is very crass and an attempt to politicize this and to basically offload responsibilities solely onto the provincial government.

Now, I know that we experienced something called the Flood of the Century back in 1997, and to the credit of the federal government of the day, in recognition that a major disaster had occurred the federal government of the day said, look, we recognize that disaster financial assistance is not going to be enough to cover off this disaster. And they did put additional dollars on the table through the job and economic recovery initiative, the JERI

program, which recognized things such as loss of income, which was the right thing to do in the face of a major disaster, and this particular disaster makes the Flood of the Century pale in comparison. And our current federal government has been completely lax and unresponsive and irresponsible in not stepping up to the plate and cost sharing on the many programs that this provincial government has put on the table over and above disaster financial assistance.

I think the Minister of Infrastructure and Transportation (Mr. Ashton) was making reference the other day to six stand-alone programs that our government has on the table. And, whereas the Chrétien government back in '97 did the right thing and stepped up to the plate, the current federal government in Ottawa has done the exact opposite of that, has stepped away from the table and has refused to cost share on all of these programs that are so necessary, loss of income being a case in point.

* (10:40)

And I can think of another good example and, to their credit, they recently amended the DFAA to include mitigation works as eligible for payment, and they should be acknowledged for that. It's too bad they won't actually step up to the table and participate in these types of enterprises, and the best example of that would be the Lake St. Martin emergency outlet which, until now, they still haven't agreed to cost-share.

Mr. Rob Altemeyer, Acting Speaker, in the Chair

We would like to see 90 per cent but, somehow, I don't think that \$99.4-million program over three years, spread across the entire country, which they're vaunting so much, I don't think that that's going to do it. My calculations, we might get a million dollars out of them for it, so I don't think they have any intention of doing the right thing and stepping up when it's needed.

And I really take issue with members opposite, the speaker just prior to myself a good example, in suggesting that the Lake St. Martin emergency outlet does nothing to lower the lake levels on Lake Manitoba. Just another example of how members opposite are trying to politicize this whole event. It's really disgraceful. It's really disgraceful that they would take this course of action, knowing full well, knowing full well, that this emergency outlet gives the provincial government the ability to outflow an additional 7,000 cubic feet per second over a six-

month period, which gives us the ability to basically empty Lake Manitoba over the course of the winter.

For them to deny this and to continue to spread misinformation across this province is deplorable, to say the least, and a classic example of how members opposite can't contain themselves and hold themselves back from politicizing disasters once again. And this is the prime example of it. I've seen this over the years, whether it's cattle crises, whether it's BSE or what have you. Not once have the members opposite had the gumption to step up and put their partisanship behind them to try and pull together so that we can get through this disaster as a province, not as a political party on one side and a government on the other. So it's really too bad that they're taking us down this road.

They should be encouraging their friends in Ottawa to start cost-sharing on some of the major costs that we're dealing with here. Cottages are a prime example of that. They will go out there and take their photo ops with cottagers, but will they put one dollar on the table? Will they do that? No, they will not. Cottages as secondary residences are ineligible for disaster financial assistance.

Are they telling their compatriots in Ottawa, why don't you step up and help cottagers, in addition to just the residents? No, they won't. No, they won't. So—[interjection]

Well, why won't they stand up for First Nations people? The people that had to fish in area 6 that weren't able to access the fisheries station on Highway 6 lost all their income, not just this last year but the year before, and loss of income not eligible for disaster financial assistance. But we know how much members opposite care about First Nations people, so it doesn't surprise me that it wasn't of interest to them to encourage their compatriots to step up to the plate.

So this piece of legislation, Mr. Acting Deputy Speaker, is just a sham. It's just another cheap, political tactic that members opposite are using to stir up and agitate and divide Manitobans when we should be united in trying to combat this flood. It's a—this is a multi-year event. This is the greatest natural disaster that the province has ever faced. Members opposite just see it as a political football and an opportunity to score cheap, political points. It disgusts me. I will vote against this.

Thank you, Mr. Deputy Speaker.

Mr. Ian Wishart (Portage la Prairie): Mr. Acting Deputy Speaker, I'm really very disappointed. We were having a very good debate on a very important bill. In fact, everybody that has a constituency around the lake had had a good discussion up until this point and then we went into cheap politics in the last discussion, and reality is who started the whole political process? Does it actually take 26 photo ops to announce five programs? Which is really what happened.

Anyway, I want to get back to the real issue here, in that this particular bill does deal with a very serious problem and, in fact, one that we probably should've dealt with before, as was mentioned by the member from Lakeside, because spillages from the Portage Diversion are not something that just happened this year. We actually have a number of farmers that have been impacted over the last 15 years seven different times. Perhaps we should've moved a little quicker—absolutely—in dealing with that issue, but now we have the problem actually scaled up.

We talked about capacities of channels here a little earlier, and the emergency channel that was dug at the north end of lake—from Lake St. Martin across to Buffalo Lake, and it—and what it did do—and it did help reduce the flow and allow flows to continue all winter through Fairford. But if you actually go back and check the numbers, you will find that that actually matched, almost to the exact number, how much water continued to come in through the Waterhen from the north. So we did not actually gain very much in terms of a reduction on Lake Manitoba because of that additional channel. What we did gain was the fact that the lake didn't rise over the winter, so that we didn't start out this spring actually almost two feet higher than we went into it last fall.

I think the government should be very pleased that we had, after the end of June, a hot, dry summer. And you can take credit for the weather if you like, but the hot, dry summer actually evaporated more water than you ever ran out of that lake. So Mother Nature helped solve your problem, so you can take credit for that if you like, but those that live around the lake actually know the realities.

Now, if you want to talk about this particular bill, it is a very good bill; a—certainly a recognition, as was the bill on the Red River Floodway and the bill at Shellmouth, of what people actually should be paying when someone else makes the decision to flood them, and that decision was clearly made here.

We added capacity—not only we—did use the Portage Diversion to its maximum capacity for anything far longer than it was originally intended to be used for, because, certainly, the guidelines for it are very clear and, mind you, they've not been updated very often, but they—very clear that they should only be used for a short period of times and never more than 25,000 cubic feet per second. And in emergency basis, we suddenly went to 32,000 on that.

Now, why was that? That would be because we lost capacity on the Assiniboine River between Portage and Winnipeg. And why did we lose capacity? Probably because we had, historically, not managed that control structure to actually keep that channel from Portage to Winnipeg flushed out, and it had silted up in a significant way.

And there was emergency dikes built in March, and they were pretty emergency, I can tell you. Having been there when they were doing construction, there was actually snow used as part of the dikes, so that's not exactly what I call really good structure.

But, certainly, it indicates a clear intention that a choice was made; a choice was made to direct more water to the—Lake Manitoba than the channel was designed for. Yes, the choice was made because they were concerned about floods downstream from Portage.

And for those that like to argue the point about where the water would've gone, I can do that at great lengths and I can show you a lot of historical data that indicates, in fact, Portage probably never would've got wet feet. Once you get past, about, the Oakville corner, everybody's at risk and all the way in, including the west side of Winnipeg is at risk. So where the water would've gone, I don't think we ever really want to find out.

But, certainly, it was an intentional choice made, and when you flood someone intentionally, you have an obligation; an obligation that goes further than disaster financial assistance, which is a program—yes, it needs tweaking. And, in fact, I remember the last time there was review to it, I was in another role, presented to it on behalf of the farm community in this province, and I don't think I recall there being too many people here from the provincial—or at it from the provincial government make presentation. Perhaps they had other opportunities, but I certainly remember speaking to the issue of whether or not there should be deductibles and whether or not they were covering everything under the compensation

program. We certainly recommended they go far further than they did. They did make some changes that we had suggested, but they came up way short of where we need to be in—on the long term. And that program was for natural events, not for artificial floods. And this is certainly an artificial flood in my mind and in, frankly—for everybody that's around Lake Manitoba, clearly an artificial flood.

* (10:50)

Now, family connections in the area that I represent go back hundred years-plus, and they know that lake and its habits, and they know that it has a habit of flooding occasionally. But it has never even approached the levels that we saw this past summer, and that was because we gave it a real hand in terms of additional flows. We pushed every bit of water we possibly could at that and caused a great increase in the levels that would've naturally occurred. It's certainly one—a lake that is—has a history of flooding, but we've put control structures in on that lake and with the control structures on that lake also goes some obligations—the ability to manage that lake within range. And there's actually legislation that states the ranges, and we've been beyond the high level of that range most of the last three years. So I can't say that we went into this year saying that things were really well managed.

The other comment that we've been hearing quite a bit is, well, it's—it was an unpredictable flood; and, certainly, a significant level of it was—the rainfall events. But if you look back, you'll see that North Dakota Army Corps of Engineers and Agriculture and Agri-Food Canada, the former branch that was PFRA, even in the fall of 2010, were predicting flood issues on the Souris and the Qu'Appelle and other—some other—tributaries that would eventually lead to the Assiniboine. So there was warning out there. Certainly, they had not predicted the scale that we saw because we did see some, not only the snowfall event that the Minister of Finance (Mr. Struthers) referred to, but other, major rainfall events that continued to contribute it.

So to say that there was not any idea until the spring of 2011 that this sort of thing could happen, would either lead me to believe that they're not doing their homework—because I was certainly aware of it, and, in fact, had drawn it to the attention of a few officials in the Department of Water Stewardship, and a number of municipal 'offishews' who, to their credit, pursued it very strongly with the provincial government, and, I think, frankly, were the reason

that we got the emergency dike improvements on the lower Assiniboine—was because of the municipal officials' insistence that the dikes that were there were no longer anything we could count on, and that we needed to do something.

And the fact that we did do something, actually, probably saved a further disaster. I don't think very many people in this House or very many people in this city understand how close we came to a further catastrophic issue. There was more than one occasion where water was running over the emergency dikes, and only the presence of the military saved us, both on the lower Assiniboine and on the Portage Diversion, frankly. I know, I was there myself, one day seeing the water running over the sides, and that's not something that gives you a lot of confidence. In fact, I went back later on to measure the difference in height, and the point where the water was going over was 18 feet higher than field level around there. So, well, the water coming at 18 feet is, certainly, something significant to look at and cause for concern.

So I'd certainly encourage their support. Frankly, other than the member for Interlake (Mr. Nevakshonoff), I think you'll find that all of the people that have constituencies that touch on the lake are all pretty much on the same page. So, I know that this is a money bill, and there are issues about what government can do with it, but we would be probably very pleased, member for Lakeside (Mr. Eichler) probably be very pleased, if you would take this bill and turn it into a government bill and actually deal with the problem, because this problem is not going to go away in the future. And I know—and it's hard news to give to those there around Lake Manitoba that are still in the flood stage, but when there's no move to take down the temporary dikes on the Portage Diversion, so that tells me very—something very clearly—that they intend to use the Portage Diversion to its new capacity in the future, and its new capacity will make repetitions of this issue even more frequent.

Thank you, Mr. Speaker, and I appreciate the opportunity to speak to this bill.

Mr. Cliff Cullen (Spruce Woods): I want to commend the member for Lakeside for bringing this very important piece of legislation to the floor.

And I think the point should be made: It follows legislation that's been brought forward by this government in the past dealing with the Red River Floodway and the situations that it can cause and

how it's going to impact landowners in that area; it also falls in line with the legislation dealing with the Lake of the Prairies dam on the Assiniboine River and the subsequent issues that can—have fallen out from that particular structure as well. And, in fact, I make a point of that: We are waiting from the Province for a report on the flooding, the—we think, was a man-made cause of flooding on the Assiniboine River, similar to what happened in Lake Manitoba this year. So, we're certainly waiting for that report; the residents downstream of that structure are waiting for the government to release that report so they can move forward and, hopefully, get funding on behalf of that particular legislation.

So—and really, this is not new pieces of legislation. It's in place; the government's put it in place in the past in other jurisdictions. And we feel, obviously, the government created the situation in Lake Manitoba this year, and they should step up to the plate and be responsible. You know, as the member for Portage says, they have an obligation to Manitobans and an obligation to Manitobans who live and have cottages around Lake Manitoba.

You know, clearly we heard promises from the Premier (Mr. Selinger) and from the ministers last year prior to the election: we are going to stand beside Manitobans; we'll be there for you during the flood; we'll be there with you after the flood; we'll be there to support and we'll help their clean up and we'll look after all your damages.

Well, the fact is, here we are a year later, Mr. Acting Speaker, and Manitobans still don't have the answers they're looking for. They still are fighting the government on claims in all areas of the province that have been impacted by the high waters from last year. And, in particular, you know, we have the people that live and have cottages around Lake Manitoba having to resort now to hiring lawyers to fight their government—to fight their government that said less than a year ago that they were going to stand beside Manitobans and be there for compensation for them. But here we are, these people have to go out and hire lawyers, now, to fight their government to get what's rightfully owing to them.

It's all about obligations, and this government has an obligation to stand up for Manitobans. This is not playing politics, as the member for Interlake (Mr. Nevakshonoff) said. We are, on this side of the House, standing up for the people of Manitoba that have been impacted directly by this government,

through negligence and operations of some of these facilities and their ability not to recognize that we are going to have a high water situation.

You know, the Minister of Finance (Mr. Struthers) talks about, we had no idea this was going to happen. Well, a lot of people in Manitoba knew this was going to happen, and, you know, we—as the minister—member for Portage said, you know, we were trying to alert the government that this was going to happen. And, you know, they had people like Mr. Warkentin that was there in the past who would have known these things were going to happen.

Well—and, you know, the members opposite, I don't know how active they were involved in, but a lot of our communities were directly impacted, and we spent a lot of time in our communities so we had hands on, and we had some direct feedback from our people that were out there hands-on fighting it. You know, and they said the equipment was available. Well, the fact of the matter was there was equipment stationed around the province, but nobody—the government didn't tell people where this equipment was. You know, we had floodfighting equipment stored in highways yards in the province, but nobody knew until halfway through the flood that this equipment was actually there. I mean, that's mismanagement on its own.

And, certainly, the government of the day has an obligation to Manitobans. So I just want to say, you know, this is a very important piece of legislation. It's legislation that should be passed, and we know the ramifications that it can't go past second reading here. But if the government is willing to stand up to their promises that they made over the last year, prior to the election, they would be there on behalf of all Manitobans working on behalf of Manitobans, and that's what it's all about it.

That's about it. I've had enough time and I know other members want to speak to this legislation, so I thank you for your time on that.

Hon. Jon Gerrard (River Heights): Just to say very briefly that I think this bill follows through on what has been done with the Shellmouth Dam and the Red River and should be supported.

House Business

Mrs. Taillieu: On House business.

The Acting Speaker (Rob Altemeyer): On House business.

Mrs. Taillieu: In accordance with rule 31(9), I would like to announce that the private member's resolution that will be considered next Thursday is the resolution on provincial government fails Manitoba youth, brought forward by the honourable member for Lac du Bonnet (Mr. Ewasko).

The Acting Speaker (Rob Altemeyer): It has been announced that the private member's resolution that will be considered next Thursday is the resolution on provincial government fails Manitoba youth, brought forward by the honourable member for Lac du Bonnet.

* (11:00)

RESOLUTIONS

The Acting Speaker (Rob Altemeyer): We're now—the hour being 11 o'clock, the time is now for private member's resolution. The resolution before us is the resolution on Manitoba Hydro financial stability review, brought forward by the honourable member for Midland.

Res. 11—Manitoba Hydro Financial Stability Review

Mr. Blaine Pedersen (Midland): I move, seconded by the member for Brandon West (Mr. Helwer):

WHEREAS Manitoba Hydro has seen its net incomes plummet from a surplus of \$346 million in fiscal year 2007-2008 to a projected deficit of \$51 million in the current fiscal year; and

WHEREAS Manitoba Hydro asked the Public Utilities Board for permission to draw on the \$23-million consumer rate deferral account to mitigate its projected operating deficit; and

WHEREAS Manitoba Hydro has applied for emergency rate increases of 3.5 per cent for the current year and foresees similar annual rate increases for the next 10 years to offset deteriorating export revenues caused by a fundamental shift in North American electricity generation; and

WHEREAS Manitoba Hydro is undertaking a \$20-billion capital development plan under the direction from the provincial government to expand export sales revenues; and

WHEREAS Manitoba Hydro predicts that it will not maintain its stated debt-to-equity ratio of 75-25 because of additional capital expenditures; and

WHEREAS the provincial government has mandated Manitoba Hydro spend over \$1 billion

more than required to develop a western Bipole III route that is less technically reliable; and

WHEREAS the provincial government has drawn over \$2.3 billion from Manitoba Hydro to fund the core government's record-breaking operating deficits.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the provincial government to undertake a comprehensive, independent financial review of Manitoba Hydro to ensure a stable, publicly owned Crown corporation for the benefit of all Manitobans in the future.

The Acting Speaker (Rob Altemeyer): Just before reading back the resolution, I ask for leave of the House for the resolution to be accepted as printed. [Agreed]

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THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the Provincial

Government to undertake a comprehensive, independent financial review of Manitoba Hydro to ensure a stable, publicly owned Crown Corporation for the benefit of all Manitobans in the future.

The Acting Speaker (Rob Altemeyer): Now, it has been moved by the honourable member for Midland, seconded by the member for Brandon West, that—sorry, excuse me—

An Honourable Member: Dispense.

The Acting Speaker (Rob Altemeyer): Dispense? Dispense.

Mr. Pedersen: Mr. Deputy Speaker, this resolution speaks to the future of Manitoba Hydro and it also speaks to the circumstances leading up to the need for this resolution and why it needs the support of this House.

The NDP has mismanaged Hydro over the last 12 years and the evidence is certainly showing up on the financial statement and on the impact on everyday Manitobans, and Manitoba Hydro needs a complete, independent financial review of the corporation in order to develop a plan to bring it back to health as a strong, publicly owned corporation. It was in the past. It can be a strong, publicly owned corporation in the future, but it needs this correction, it needs a—an overall review of its operations because the operations have been taken out of the hands of Manitoba Hydro, the experts who can handle this, and it's been placed within the NDP party. And this—we all know how well they're doing on record-breaking deficits for this province, and now they're turning this around to Manitoba Hydro and they're forcing this on Manitoba Hydro as well.

So since 2000—since the year 2000 this government has taken \$2.3 billion out of Hydro to fund ongoing operations in this province, and what it's done the province is now in deficit. They put Manitoba Hydro in deficit and it's a sinking hole that's getting deeper every day. They've treated Manitoba Hydro—you can liken this to treating Manitoba Hydro like that cash machine that's out in the front of the Legislature; every time this government needs money they go plug in their card and pull out more money out of Hydro 'irregardless' of what the balance is to Hydro, 'irregardless' to what the financial impact will be on Hydro. They have treated it as their own personal ATM machine.

They—this government has doubled the water rates it charges to Manitoba Hydro, and the only reason they've done that is to pull more money out of

Hydro. They've increased the debt guaranteed fee they charge Hydro by 35 per cent since 2000. You're charging your—the people of Manitoba more for their own utility.

And now that they're—now this government is forcing Manitoba Hydro to embark on a 10-year, \$20-billion capital development plan that's based on past numbers. What this resolution says is, let's take a look at the current numbers, let's look at realistic future numbers, and see if this makes sense, and perhaps it does to spend this money, but let's have the review to make sure it does. Let's stop talking in past tense of where Hydro has been in the past years and let's figure out whether Manitoba Hydro really can afford to do this, where the rates will go, where the new market projections are, realistic market projections. It's always a crapshoot when you project future prices, but I think given just the circumstances in the last few years with natural gas and natural gas pricing and it's being used for generation in our export markets, this has completely changed the complexion of the export market. So here you have a government using past numbers to project future markets, and it's just not accurate.

We need this review in order to make sure that we are really doing—what Manitoba Hydro will be doing is affordable and sustainable. We know that just the—their capital projects are always suspect, because Wuskwatim Dam, which is due to come into production very shortly, if it's not, was first originally projected at \$800 million, capital cost. As far as we know, it's \$1.6 billion and that's—we haven't got confirmation that that's really the end of it. You've doubled the cost to the—of the cost of generation out of this one dam and yet here you are, you're setting out—you're planning for—this government is planning for Manitoba Hydro to spend another \$20 billion. And given the record on Wuskwatim, does that mean it's going to be \$40 billion?

We need to have more accurate numbers of costs, and we need to have more accurate numbers on export potential—revenue potential. Not only export revenue, but also the domestic market, because just given this—they're asking that Manitoba Hydro now has gone to the Public Utilities Board asking for a rate increase of 3.5 per cent in each of the next two years. That alone will take \$44 million out of ratepayers' pockets in this province, and that's just the domestic market. We already know that the export market is in serious decline in terms of price right now, so the domestic market is having to pick

up the entire cost of this capital expenditure that this government is forcing on Manitoba Hydro.

Hydro is also asking for permission to raid the \$23-million deferral account for general revenue. This is a fund that was set up to rebate ratepayers for overcharges, and now Manitoba Hydro owns—owes its own customers, here in Manitoba, \$23 million and is refusing to pay the money. That's an account outstanding that should be cleaned up and yet Hydro, right now, doesn't have the cash flow to do this.

So they're—without using that, they're already projecting deficits of \$51 million in fiscal year 2012-2013, and \$58 million in 2013-14. This is a serious decline in a—what could be a stellar company if it was allowed to run without the NDP interference.

* (11:10)

Mr. Deputy Speaker, and this is just the beginnings of the mismanagement that this government has forced on Manitoba ratepayers because it is a Crown corporation and it needs to protect its ratepayers, and that's the public of Manitoba and, yet, without this review we have no idea, really, of where Manitoba Hydro is. They've—they continue to raid Manitoba Hydro—this government continues to raid Manitoba Hydro every time it needs money, and it's pushing Manitoba Hydro farther and farther in the hole every year.

Mr. Speaker in the Chair

We need to have a realistic look at the export markets. Perhaps the export markets will rebound from the current slump they're in. Markets go up; markets go down. But we need to know up-to-date—we need to have up-to-date information as to where this export market is being built, because this government is forcing Manitoba Hydro to do this capital plan based on old, out-of-date numbers.

And, of course, wouldn't be complete if I didn't talk about Bipole III, this billion-dollar boondoggle that they want to force through my constituency—partway through my constituency. And my landowners remain adamant—I can attest, Mr. Speaker, that my landowners remain adamant that line will not cross their land.

It is not about compensation, it is about their lives, their livelihoods, their own land, and until this government has—this government should recognize that, that landowners still have the right of—to

maintain their own land in this—at least I hope they have that.

And yet, our—we continue to ask; we continue to get no answers. If they are—if this government continues to push on this, are they going to expose my landowners to expropriation? They are—to them, it doesn't matter. This is a fight for their livelihood and for their lives, and they will not back down; they will not be intimidated. This government can talk all they want, but this is fundamentally wrong, just in terms of what it's doing to my landowners—to the landowners that are affected, never mind the technical problems that this line would create.

So, Mr. Speaker, I would urge the government, if they really have nothing to hide, if they really are truly concerned about a public corporation for all—benefit of all Manitobans, they would support this resolution, because what this simply says, is let's have a credible, financial review of Manitoba Hydro, of its projected spending, and let's make sure that this Crown corporation is on the right track and not being driven by an—a socialist government that has the people's interests in Manitoba not at—in mind at all.

So with that, Mr. Speaker, I hope all members will support this resolution. Thank you.

Hon. Stan Struthers (Minister of Finance): Well, Mr. Speaker, it's quite something to listen to the member for Midland (Mr. Pedersen) urge us to support this resolution and this rule and—in this review. After attacking us for the vision that we have on hydro and its development and its future in the province, and on top of that, throwing his colleagues—farmers under the bus.

You know, it's—the member for Midland had said that, you know, to—he—to complete the discussion from his perspective, it had to be a chat about Bipole III. Well, that doesn't actually complete the discussion, because to complete the discussion would be to involve a discussion about our belief that Hydro should be a public entity and their belief that it should be privatized. That would actually complete the discussion for the information of the member for Midland.

But, Mr. Speaker, let's complete the discussion on bipole then. It doesn't matter if—you know, if the member for Midland can take the Bipole III, he can wrap it over the North Pole, through Russia, through Europe and across the Pacific Ocean, across eastern Canada, and it would still come through farmland in Manitoba.

What the member for Midland essentially is saying, is he—one of two things: Either he's suffering from not-in-my-backyard syndrome, which says, you can run through another farmer's property instead of just mine, run it through the Lac du Bonnet—Beausejour area, and, you know, those farmers, or—see, I know—and I don't believe the member for Midland would actually believe that. I don't believe he would want that.

I think, Mr. Speaker, the—what the member for Midland is saying, is that he doesn't want this bipole, period. He doesn't want to connect northern power and northern generating stations with the market. To build that case, not only will I quote the member for Midland, I would quote his leader who is his leader—on a couple of different issues I'll quote his leader.

The first one is, Mr. Speaker, kind of fits into the history of the Tory party and hydro in this province, because, you know, dating back to the '60s and '70s, into the '80s, into the '90s, the one thing that has been very consistent about the Conservative Party—even back to the days previous to that of the member for Emerson (Mr. Graydon)—the one thing that is consistent, the one thing that history teaches us about the Tory party and hydro development in this province is that they mess it up every time. Now, is that because they are incompetent? Is that because they can't—they don't know—they're incompetent in making decisions in government, or is that because they let their ideology rule? Is that because they don't believe that Manitoba Hydro should be a public entity that provides that service and provides that revenue? Are they incompetent, or do they just believe that the private sector should be able to do this and have the private sector realize all of the benefits? Well, I'll let members opposite figure their way out through that little predicament.

In the 1980s members opposite did not support Limestone, Limestone which provided for this province, which was an investment. Mr. Speaker, yes, there were monies spent to invest in developing power in Manitoba. There was money spent to get that power to the market, that's a given. You have to invest some money in order to realize the revenue, that's a given. Limestone has paid for itself. Limestone puts revenue in the pockets of Manitobans. Limestone means—and it's part of the solution—Limestone means that Manitoba consumers enjoy some of the best rates of power and, not just the individual consumers, but Manitoba businesses enjoy some of the best rates in all of North America.

Now, Mr. Speaker, that was the '80s, into the '90s then. Conservative government had their opportunity to nail down Conawapa, work with Ontario to—as the potential market. They messed that one up too; they messed it up big time, right off the radar. Their incompetence or their ideology, whichever one, take your pick, forced the Filmon government of the day—forced themselves to mess up on yet another opportunity for Manitoba Hydro and the people of Manitoba.

Mr. Speaker, Manitobans understand that hydro is to us what oil and gas has been to Alberta and to Saskatchewan. It's an opportunity that members opposite, year after year, decade after decade after decade, have messed up.

Well, you know, let's move forward to today's debate, and when I think of moving forward to today's debate, Mr. Speaker, I'm reminded of a debate that took place in 1980 with Ronald Reagan and Jimmy Carter. You know what Ronald Reagan said to Jimmy Carter: well, there he goes again. Well, there they go again. Conservatives not in power—and that's a good thing, but Conservatives from the opposition benches trying to mess up hydro deals.

What did the Leader of the Opposition (Mr. McFadyen) say when we announced that we had worked out an agreement with Wisconsin and Minnesota? What do you suppose he said? Yes, Mr. Speaker, we did a lot of work and people put a lot of hard work into making sure we had a market, because there's no use building a bipole like members opposite would if it's going to mess up your market. The market gives us the money. The market buys the power from us. Members opposite, these so-called free marketeers, the experts in free enterprise and experts in market conditions, they don't get it. You have to sign markets—with your markets you have to sign agreements.

* (11:20)

When we did that, Mr. Speaker, the Leader of the Opposition, reflecting the Tory party's position, reflecting the Tory party's ideology, their natural inclination to work against hydro development and work against market conditions, what did he say? Did they step forward and be positive about something that was going to put a lasting revenue stream into our province, to benefit Manitobans, to help pay for everything from hospitals to schools to roads? Did they step forward and understand that this

is how you realize the benefits of what is our oil and gas, only greener, cleaner than oil and gas?

No, they didn't do that. Do you know what they did? You know what their reaction was? Oh, it's written on the back of a cocktail napkin. That's—that was their response to agreements that we signed with our market that meant \$7 billion worth of revenue. And that—and you know what—do you know what—you know what, Mr. Speaker? That's just the beginning.

And as long as this government is in place and fends off members opposite, keeps them away from messing up another hydro deal like their history shows we do, Mr. Speaker, as long as that—as long as we continue to fend the public hydro entity that it is, we will continue to sign agreements. We'll sign agreements with Minnesota and Wisconsin. We'll sign agreements with Ontario, if they're interested. We will sign agreements with Saskatchewan and Alberta. We'll work towards that because we get it. We have an advantage, and we're going to take advantage of that advantage. I also want to—it's catchy, isn't it?

Mr. Speaker, the other—another quote from members opposite. You know they talk about a review here. They talk about the Public Utilities Board. They talk about a lot of different things, and I'm sure they will again this morning. But the fact remains there's only one side of the House whose position it is to take Manitoba's Hydro rates to market rates—to market rates. They complain, they talk over there all the time about, oh, the rates are going up and it's the fault of the evil NDP government. They're the only party in this House who's advocating to go to market rates, which means a lot higher rates for Manitoba families and for Manitoba businesses.

I know they're squawking across right now. They don't like the fact that I'm pointing out that their position is to go to market rates, Mr. Speaker, but the facts are the facts are the facts. And the fact is you oppose public Hydro. You oppose—you're in favour of market rates and you're opposed to Manitoba moving forward and developing—

Mr. Speaker: Order, please. Order, please. The honourable minister's time has expired.

Mr. Reg Helwer (Brandon West): Mr. Speaker, I'm interested to listen to the previous speaker. Indeed, he says he gets it, and he did get it. He got the Jets

tickets from Crown corporation. So, indeed, he did get it, yes.

But he didn't—doesn't get some of the other things. I'm interested to hear that Ronald Reagan is one of his heroes. He is. I'm very encouraged that he thinks that way. I—you know, I have great admiration for what Mr. Reagan is—was able to do as President of the United States. And, you know, again he muses about privatizing Manitoba Hydro, and I'm concerned. I had to say I'm very concerned about this government privatizing Manitoba Hydro. They've sucked out all the equity out of it.

And they, in fact, Manitoba Hydro's over in Nigeria, consulting with the electric corporations over there true—to teach them how to privatize the public utilities in Nigeria so that they can bring that training back to Manitoba under this government. And perhaps that's what they're talking about. Let's go train somewhere else in the world on how to privatize corporations. And then this is NDP government will bring them back here, and they can, indeed, do the same thing here for this government, because they've sucked the life out of Hydro.

So, you know, now Manitoba Hydro is very good at building dams. They're very good at building transmission lines. But I think we have to look back into history, even further back than some of these people go, you know, to back way—way to the industrial resolution—revolution. And when they can learn things from this. And steam engines used to run factories, huge steam engines with belts and pulleys and everything running all over—very dangerous. But then we started to design smaller engines; we started to design electric motors that you were able to put by the workspace, and that really created the whole growth of the Industrial Revolution and the ability to move industry out from the centre of the cities into other areas.

And then we saw another revolution with computers, Mr. Speaker. Large mainframes or—is what we used to use, obviously, and if you look back to those days, one or two people would run those computers and there was limited access. Spoke recently when I was in Brandon at the university convocations to a fellow classmate there who has been working for Brandon University since that time, in the computer sector, and we talked about how we used to walk across the floor with the keypunch cards to the computer room and often used to trip and fall and then you had to put them back in order,

and maybe you missed a comma or a colon and that would kick it all out.

So we had those types of systems, and then we had the technological revolution, that we moved to PCs on the desktop and that enabled and empowered people, Mr. Speaker. So now we have Manitoba Hydro that is very good at building the dams and the transmission lines remote from where we live, remote from where the energy is used in fact, and we have another change in the system. We have very cheap shale gas that's emerging from the various ways that we are creating and finding oil and digging—taking it out of the ground.

The shale gas, of course, is a by-product of that. So now we have this shale gas, and is that going to move this into a different type of paradigm? Are we going to see a shift there, where we will create the electricity at the site where it is used because Manitoba Hydro has in so impoverished by this government and it's so difficult to get any work done because of the staff shortages? We've got a labour shortage is expecting to get worse and we have no money to put into projects. Are hydro—are companies—customers of Manitoba Hydro just going to say, you know what, we can't wait anymore. We can't wait for a year; we can't wait for two years on our production, on our development of our projects, so we're going to go ahead and we're going to use sale—shale gas to produce electricity on our site. And that's where we're going to see the next revolution, perhaps, Mr. Speaker.

And Manitoba Hydro has to be ready for this. They have to look back at their capital projects and make sure—and ensure Manitobans that this is indeed the way to go, because there are severe changes to what's—what they have been experiencing recently. 'Offkalees'—obviously, the export market is not there. It's not what it once was, and we, as Manitobans, are apparently tired of subsidizing that export market which we have done now for several years. The Americans are buying on the spark pot—spot market at lower prices than you and I pay, you know—and I know it's a much more complex economic case than that, but it looks to the Manitobans that they're subsidizing the Americans. And they're tired of it, because there is no money in hydro.

And indeed, this government and Manitoba Hydro are looking for increasing rate—rates all the way down into the future. They're talking about several 3.5 per cent increases down the road, and that is disturbing to Manitobans, when Hydro was

supposed to pay its own way and pay for itself and be able to provide low-cost power to Manitobans, because that's what a monopoly is supposed to do, Mr. Speaker, in this case: provide low-cost power consistently and reliably to Manitobans. And we seem to have lost sight of that in this government, and we're providing low-cost power to the United States instead of Canada.

You know, it's very important, of course, when we talk about the environment and how we sustain that. The public wants to see the sustainable environment and they want to make sure, of course, in this, we go to the Clean Environment Commission for any new dams, any new hydro lines, and that you go through that process.

And the public has a right to ask questions; the public has a right to be involved. But we haven't heard yet from this government on when some of those hearings are going to take place. You know, the interveners, the groups that want to speak to that, they're a little bit in limbo because they haven't heard dates. It takes time to produce these cases and the background, and they need to know what their target day is, when they, indeed, will be able to speak on those issues. And that has not been forthcoming to this government—from this government yet.

In fact, you know, it's kind of very interesting that we're hearing more from the—their traditional supporters, the environmental groups, and saying, you've got to get this government to listen because they're not listening to us anymore. They won't hear; they just can't hear what we're saying, and so you've got to get them to listen because they are just taking away all of the ability of these particular groups to speak to those issues.

* (11:30)

So, you know, again, that's a concern. But in order to have a solid base for the environment to make sure you can sustain it, you have to make sure the economics are there. And the environment can be very expensive to maintain and you've got to have a solid, economic plan to make sure that that's the case. I mean, we look at cases like in Cross Lake where they're still complaining about Hydro and this government treated them. They left a mess there. The mess continues to this day, and the government's just ignoring it, because it's not in the public's eye. These dams are far removed from Winnipeg, and that seems to be the core and the important part for this government.

You know, we—he did talk again about Hydro being Manitoba's oil. And again, there's another caution there for Manitobans, because if it's Manitoba's oil that means this government is going to market rates. If it's Manitoba's oil, the government is going to take us to market rates, and that's a concern to Manitobans. We're already paying high rates and we see increases coming down the future. So if it is Manitoba's oil, are they going to charge world prices for it? And the sad thing, Mr. Speaker, is that we do have oil in Manitoba. We have a large oil patch, and they do need hydro, they need electricity, in order to develop that hydro—that oil patch, but we can't get it from this government. *[interjection]* We need some more Jets games. Maybe they can play down in Virden, and this government can go out to see what the oil patch looks like. You know, that might be an idea. So—but, anyway, we do have the oil there, but we can't extract it, because we're waiting for the power from Manitoba Hydro to come into that area in, sometimes, as much or more than a year, and that's a concern.

And, of course, you know, we have the fight between the Public Utilities Board and Manitoba Hydro that now, I understand, the judge has stayed his judgment. You know, a little—I'm not sure what the whole issue there. We're just asking for the napkin to be released. You know, they want to see that napkin that that contract was written on. We want it released to the public so that we can see, indeed, how much we are subsidizing the Americans by, because, you know, we are really quite polite as Canadians; we generally tend to be—sometimes, in this House things can get a little heated. But Manitobans, in the end, they're tired of subsidizing the Americans.

They want to make sure that if Manitoba Hydro is going to move ahead on these projects that they have a credible, solid economic base that they can move forward on. And that will, indeed, make sure that the environment is sustainable, the economic plan is sustainable, so that we're not costing Manitobans for years and years and years to come, Mr. Speaker. Many of us have children. We don't want to put this on our children so that they're paying debts that this government has foisted on them for years to come. And that is, obviously, one of the concerns we have.

Make sure we're sustainable, make sure the environment is there, and put the project together that works for Manitobans, because it's Manitobans,

in the end, that own Manitoba Hydro, and we want to make sure, Mr. Speaker, that it works for them. Thank you very much.

Mr. Speaker: The honourable Minister of Innovation–Entrepreneurship, Training and Trade, pardon me.

Hon. Peter Bjornson (Minister of Entrepreneurship, Training and Trade): It's a pleasure to rise in the Chamber today to put some information on the record about this particular resolution.

And it's rather fascinating listening to the member from Brandon West talking about themselves as stewards of Manitoba Hydro. I think what we should do is actually take footage of all these debates that they bring forward on Manitoba Hydro, put it into an hour special, and air it on The Comedy Network, because nobody takes them seriously as champions of the public sector and public utilities. I mean, case in point: He's talking about Manitobans paying for years and years and years—paying exorbitant rates. He must be talking about Manitoba Telephone System, Mr. Speaker, because when it was sold in 1997 with an introductory share offer of \$13 a share and a month later selling for \$39, these incredible wizards of business and industry seriously undervalued an incredible asset to the people of Manitoba. And who's paying for it now? Sixty-eight per cent increase in the telephone bills that we've been paying for years and years and years to the private sector now and those shareholders sitting on that side of the House. So if they want to talk to us about business acumen and how to manage utilities, like I said, we could put that on The Comedy Network, because they have no credibility when it comes to talking about defending the public utilities; no credibility when they talk about defending Manitobans' pocketbooks around utilities in this province. But here we are, they're doing it again, and we welcome that opportunity for this debate.

So, it's rather fascinating to hear them talk about a deal made on a napkin, Mr. Speaker. Like, it's so insulting to the people who have been working on behalf of the citizens of Manitoba to secure a \$7 billion agreement in sales to our friends in the United States—expecting \$21 billion total over the next 20 years. We have a long-term vision for Manitoba Hydro. Members opposite—I know that if they were the fox in charge of the henhouse that they would be putting that public utility up for sale, and that would be a travesty in this province, here in

Manitoba, because all of us have stood in this Chamber and at least agreed that it is our oil. It is our future of this province, and we have a long-term vision for the development of Manitoba Hydro in this province. So for members opposite again to stand up and profess to be the champions, it's rather—I find it absolutely incredible that they would do so.

As I remember, Mr. Speaker, prior to getting involved in politics, that I had actually had my name signed up for speaking to the bill that was going to equalize rates for rural Manitobans. Unfortunately, a family matter arose where I was not able to come in and speak to that bill here in the Legislature. But, in 2001, we're the party that brought in legislation that equalized the rates for Manitobans living outside of Winnipeg paying the same—to pay the same rates as Manitobans living in Winnipeg for hydro. Because it's a public utility and it serves our public, whether you live in Thompson, whether you live in Winkler, whether you live in Winnipeg or Brandon, it serves the public, and all Manitobans pay the same rates.

They didn't equalize the rates. What did they say about hydro rates? Their leader said that we should look at market rates. That's what their leader said. That's what they have said: that they should look at market rates. So, they're really interested in protecting the public? I doubt that very much, Mr. Speaker.

We're the party on this side of the House that introduced legislation that will ensure that we have among the lowest rates of the basket of public services that we provide. And we're going to continue to make sure that Manitoba is among the most affordable provinces in the country, Mr. Speaker. So, it's really interesting to hear members opposite speak like that.

Well, certainly, we should also recognize the fact that the Hydro building, which they criticized repeatedly, was recently recognized with the LEED standard—*[interjection]* And, yes, they're talking about the budget for the building, but what they don't realize, Mr. Speaker, when you break it down in terms of the cost per square foot, for any other building built in any other jurisdiction in Canada, it's one of the most cost-efficient here in the country. But they opposed that.

They opposed developing Hydro. They opposed Limestone and called it Lemonstone. They want to sell the utility, and we know that that's truly their agenda.

Our rates are the lowest overall electricity rates in Canada and North America, and that's affordability. And that's our commitment, is to keep our rates the lowest and most affordable in Canada and North America. And the average Manitoba family pays less per year than anywhere else, Mr. Speaker, so I don't know what hydro bills they're looking at when they keep saying that their hydro rates are ridiculous. But certainly we know what their position would be on this matter.

And when I was talking earlier about the fact that we equalized the rates, Mr. Speaker, that adds up to approximately \$120 every year that rural Manitobans have been saving on their hydro bill because of that effort. That amounts to \$16 million per year total that rural Manitobans are saving on their hydro bills when we equalize that.

And, you know, again, I'd hoped to be at that committee hearing in 2000, when this—2001, when this was going on, but didn't have the opportunity to do so, because it would have been interesting to hear the position of members opposite, many of whom represent rural seats, Mr. Speaker. It would be interesting to hear their position at that time, so a bit duplicitous, perhaps. Perhaps they supported the bill then, but they certainly don't support our public utility today, and we know where their true agenda lies, in the privatization of this incredible asset to Manitoba.

And since 1999, our cumulative rate increases have been well below the rate of inflation, Mr. Speaker—well below the rate of inflation. That speaks to the efficiency of this utility.

And another thing that I'd like to speak about, not just the rates, but the service—servicing of the utility: the way Manitoba Hydro employees go out in the most deplorable conditions to restore power when power has been knocked out. These guys do an incredible job. These men and women do an incredible job of restoring power throughout this province in times of power outages which often occur, as I said, in the most deplorable of conditions. And I believe they have one of the best records of any utility in North America for the amount of time that people will be without power, because of their commitment to the customer and to the client.

* (11:40)

Now, what does that say compared to what happened to the Manitoba Telephone System, Mr. Speaker? I know there were a lot of people who

worked for MTS in Gimli when it was a public utility. When the utility was sold and privatized, they were cut down to, I believe, one service technician. So when you look at that, the level of service that's provided and, yet, every day—every day—we have members in this Chamber talk about the need for Internet, high-speed Internet access in their rural communities in their rural communities. How come we can't get this? Well, again, had the Manitoba Telephone System continued to belong to the province of Manitoba with a social agenda, then we would have high-speed Internet throughout this province of Manitoba right now.

But now, of course, there's a business case that has to be made, and if it doesn't make sense financially to set up high-speed Internet in rural Manitoba, then I guess it would—they're not going to do that because their shares that they own in the company of Manitoba Telephone System would obviously go down in value.

So, Mr. Speaker, it's rather interesting to hear them profess to be the champions of public utilities here in Manitoba. It's absolutely ridiculous.

Now, the other thing that they talk about, of course, is the so-called napkin on which the deal was signed, but May 28th, 2010, we announced the contracts to extend power sales for \$3 billion over 10 years of Xcel Energy, and that will start in 2015. And I know that the Leader of the Opposition (Mr. McFadyen) said that it was written on a cocktail napkin with terms written on it, which is just an absolutely ludicrous thing to say. The contract displaces 7.6 million tonnes of carbon emissions over 10 years by displacing coal and natural gas generation; that's equal to removing 140,000 vehicles from the road every year, Mr. Speaker.

So it's not just about the economic benefit to Manitobans. It's not just about the jobs that will be created in this province as we continue to expand our important resource. But it's also about the environment. But members opposite don't care about the environment. They don't care. They just care about the bottom line. And you know, Mr. Speaker, when you want to talk about the issue of the bipole and going through one of the last, most pristine, untouched boreal forests in the world, they say, cut it down—they say, cut it down. They're not in support of that.

With a utility such as Hydro comes an environmental responsibility, and we're committed to that. We are building Hydro; we're building a

sustainable energy source. That is the goal for this government, to have a sustainable, natural resource that we can export to our friends to the south. We're talking to have a national vision for an east-west grid for renewable energy. Members opposite should get on board and support Manitoba Hydro and not play politics, and as I said, no credibility on that side of the House when it comes to defending a public utility.

Introduction of Guests

Mr. Speaker: Order, please. Prior to recognizing the next member who may wish to speak to this resolution, I'd like to draw the attention of honourable members to the public gallery where we have with us today from Baldur School 20 students and two adult students—number of adults is two with the group, and there's 20 students, grades 5 and 6, from Baldur School. This group is located in the constituency of the honourable member for Spruce Woods (Mr. Cullen).

On behalf of honourable members, we welcome you here this morning.

* * *

Mr. Speaker: The honourable member for Emerson, on the resolution.

Mr. Cliff Graydon (Emerson): It gives me great pleasure to stand today to speak to this resolution, and after listening to the member from Gimli, with his two favourite words of ludicrous and ridiculous, it actually describes what he's done for the last 10 minutes. And it's clear—it's clear that he has a long way to go to get to maturity for even understanding business. He doesn't understand that you can't spend more for something than what you're getting for it.

But that's exactly what he's promoting, and that's the immaturity of that member from Gimli. We can't do nothing about that. Nice people sent him here, and we're going to try and train him to send him back home.

But at any rate, Mr. Speaker, we've had a resolution today on the table, or on the floor today, but we also had a bill, Bill 217, and that was a great bill. That bill was modelled after two other bills, one for the Red River and one for the Shellmouth. Both of those bills were unanimously supported in this House, and today, this Bill 217 comes on the floor and they speak against it. They speak against themselves.

And then in private conversation with the Minister of Finance (Mr. Struthers), and I made the comment that perhaps he should, like, bring this back in his name then, and his comment was, you can take your bill and shove it.

Mr. Speaker, that type of a comment—

Mr. Speaker: With respect to the comments just made by the honourable member for Emerson, we have a certain amount of decorum and respect that I ask all honourable members, in fact, I require all honourable members to display when they're in this Chamber. The comments that were just made by the honourable member for Emerson have definitely crossed that line, and I'd like to ask the honourable member for Emerson to withdraw those remarks, please.

Mr. Graydon: Thank you, Mr. Speaker. I was only quoting him, but in your ruling—

Mr. Speaker: No. Order. Order. Order. Order. The request for withdrawal is without further comment. I'm asking for a withdrawal from the honourable member for the comments that he made just a few moments ago.

Mr. Graydon: I withdraw those comments, Mr. Speaker.

Mr. Speaker: Thank you. I thank the honourable member for Emerson. You may continue with your remarks.

Mr. Graydon: But it's unfortunate, Mr. Speaker, that the attitude from the members opposite towards the public in the province of Manitoba is not a good attitude. The attitude is that we'll take the money that Manitoba Hydro has made on the backs of the working poor in the province of Manitoba, and we'll take that \$2.3 billion, and we'll put that against the deficit of the Province. We will impoverish Manitoba Hydro; we will force them into raising rates; we will force them to do different things on the backs of Manitobans. So when they've taken two hundred—or \$2.3 billion out of the coffers, Manitoba Hydro has to go and borrow money.

So they float a debenture, Mr. Speaker, and that's something our member from Gimli wouldn't understand—that part of business—that you float a debenture, and you pay interest on that, but, at the same time, his government charge a fee for that to guarantee it. They charge a fee; and they've doubled that fee and they've tripled that fee. That's unfair to the people of Manitoba and to the customers of

Hydro in the province of Manitoba. That's poor management. That's NDP fiscal incompetence. There's no question about that, Sir. And when the NDP can't be trusted to manage their own affairs and their own books, who wants to trust them with a Crown corporation that's a crown jewel in this province. This is a right that all Manitobans should have is the lowest rates in the country. We should have that, and we should be able to maintain that, but, at the rate that these—the rate these members opposite are going, we'll be lucky to have a corporation at all.

When they take a look at the money that they've tried to shave out of Manitoba Hydro—and they've done that at the expense of maintenance. This past winter, we were within very, very few minutes of having a complete blackout in this province, and that was on the bipoles. A complete blackout, and your people know that; at least, the Minister responsible for Hydro should know that. That's because maintenance was cut back so badly that no one was checking the lines. And if it had not been for a very, very alert helicopter pilot, we would've lost power in this province. The minister knows that—it was reported to him—but the rest of them sitting back there have no idea, especially the immature ones from Gimli. Overtime has been restricted in the province—or it seems to have. We had a storm earlier this year, and when the members—or when the people called for assistance, it was—they had said that they couldn't come out, that they weren't able to come out, because there was no overtime, there was a restriction for that.

The economic downturn in the United States certainly will not be changing anytime soon, and, if it doesn't change anytime soon, we can't expect the spot market price for hydro to go up at all. And so, when we have a projection of \$7 billion—and that projection is questionable, because we haven't seen the napkin that the agreement was written on. And agreements in business generally have to be signed by two parties, so if they want to produce that agreement, we'd be more than happy to take a look at it. But at the same time, in order to generate that \$7 billion, you have to get higher than the spot price. Right now, we're selling power that's costing us 13 cents out of the wind power, and we're selling that to the United States for two and a half cents. That's good business; that's NDP economics.

* (11:50)

With the large revenue increases in Manitoba's—that Manitoba—without them, that Manitoba Hydro is expecting the net loss benefits and deficits will be \$51 million for 2012 and '13, and \$58 million for '13-14. How are you building a Crown corporation when you are running a deficit year after year after year? And if you don't take the money out of the \$23-million slush fund, or deficit fund, that you owe back to Manitobans, you're going to show a deficit for 2010, 20—or 2011-2012. And so, Mr. Speaker, when they talk about, they are going to look after Manitoba Hydro, I think we have a big problem on our hands.

And, when they want to blow an extra billion dollars to run clean across the province instead of going from point A to point B in a straight line, which is an economic way to do things—that that's the way most people would do business—you find the right way to do it. They're running through piles and piles of boreal forest and through some of the best caribou country when they take the west-side route. The east-side route is the proper way to come. And, if they had any business sense at all, they would be looking at coming down the east side and looking towards the east, as well, for a market. The market to the south is going to be at risk for some times.

But another thing that was brought up by one of the previous speakers, and that had to do with the environmental impact study, and, apparently, now there's only need for one to be done, but we haven't seen that impact study. And I wonder—I just wonder if these environmental groups now that are questioning—that are questioning Manitoba Hydro, questioning the NDP to manage Manitoba Hydro—have taken into consideration the species at risk. And how many species are at risk when we start talking about the future building of these generation units up there. These groups are going to be quite surprised when they find out what all is taking place that's being hid from them.

The NDP continually botch their cost estimates for Hydro capital projects. The new Wuskwatim dam was—cost 50 per cent more than what was projected. The Manitoba Hydro building has cost considerably more than 50 per cent more, and they've taken out a lot more—the ability to completely miss their capital cost project—predictions, and hiding costs, the total tab for the proposed project could be well above \$20 billion, well above anything that you're projecting for income.

So, Mr. Speaker, when they stand in this House and say that we are looking after Manitoba Hydro, that's like—a lot like putting a fox in the chicken house; that's exactly what it is. The fox is going to come out with a chicken, and they're going to end up with the feathers, and Manitoba, it's going to be tarred and feathered, with market rates. They're going up at a rate of 3.5 per cent a year for the next number of years. That's the projection, and yet Manitoba Hydro, under the guise and under the direction of this minister, says we don't have to listen to the PUB, we don't have to supply them with any of the necessary information. And so, when the PUB cuts them back, well, now we're going to go to court. Now we're going to go to court and we're not going to comply with what the PUB is saying and we're not going to comply with the \$23-million deferral account that—from general revenue—take it out of general revenue and give that back to Manitoba Hydro—or to the people of Manitoba. What they're going to do is keep it in Manitoba Hydro's coffers just to offset a deficit—a deficit, when we should be having a surplus. We should have a surplus in this province. It's been by the mismanagement of this particular party. The members opposite do a great job of doing stuff like that.

And, Mr. Speaker, Manitoba Hydro needs a complete independent financial review of the corporation to develop a plan to bring it back to the health of a strong publicly owned corporation. And it can only be done by a complete independent financial review.

So thank you very much for the opportunity to put a few words on the record.

Mr. Speaker: I want to draw to the attention of honourable members of the House, having been here for some time, I understand that the views and values that members hold very near and dear to themselves are very important, and we speak quite passionately about it on a variety of issues.

But, under the *House of Commons Procedure and Practice*, second edition, O'Brien and Bosc, chapter 13—and this is a ruling that was given by a Speaker of the House of Commons not too long ago, by Mr. Speaker Peter Milliken: The House has adopted rules of order and decorum, governing the conduct of members toward each other and towards the institution as a whole. Members are expected to show respect for one another and for viewpoints differing from their own. Offensive or rude behaviour or language is not tolerated. Emotions are

to be expressed verbally rather than acted out. Opinions are to be expressed with civility and freely, without fear of punishment or reprisal.

So I caution all members of the House, please listen to and follow the practices that have been spelled out by Speaker Milliken, a practice that I very much want this House to operate under, and I encourage all honourable members to be aware of these comments and thoughts.

Now, the honourable member for Elmwood, please, with respect to the resolution under debate.

Mr. Jim Maloway (Elmwood): Mr. Speaker, I wanted to reflect on the speeches, some of the speeches I've heard today and, you know, I'm wondering if there's anyone here in the House who can remember the last time a Conservative—a Conservative government actually built a power dam in this province or signed an agreement. And I would think we'd have to look back to the last time the Conservatives developed any kind of Hydro construction, and that was—the member for Emerson (Mr. Graydon) was still in diapers when that happened.

The fact of the matter is—

An Honourable Member: Who electrified Manitoba?

Mr. Maloway: Well, the member for Emerson wants to know who electrified Manitoba, and I want to inform him that it was the Liberal government of D. L. Campbell who did it. If he wants to read his history, he can go back and it's very clear that D. L. Campbell led the way in electrification in Manitoba long before any Conservative thought about power and electrical power.

Now, Mr. Speaker, the fact of the matter is that the Conservatives—you know, someone said once that Wayne Gretzky's success was based on the fact that he always went to where the puck was going, not where it was, and that's what we don't see here coming out of the Conservatives. The fact of the matter is even their federal cousins, you know, they should talk to Steven Fletcher. You know, maybe they need a meeting with Steven Fletcher. Steven Fletcher would be happy to tell them that in—and perhaps even show them—that in 2006, the federal government gave the Ontario government little over half a billion dollars to initiate discussions with Manitoba to develop an east-west power grid. But did they know that? Well, obviously, not.

They're showing no understanding, no initiative towards where we want to go. They talked in the last campaign about, you know, making Manitoba a have province. But the fact of the matter is that the east-west power grid would exactly do that. We talk about hydro being Manitoba's oil. The fact of the matter is that we have only half of our power developed. We have another 5,000 megawatts to go.

We have hungry consumers in Ontario. We have coal-fired plants in Ontario which everybody knows have to be phased out. We have a demand in Saskatchewan which we all know has to be satisfied.

These members aren't even understanding that our Premier (Mr. Selinger) was at the Western Premiers' Conference only last week talking about an east-west power grid, a unifying force in the country similar to what John A. Macdonald did back in the 1800s by giving the country a vision, trying to form a country and avoid being swallowed up by the United States, and they show no vision.

It's just criticize. No matter what it is that you bring up, they find a—they find issues. So they're being left behind. We're moving ahead. We're building plants. We're developing hydro projects, and we're moving forward to talk about an east-west power grid. Nobody on this side has even mentioned the word, and they purport to have read the budget and right in the budget, the government talks about an east-west power grid.

The federal government is onside. The federal government supports it. Why aren't they using their good offices to talk to the federal members, to talk to the potential customers? In Saskatchewan, we have a Conservative government in Saskatchewan, they are in favour of a—building a—

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

The hour being 12 noon, this House is recessed until 1:30 p.m. this afternoon.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 7, 2012

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