

Fourth Session - Thirty-Eighth Legislature
of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS

Official Report
(Hansard)

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Speaker*

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Eighth Legislature

Member	Constituency	Political Affiliation
AGLUGUB, Cris	The Maples	N.D.P.
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ALTEMEYER, Rob	Wolseley	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
BJORNSON, Peter, Hon.	Gimli	N.D.P.
BRICK, Marilyn	St. Norbert	N.D.P.
CALDWELL, Drew	Brandon East	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
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CUMMINGS, Glen	Ste. Rose	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
EICHLER, Ralph	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
GERRARD, Jon, Hon.	River Heights	Lib.
GOERTZEN, Kelvin	Steinbach	P.C.
HAWRANIK, Gerald	Lac du Bonnet	P.C.
HICKES, George, Hon.	Point Douglas	N.D.P.
IRVIN-ROSS, Kerri	Fort Garry	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
JHA, Bidhu	Radisson	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
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MARTINDALE, Doug	Burrows	N.D.P.
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MITCHELSON, Bonnie	River East	P.C.
MURRAY, Stuart	Kirkfield Park	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
OSWALD, Theresa, Hon.	Seine River	N.D.P.
PENNER, Jack	Emerson	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack	Southdale	P.C.
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STRUTHERS, Stan, Hon.	Dauphin-Roblin	N.D.P.
SWAN, Andrew	Minto	N.D.P.
TAILLIEU, Mavis	Morris	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 1, 2006

The House met at 10 a.m.

PRAYER

ORDERS OF THE DAY

PRIVATE MEMBERS' BUSINESS

SECOND READINGS—PUBLIC BILLS

House Business

Mr. Kelvin Goertzen (Official Opposition House Leader): Mr. Speaker, I wonder if you could canvass the House to see if there is leave to allow the Member for Fort Whyte (Mr. McFadyen) to move Bill 211 to second reading on behalf of the Member for Kirkfield Park (Mr. Murray).

Mr. Speaker: Is there agreement? [*Agreed*]

Bill 211—The Truth About Crocus Act

Mr. Hugh McFadyen (Leader of the Official Opposition): Mr. Speaker, I move, seconded by the Member for Steinbach (Mr. Goertzen), that Bill 211, The Truth About Crocus Act; Loi concernant la vérité sur le Fonds de placement Crocus, be now read a second time and be referred to a committee of this House.

Motion presented.

Mr. McFadyen: Mr. Speaker, this Bill 211 which seeks to get at the facts and the truth behind the Crocus scandal is a bill that was introduced by my predecessor as leader of this party, the honourable Member for Kirkfield Park (Mr. Murray) on April 28, 2006.

I just want to take this opportunity to indicate my strong support for this bill and to indicate to the House the excellent work that was done by the Member for Kirkfield Park in preparing this bill and bringing it forward. It is a reflection of the fact that in the normal course an inquiry of this nature would have to be called by the government.

That request has been put to the government on several occasions. There have been calls for a public inquiry into the Crocus scandal by members of the opposition, by members representing the Liberal Party of Manitoba, by members of the media including most of the major media outlets in Manitoba. The *Winnipeg Free Press*, *The Winnipeg*

Sun, the *Brandon Sun* and others have called on the government to call a public inquiry.

Even Mr. Schreyer, the former Premier of Manitoba, the former Leader of the New Democratic Party of Manitoba, has indicated that a public inquiry is called for, and the reasons—

An Honourable Member: Governor General of Canada.

Mr. McFadyen: The former Governor General of Canada, in fact. He held the highest office in this land for a period of time, even higher than the Prime Minister, calling for an inquiry into this very significant financial scandal here in Manitoba when you consider the price that has been paid by over 33,000 Manitobans in the form of lost savings, compromised opportunities to live a good life in retirement, the ability to travel, to live well, to spend time with one's family and friends in retirement and enjoy the comforts of retirement that all Manitobans look forward to that has been compromised as a result of the Crocus scandal for many thousands of Manitobans in a very tragic way and a way that, in our view, could have been prevented had those who were in a position of responsibility taken action at the appropriate time to get to the bottom of what was happening at Crocus, to get the facts, to take decisive, firm, principled action to get Crocus back on track and to ensure that the investors of Manitoba, those looking forward to retirement, were protected.

That did not happen, Mr. Speaker. It would appear that the government and members of this government had information that, if they had acted appropriately, could have prevented this debacle, but they did not, and notwithstanding repeated requests by members on this side of the House, including members of the Liberal Party, the government has refused to call an inquiry.

I would note, Mr. Speaker, that we have asked questions in this House both in Estimates, in Public Accounts and in Question Period, all of which have been deftly evaded by members of the government. We have put over 140 questions directly to the Premier (Mr. Doer) on this issue, and by our tally, only five of them have received a direct response, which underscores the need for a commission of inquiry with the power to compel members of the

government to put their hands on the Bible and swear to tell the truth, the power to back up their testimony and back up their actions with appropriate sanctions in the event that it is found that any person giving testimony has perjured themselves in the course of an inquiry. Those powers are important if we are to get at the facts, the power to compel documents, the power to compel witnesses, the power to compel those witnesses to give truthful answers to questions.

So this legislation is a response to the fact that the government has refused on its own volition to call an inquiry when they should have, and we are reminded of the questions asked by the then-Leader of the Opposition to the former Premier of Manitoba. The Member for Concordia (Mr. Doer) when he was Leader of the Opposition, put questions to the former Premier of Manitoba, Premier Filmon, to this effect. Just to use one example, but this question was put many times: June 22, 1998, the Member for Concordia, the then-Leader of the Opposition said, "If the Premier had nothing to hide, if members opposite have nothing to hide . . . , why will they not just have a judicial inquiry and clear the air? What are they afraid of in terms of this process?"

That was the Member for Concordia, the current Premier of Manitoba, then Leader of the Opposition, asking questions of the then-Premier of Manitoba. He would do well to review his own Hansard and ask himself the same question as we put to him: Why will the government not call an inquiry? Given that they have not, and they appear to be stonewalling and evading this bill as a response to those evasions, it is a bill that we hope the House will take seriously, that will be passed by this House so that we can get on with getting to the bottom of this scandal which has damaged so many Manitobans. Thank you, Mr. Speaker.

Hon. Jim Rondeau (Minister of Industry, Economic Development and Mines): I am very pleased to put a few words on this bill, and the reason why I want to put a few words on this bill is I want to make sure that any mistaken impressions people have about our actions are clarified. I look at this just to correct the member opposite of some of his comments. First of all, his comments often say a lot of people's retirements have been compromised. Their enjoyment, their ability to travel, their ability to retire has been compromised. Well, Mr. Speaker, if Wellington West, who was the underwriter, had done their fiduciary responsibility when they did sell the shares, where they were supposed to do

appropriate investigation to make sure that the investment was appropriate to be made, then that would not have happened. Prior to 2001 I know that there was not a lot of fiduciary responsibility on the part of the underwriter making sure that people's investments were appropriate. I know that the MSC under our government in 2001 made sure that there was a comment to make sure that Wellington West understood their fiduciary responsibility, make sure that an investment was appropriate to Manitobans was there. So I would like to correct the member opposite for that.

*(10:10)

The other thing is that the Leader of the Opposition said that the government had information, and I reiterate what the Auditor said. One of the comments, the member says the government—members of this government—had information and the Auditor was very specific. And I know that the member opposite may not have read the Hansard from the Public Accounts, but the Auditor was asked and clarified that no member, no Cabinet minister, no minister had been given the e-mail. It was from one official to another, one official to another in their course of business. What it said was that there may be a reason to conduct an issue if there is legislation in the future. That is what the e-mail said, and I think that is quite important.

But the member opposite should be very aware of what happened. In 2001 we expanded the powers of The Auditor General Act to make sure that the Auditor General could investigate and follow the money, could go and do the audit to any organization that received a tax credit, such as Crocus or ENSIS. What was important is that power was not made in The Auditor General Act before this. Not only that, when Crocus was trying to prevent the Auditor to go in and conduct the audit, what happened was the Auditor said that they thought that he should go in and conduct an investigation. Not only did we not slow it down, we facilitated by making sure that as a Minister of Finance, I made sure he was an authorized person, under Minister of Industry, myself, made sure that he was an authorized person and made sure that that investigation was facilitated in quick order, and that was important to be done.

The other thing that is important to note is I know the member opposite walked out of Public Accounts. They did not attend the Public Accounts. They left Public Accounts without asking myself, the Deputy Minister of Industry or the Auditor any

questions. So it is incorrect when they say they were in Public Accounts to ask questions. They were not, Mr. Speaker. They walked out of their responsibilities. They grandstanded, walked out without doing their fiduciary responsibilities to the people of Manitoba.

It is important to note the facts in this case. There was an unfettered investigation from the Auditor General. There is an RCMP investigation. There is an investigation from Canada Customs and Revenue. Manitoba Securities Commission is doing an investigation, and there is a court case that may or may not be certified in the near future, but it is important to note the Auditor's comments.

The Auditor General said, and I quote from Hansard: "My staff and I were quite impressed with the diligence that the people brought to that work and believe that they took the recommendations in our report very seriously and have come up with what appears to us to be practical and realistic approaches to dealing with them."

He also goes on to say: "So I guess I would be hard-pressed to think of what more could have been done in the last few months than has been done to respond to what was a very complex and difficult situation."

When he talks about government and what government knew, I want to put on the case, the Auditor said that as far as trusting what was put out by the Crocus auditor and what was put out by Wellington West, the Auditor General says it is very common in the business world that when you receive an audit instead of financial statements, you rely on the audit opinion. When you receive a prospectus you presume that the appropriate due diligence and appropriate disclosure contained in that prospectus. We assumed by government, by monitoring, we did not do intrusive monitoring. What we did was we assumed that the audit, the financial statements that were signed off by a professional auditor, were correct.

We assumed that the work of Wellington West in preparing the due diligence to build the prospectus was correct. Now what we have done since that time, Mr. Speaker, is we moved Bill 51 and Bill 37, which splits the promotions which will be in Industry Department and the monitoring which will be in the Finance Department. That was a recommendation by the Crocus committee and we have followed that.

We also have made sure that the Class A shareholders are getting more say. In 1992 the members opposite, when they set up the fund, and I reiterate, Mr. Filmon, the Premier at the time, said no. The New Democratic Party brought it in. They brought it in. They set up the rules. They set up the operating systems. They made sure, under their watch, Mr. Umlah, Mr. Kreiner were hired. These people were hired, the board was set up, the systems were set up under their watch.

Mr. Speaker, this was set up then: seven and a half years under their government's watch, four years under ours. That is important to note. But when they set it up, they did not make sure that the people who invested the money, the Class A shareholders actually got a say on the board. They did not make sure that the Class A people who were buying the shares and investing the money and putting their retirement savings into this, they did not have them on the boards. They did not have them on the board committees. They did not make sure that their fiduciary responsibility was there. They allowed other people to take control. They put the sponsor in charge, not the Class A shareholders. We corrected that, Mr. Speaker, in Bill 51 and further in Bill 37.

Did they assure that there was proper due diligence. Well, I look, Mr. Speaker, at the losses of Isobord, Winnport, Westsun, et cetera. Where was that? That was \$40 million lost when the investments were begun under that government, in the Conservative government. So I wonder about what happened there, Sir.

The other thing is that, when they say that the government was responsible, that is balderdash. If you read the prospectus, and I often ask the members opposite to see if they can read, because what it says: Wellington West sets up a prospectus, it talks about the fund. It says that: to the best of our knowledge, information and belief, financial statements of the Crocus Investment Fund—and continue—constitute full, true and plain disclosure of all material facts related to the securities offered by this prospectus as required in Part 7 of The Manitoba Securities Act.

There. That is: the Manitoba securities act and the regulations thereunder and do not contain any misrepresentations.

So you look at it, and the facts belie, challenge what the members opposite are saying. When you talk about it, Mr. Stefanson in 1992 signed a memorandum of understanding or agreement with the fund requiring labour control of the board of

directors. It stated, "control of the fund shall always be vested to the Manitoba Federation of Labour," and we continue and continue.

So we have to make sure that the members opposite do not continue to put false information on the record. We have to make sure that we understand that we do not and have not controlled it. The board members did not report to us. They were civil servants that have served generally both governments very, very well and we are very pleased with that.

We talk about the statement of claim. Part of the statement of claims starts talking about Merv Tweed, which is the Science and Technology fund, the co-investment between government and the Science and Technology Fund. Who did Merv Tweed, the former Minister of Industry in the Conservative government put in charge? James Umlah, who they crowed about his management expertise. When you start talking about the e-mails and all the rest, you start wondering where our purpose is. Our purpose is to bring stability to the act. So read Bill 51 and 37, that is what it does—

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

Mr. Glen Cummings (Ste. Rose): Well, Mr. Speaker, every time the government gets up they try to say we just want to correct the record. The arrogant response of this government. Every time we raise the issue of Crocus and whether or not there is an intentional cover-up to what actually occurred at the fund, we get that kind of an answer from government. So let me take a couple of minutes to lay out what I believe are significant concerns of the public around how this government has managed this file.

* (10:20)

We will go right back to the beginning when this issue was first raised. We saw people within the government and those with close connections to the government and to the Crocus file. One of the first things that crossed my desk, because I was not directly responsible at that time for this file, was a letter on behalf of the directors at the Crocus Fund suggesting everything was hunky-dory and would the members of the Legislature please just cool down; everything will be all right; relax, we know what we are doing.

Well, Mr. Speaker, that, in itself, is a little bit unusual, but that was the beginning. Frankly, that

was probably, for me, one of the first red flags about what actually might be occurring over there because that was a very unusual approach taken by the directors of the fund at the time. Frankly, if the fund was not in some sort of difficulty, they should and this government should be quite prepared to allow an examination of what has occurred over there.

Frankly, Mr. Speaker, what our major concern continues to be is that there were people within this government who knew there were difficulties at the Crocus Fund, who knew that there was very likely going to continue to be pacing problems, that there were going to be liquidity problems at the fund. There were people in this government who knew.

Mr. Speaker, I would think we can very logically show that the Premier (Mr. Doer) knew through his connections and through union relationships. Look, we all have friends and associates that we develop over the course of our professional lives, and the Premier is no different. The Premier has a long-time association with the union organizations in this province, and good on him. But, nevertheless, it is pretty hard for him to say that he never discussed this file with Eugene Kostyra, a former member of the board who was a confidant and an advisor in this government, and that he and Mr. Olfert never discussed this file.

The Auditor in his report indicated that the e-mail never went forward beyond the administrative level. But, Mr. Speaker, there is a very solid case to show that within this government there was knowledge, and there are 33,000 shareholders out there who have watched, in many cases, their retirement funds collapse. Someone knew and could have prevented this being as big and nasty a collapse as it was.

That is only the end result, Mr. Speaker. The events leading up to that are what probably makes this government even more culpable because, as I indicated, there is certainly a direct link between the board of directors at Crocus and the government, and the government loves to say, well, most of them were appointed and are there by regulation that was put in place by the previous government. That is fine, but that does not mean that they can deny their relationship and their knowledge that would likely have flown from that relationship in this government.

Mr. Speaker, the other very suspicious situation is that the current minister responsible for the Crocus Fund was not in the position when many of the concerns that we are raising occurred. He can

rightfully answer that he did not know, because he was not there. But we cannot get to the minister who is the Member from Brandon in the sense of asking him what he might have known. We know that the former minister who has now left government, the former Member for St. James, I believe, Ms. Mihychuk, she made it very clear that she had concerns raised with her. *[interjection]* I think someone is indicating that I have got the wrong riding, but I certainly have the right minister. The fact is she was quite prepared in the proper forum to explain what she saw as concerns during her tenure, where this fund reported to the department that she was responsible for.

You know, Mr. Speaker, the one thing that people in this province respect is honesty and fairness. It would surprise maybe some members on the government benches, but fairness is a very important principle to a large percentage of the population in this province. Fairness also is interpreted by saying that if I knew what was going on and it was causing a problem, and in fairness to you I did my due diligence, then that is all they want to know.

But, at the same time, if they knew and they did nothing, or worse yet, if they knew and they tried to cover it up, then in fairness, the public has a right to know.

Mr. Speaker, we know that there were examples of due diligence, and I believe we can prove when appropriate people are able to have a forum in which they can explain their actions, we can probably prove that there were situations well known by this government when due diligence was not performed and when decisions were made at the fund that were detrimental to the fund and ultimately resulted in its collapse.

Mr. Speaker, we know, as one of the more public examples right now, the collapse of the Maple Leaf Distillers file. I am sure that the principals of Maple Leaf Distillers felt that they were embarking on a project that would ultimately be very successful, but there is a case of responsibility where due diligence has to be done. Both public and private investors ended up regretting their connection to this file, and worse yet, the cross-investments with Crocus start to point towards a network of buddies and friends that probably made decisions more based on acquaintance than on due diligence.

The current Minister of Industry (Mr. Rondeau) likes to brag about how the due diligence is always

done, but, Mr. Speaker, we have seen that we are losing a considerable amount of money on that file and, while the government got back its share, there is an occurrence that is an example of what we believe happened far too often in connection with the Crocus file, and that is that we had pressure put on agencies within the province, pressure put on the likes of TRAF, WCB, MPI, to co-invest with Crocus. We have evidence that this government was working on a superfund which would, we believe, have ultimately bailed Crocus out of a very difficult situation if it was not already too far in the glue.

So, Mr. Speaker, with all of these accusations and with all of these unanswered questions, the government has a responsibility to provide a forum where people who know what went wrong, and there are people out there who know what went wrong, will have an opportunity to explain either their role or what they knew about the situation and whether or not there were people who knew better, who knew that they should have taken action or tried, worse yet, where they tried to provide protective action to save the fund and to save people's investments, and may have been ignored by this government. Until we have that file, until we have that forum that we can give these people an opportunity to speak up in, I suspect that this will continue to be one festering sore in the side of this government.

I look across at the government benches, and I say if you have nothing to hide then please call the inquiry as this side of the House has been urging. It is important.

Mr. Jim Maloway (Elmwood): Well, Mr. Speaker, it is hard to know where to start with on this file, and I think it is best to probably start at the beginning.

Mr. Speaker, the Crocus Investment Fund, or at least the idea behind it, started a number of years ago, in fact in other provinces. In fact, the government of Howard Pawley had considered bringing in legislation, and, as a matter of fact, had introduced legislation in 1988. The government fell and with it the legislation died. That was in 1988.

In 1992, the Conservatives had gone through by that time a minority government, and they were in a majority situation so they did not need our support. They did not need our support to bring in the legislation. Had they brought it in from '88-90, they could have argued that they were doing it because the NDP had demanded it. But, we went through that year and a half, and we did not demand it. They did not introduce any legislation of that type.

* (10:30)

They got their majority in 1990, and then in 1992, out of the blue, they introduced the Crocus Fund legislation. I remember the Premier at the time basically just exuding confidence, was bubbly and very excited that he was putting one over on us. He was saying, oh, you know, the NDP have been in power all these years, could not make labour happy but we did it. And here is what he said in 1992. He said no New Democratic Party government brought it in. We brought it in because it made good sense to work co-operatively with labour to form yet another capital pool to encourage the creation or the enhancement or the consolidation of business in Manitoba and jobs in Manitoba. That is what the Premier said at the time.

An Honourable Member: Premier Filmon.

Mr. Maloway: Premier Filmon, with a majority government. And Premier Filmon proceeded to set it up, to implement the plan to make certain that his buddies and his friends were in a good position. Who were these buddies and these friends? You know, they are the same buddies and friends that have been around for years and years and years. They ought to get out a little more, meet some new people because they are stagnating with that small group. It is that same group, same group that hangs in there year after year. We have Wellington West Capital who were doing business with the government in those days, the Hydro bond program, and they still are doing business with the government. But the Leader of the Opposition does not ask that they be removed from their job. As a matter of fact, Mr. Filmon's son was a lawyer for Wellington West.

Mr. Speaker, James Umlah, he seems to be the key person here who the Auditor's Report indicates had excessive travel expenses, spent excessive money, had very little controls. This man was hired by the Conservatives when they first set up the fund.

So, as with other scandals, we simply inherited their problems. Let us look back at some of the problems we have inherited. Let us go back to the \$93 million—

An Honourable Member: What have we inherited?

Mr. Maloway: We inherited, in 1969, the CFI scandal; \$93 million was stolen by Kasser and Ricer and taken off to Switzerland, and we never found that money. We never found the money. We do not know, that was just outright theft. When we formed the government in '69, had our inquiry, the

Conservatives said we do not know. The money was there one day and it was not there the next day. We know it is in Switzerland somewhere, that is all we can tell you. And they walked away.

Then we had to deal with MTX. In MTX, in 1986, the Conservatives that were in opposition were very active on MTX, trying to find the money that was lost in the sands of Saudi Arabia. But, you know, Mr. Speaker, they knew more about it than they were letting on because Don Orchard was the minister. He was the minister of the telephone system when they got into MTX, so by 1987 he knew where to look because he had planted the seed in the orchard. He knew where to look.

Then we go forward a little further, Mr. Speaker, and we look at the Hydra House situation. You know, the Member for River East (Mrs. Mitchelson) knows what is going on there because all of this happened under their watch. When we look at the Cadillacs that were bought, when we look at the house in Florida, all of the bad things that went on with Hydra House happened under that government. Then we get stuck cleaning up the mess, and then they want us to have an inquiry about how we cleaned it up, about their mess.

So, Mr. Speaker, this is what I see in this file. We have a huge problem here of mismanagement, missed expenses, all due to that group over there, that group over there that want to come back over here. We will see how eager they are to have inquiries when they are back over here. All of a sudden, it will not be such a good idea.

Now, Mr. Speaker, I had mentioned that in October of 2000 the Securities Commission ruled that Wellington West improperly sold MTS shares on behalf of an investment club organized by who? Well, you only have about five options. It was either Arnie, big Bob but in this case it was Cubby Barrett, and guess what? They seemed to know a lot about the settlement. In the settlement—you see, there was a settlement—Wellington West admitted its actions were contrary to the public interest, and when this happened the Tories did not call on the Province to drop Wellington West as a broker for the Hydro bonds or Builder Bond program.

So it seems that when the Conservatives are in government, things start to go awry. They start to go awry very quickly. All you have to do is look at some of the investments and potential conflicts of interest in Crocus that were aided and abetted by them when they were in government. For example, it

was the Conservative government that provided Crocus with two waivers in 1995 and 1998 that allowed it to invest in Wellington West even though the act did not allow them. It did this while receiving significant donations to the Tories, in fact \$41,000 in donations, but look at what this exemption did. This allowed them, Wellington West, to be the lead broker while at the same time Crocus was investing in Wellington West.

Now, how in the world would something like that get by a government that had any concept of what could be a conflict of interest? But when you only have a little group of five or six people, it is sort of an inbred little group, and you do not look beyond those five or six. That is why you get into these problems. You need an independent view of the situation, not just dealing with the same people. That is my advice to any future government. We took over your problems. We probably should have been more proactive and replaced a lot more people than we did, because traditionally governments do that. I mean, in the Maritime provinces the paving trucks would stop and the paving machines would stop the day the election was over. They would quit paving the Liberal roads and start paving the Tory roads when the Tories were in power. That is how immediate things used to be in the Maritimes.

We changed that. We left all the public servants in place and the problems, Mr. Speaker.

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

Hon. Jon Gerrard (River Heights): Mr. Speaker, let me thank the Member for Elmwood (Mr. Maloway) for providing so many cogent reasons why a public inquiry is needed.

It is abundantly clear that there were major problems primarily under the watch of the NDP and that there was a real problem in 2001 and 2002, that they were alerted to major difficulties at the Crocus Investment Fund and they did nothing. In fact, they brought in legislation that covered up the problems. They brought in legislation that allowed the Crocus Fund, which had been acting illegally—the Crocus Fund had been acting illegally under the legislation, going over the 10 percent limit, and this government, the NDP government, brought in legislation to say that they could do it.

* (10:40)

They made their illegal act legal. This was absolutely despicable. They were warned that there was a problem. They knew in no uncertain terms that there was a problem, and they brought in legislation to cover up the problem rather than to make sure that the difficulties at Crocus, which we now know so much about, were unveiled.

There is a wealth of information in the Auditor General's report, which makes it abundantly clear that there were huge problems at the Crocus Investment Fund, and in the oversight of the Crocus Investment Fund by this government. But there are still large numbers of unanswered questions which need to be answered. There is still a way that needs to be paved for the future to ensure that we have strong venture capital opportunities here in Manitoba, and a venture capital industry which is ready and willing to be able to invest in growing companies here in our province.

There are, to be sure, inquiries which are coming up: the Manitoba Securities Commission investigation which has been put off and put off and put off. One has to ask: will it ever happen? It certainly will not satisfy the need for a public inquiry. It is tightly focussed, and the major issues of the day with what went wrong and how we set things right for the future are not going to be answered by the Manitoba Securities Commission.

There is an RCMP investigation which seems, from what we know at the moment, to have lost some steam. We are still waiting for results. We do not know when and if and how it will report, but it clearly is also very tightly focussed and will not satisfy the need for a public inquiry.

There is a class action suit which is underway at the moment. The terms, as we read in the paper, are even changing as we speak, and look like they may be changing as we speak. We do not know when this is going to come to be, but clearly it speaks to the anger that is out there, the concern that is out there on the part of 33,000 investors, 33,000 Manitobans who put their money up because they believed that this government, and naturally, the former Tory government, were behind the Crocus fund and that it was a government-supported activity. They invested because they believed that they were investing in the province, and because this government never did the appropriate thing, and that is to warn people, until it was far too late, that this was high-risk venture capital investing and that they had better be careful.

There were people, even including people who were working in the Hansard office, who were reading the transcripts, who were hearing the Minister of Finance (Mr. Selinger) get up, and reading that in the budget speech of 2003, I think it was, say: What a success Crocus is.

After all the warnings they had, the Minister of Finance was still touting the virtues of Crocus, in spite of the fact that there had been huge numbers of red flags. People read what the Minister of Finance said, and they said: Well, if the Minister of Finance said—at that point they still believed the NDP government—if the Minister of Finance said it, then there must be something behind it; I should be investing. And they did, after all the warnings that had been there for this government that they did not pay attention to. That is why we need a public inquiry. We need it as soon as possible.

In the Liberal Party, we are dedicated, working and doing everything we can to get this public inquiry. We will not be diverted from this. We will continue to put pressure on the government and to do everything we can to get a public inquiry because this province needs it. This government needs to be exposed for what it has done and not done and, therefore, we need a public inquiry, Mr. Speaker.

Mr. Kelvin Goertzen (Steinbach): It is a pleasure to rise to speak today. I know the leader of the independent party, the Liberal Party, got some angst going from the government. *[interjection]* Well, certainly, I know if there is anybody who knows something about public inquiries, it is the Liberal Party here in Manitoba in Canada, Mr. Speaker. They know the value of it, or maybe not the politic value of it always. *[interjection]* The Leader of the Liberal Party is now talking about the investigation that happened almost a hundred years ago. I am not sure if he was privy to that particular investigation or not, but I suspect that the Leader of the Liberal Party has his heart in the right place.

I certainly know that Conservatives here in Manitoba, the Progressive Conservatives, who have been calling for this inquiry for months have been doing it because they believe that the 33,000 investors who had their money put at jeopardy, possibly because of actions from this government, need to have answers to the questions that they have about where that money went. I know that it was even the boss of the members opposite, the now Premier (Mr. Doer), who has in the past been one of the strongest advocates, one of the strongest

advocates in the province for inquiries. Now, I used to take the Premier at his word when he said that if you had nothing to hide, then you had nothing to fear from a public inquiry. That is what the Premier used to say.

I find it not passing strange, but certainly disconcerting that when it comes to his own government, he does not have those same sorts of inclinations and those same sorts of feelings. I think that most Manitobans would look at the duplicity and the different statements from the Premier on different situations and say that it is not only not consistent, it is not genuine, and it reflects the worst things that people fear about politicians, that they say one thing one day because it is to their political benefit, but they say something different another day because it is to their political detriment. I know, I see the agreement from the Member for Rossmere (Mr. Schellenberg). I appreciate the fact that he is onside with me on this issue. I will hope that he will bring that to his constituents during the upcoming election when he finally has a chance to talk to them again after four years of not speaking with them.

But, Mr. Speaker—*[interjection]* Oh, I am sorry, I stand corrected. The Member for Brandon East (Mr. Caldwell) says that the Member for Rossmere was talking to a constituent last week. So, once in four years, I am glad to see that that has happened. But, I would say, I actually gave good election strategy to the Member for Rossmere yesterday. I think it was, when I said that he could run on the slogan that he is responsible for Canada having its best Attorney General ever. You know that would be a good slogan. It is a positive slogan. The Member for Rossmere can go out and say, I am responsible for us having the best Attorney General in Canada.

Well, here is another election strategy that I would put forward to the members opposite. If they are so certain, if they are so sure that they have nothing to hide in a Crocus inquiry, why would they not call it? You know, from a purely electoral point of view, if they believe that they would be vindicated and they would be absolved of any sort of blame in the Crocus inquiry, they would call that inquiry today. After they found that vindication from whoever the commissioner was, they could then go forward and say, see, we told Manitobans that there was nothing to these allegations. But the mere fact that they do not, the mere fact that they do not do that, Mr. Speaker, gives clear indication that there is something that they do not want to see put forward.

I have heard the defences and the arguments from the members opposite. We heard the Member for Elmwood (Mr. Maloway) who every once in awhile winds up and lets 'er fly here in the Legislature, Mr. Speaker. He gave some of the defences that have been put forward from his spin doctors in his party. You know, he says, well, there is already—and others have said it, the member for Industry has said—there are already four investigations going on. Now, I am not sure if there is any other political party in any Legislature in Canada who would be proud to stand up and say, we already have four investigations going on into our actions. But that, of course, is the weakness of the defence from the members opposite.

But what they do not want to tell Manitobans is that all of those investigations deal with issues quite apart from the political nature of the questions that have been raised, and the political nature of the concerns that have been raised around Crocus. They do not want to speak to those particular issues. The Premier (Mr. Doer) sometimes stands and he says, well, I do not want to call an inquiry because I have other inquiries that will be going on. We might have an inquiry into Family Services.

* (10:50)

Again, that is not something that I think any government should be proud of to say: We have so many inquiries going on that we cannot deal with this. Where there is a transgression or a concern about something that has happened, the public deserves to know the truth, and since the Premier (Mr. Doer) has not been forthcoming with that truth, this is the only way to get to it. Certainly members of the Progressive Conservative Party, I think, would have been quite happy and would have been quite satisfied if the Premier would have just brought forward the information that we have been asking for, but I think the leader of our party has indicated on a few different occasions that there have been some 140 or 150 questions that had been evaded by the Premier on this particular issue. So it is clear that the only way to get to the truth is through a public inquiry.

We have heard comments from the Supreme Court of Canada on this issue. Sometimes members, I know the Member for Minto (Mr. Swan) sometimes likes to run up the flag of the Supreme Court of Canada when he is trying to defend something, but when we talk about the need for a public—*[interjection]*

Well, and I glad to hear the Member for Minto tell me that he still believes in the Supreme Court of Canada because I hope that he believes in the comments that justices in that high body had put on the record about the importance of having public inquiries. They have talked about the need of restoring confidence in the public not only in the particular issue that has gone awry but also in government itself about restoring confidence in the institution of government in and of itself.

And I think that that is something that the members opposite do not want to discuss and do not want to acknowledge, that not only has there been an erosion of confidence in the whole issue of venture capital here in the province of Manitoba and the difficulty that other venture capital funds might have as a result of it in future venture capital funds but also the challenges that we have, Mr. Speaker, because there is a general erosion in the confidence of government. And we all suffer from that. That is not a partisan thing, I say, even though it is now being driven because of the actions of this New Democratic government. All of us as individuals who run for office and who put our name on a ballot have difficulties because of that erosion of confidence in government in general.

So I say to the members opposite that they are not doing anybody a service by not having this particular issue dealt with. I know that there are constituents of all of ours, in all of our ridings—I do not think that this issue pertains only to one particular sector of the province. I doubt that any of us could stand in this House and say that we do not have constituents who have been affected by the collapse of the Crocus Investment Fund. If I stand to be corrected, if there is a member who wants to say that there is not anybody in his riding or her riding who did not have money in the fund, I would certainly like to hear from that member. But I would suspect that everybody, whether it is the Minister of Education (Mr. Bjornson)—I am sure he has constituents in the area where he used to live who have money in the fund. I am sorry, I mean, continues to live at times.

But, Mr. Speaker, it is important that each of us recognize that, to restore the confidence in investment in the province of Manitoba—and our province sometimes has difficulty getting the investment in because of the size of the province—we need every advantage that we could possibly have, not every disadvantage as it had been put on by this particular government. We have heard the defensive

cost, that an inquiry is too costly. Well, I would offer to the members opposite by not calling this inquiry the loss that we might have in investment in the province of Manitoba, well outweigh any costs of an inquiry, and I do not believe that the public would see that as a genuine or a real argument.

I know, Mr. Speaker, that my time is running short, but certainly we look forward to hearing from other members here in the Legislature about this particular issue. I suspect that all members will want to do the right thing, see this go to committee, and perhaps they could hear from other Manitobans. Investors could come then to that committee to talk about their personal experiences, and members opposite might have a change of heart. So again, I look forward to hearing from all members of this Chamber and then moving this bill on to committee so that we can then pass it.

Mr. Speaker: Are you ready for the question?

Some Honourable Members: Question.

Some Honourable Members: No.

Mr. Speaker: No.

Mr. Gregory Dewar (Selkirk): Mr. Speaker, I move, seconded by the Member for Flin Flon (Mr. Jennissen), that debate be now adjourned.

Motion presented.

Mr. Speaker: Agreed?

Some Honourable Members: Agreed.

Some Honourable Members: No.

Mr. Speaker: No.

Voice Vote

Mr. Speaker: All those in favour of adjourning debate, say yea.

Some Honourable Members: Yea.

Mr. Speaker: All those opposed to adjourning debate, say nay.

Some Honourable Members: Nay.

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

Point of Order

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

Mr. Kelvin Goertzen (Official Opposition House Leader): As I did yesterday, Mr. Speaker, I am

always one who likes to have everybody have an opportunity to speak in this House to bills when they have the chance. I did not see the Member for Inkster (Mr. Lamoureux). I do not think others did stand up. Perhaps he was late by his own admission to speak to the bill, and I wonder if there is leave to have him speak to the bill because I know he likes to have words on the record.

Mr. Speaker: Is there leave for the honourable Member for Inkster to speak to the bill? [*Agreed*]

* * *

Mr. Speaker: The honourable Member for Inkster, to speak to the bill.

Mr. Kevin Lamoureux (Inkster): Yes, thank you, Mr. Speaker. I thank the Member for Steinbach (Mr. Goertzen).

Mr. Speaker, I do think that it would be nice to be able to put a few words on the record on this bill. I had somewhat anticipated the government might have wanted to follow the opposition in terms of putting up a speaker, and that is why I was a little bit slow to my feet, not recognizing that the government was done talking for the day on this bill.

Mr. Speaker, I do believe that there is a great deal of merit for a bill of this nature, and it would be interesting to see a bill like this actually pass to committee. I suspect that there is in excess of 33,000-plus people that have invested in the Crocus Fund that would love to hear what the government has to say about this at committee stage. I suspect, and I will put the challenge to the government, that if they do allow it to go to committee, there will be a lot more than one person showing up to make a presentation on this bill because I have had, personally, the opportunity to talk to literally or communicate with hundreds of individuals that have been directly and indirectly, both, affected by the Crocus fiasco.

Indeed, Mr. Speaker, this is a fiasco. The Crocus Fund was a good idea. It is a concept that has provided many benefits for the province of Manitoba when it was brought in. Venture capital, at the best of times, can be difficult to be able to generate. The Crocus Fund allows for that to happen. Where companies—and what I had always thought would be a wonderful opportunity is where companies for whatever reasons that are located in the province that they are having some difficulties or maybe they are a branch office and this particular branch is doing well in comparison to other offices, that through venture

capital you can actually get the funding necessary in order to continue those businesses and save jobs. There is opportunity to be able to create jobs through venture capital funds. These are all ideas and thoughts that were talked about in the nineties and are still important today.

But, Mr. Speaker, what has happened with the Crocus Fund, it is important to note that you have to start the time line when the red flags started to appear, the red flags that the government should have noted and had taken action back then. Had they taken action back then, one would be able to argue we would not have lost anywhere near the amount of money that has been lost as a direct result of government negligence.

You have to ask the question, why were some of these warnings ignored? One of the ones that was most significant—and I have read and re-read that affidavit signed by Pat Jacobsen, Mr. Speaker. She is 100 percent convinced that had the government done an independent inquiry when she had raised the issue, that Crocus shareholders would have been saved millions of dollars.

The issue of the public inquiry deals with the area of why the government did not act when it had the opportunity to act, Mr. Speaker. As a result of not acting, they have destroyed the credibility of venture funds here in the province and the government's potential role today and into the future with regard to that where it is going to take a lot to be able to resolve or to override those damages. It has cost the Crocus shareholders considerable, millions of dollars, not to mention how much in terms of tax credits. I look forward to the Minister of Finance (Mr. Selinger) providing the actual dollars, which he had committed to doing, that the taxpayers had to foot in for the Crocus Fund.

Mr. Speaker, I would ultimately argue that we need to have that public inquiry. That is the only way in which we are going to be able to determine what went wrong, and until we have that public inquiry we are never going to know the truth. The truth be known, a lot has to do with relationships.

* (11:00)

Mr. Speaker: Order. When this matter is again before the House, the honourable Member for Inkster (Mr. Lamoureux) will have five minutes remaining, and it will also remain standing in the name of the honourable Member for Selkirk (Mr. Dewar).

The time being 11 a.m., we will now move to resolutions, and we will move to the resolution by the honourable Member for Ste. Rose (Mr. Cummings), Sustainable Development for Rural Manitoba.

RESOLUTION

Res. 13—Sustainable Development for Rural Manitoba

Mr. Glen Cummings (Ste. Rose): Thank you, Mr. Speaker. I move, seconded by the Member for Pembina (Mr. Dyck), that

WHEREAS appropriate infrastructure is needed to expand economic opportunity in rural Manitoba; and

WHEREAS environmental protection is extremely important to all of society; and

WHEREAS sustainable development opportunities are not happening in rural Manitoba because of insufficient commitment to infrastructure for environmental protection; and

WHEREAS the provincial government has not accepted its responsibility to lead in the support of infrastructure rural development in rural communities.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the provincial government to actively consider the development of infrastructure for the protection of the environment and development of economic opportunity in rural Manitoba, including the expansion of slaughter capacity.

Mr. Speaker: It has been moved by the honourable Member for Ste. Rose, seconded by the honourable Member for Pembina,

WHEREAS appropriate—Dispense?

Some Honourable Members: Dispense.

Mr. Speaker: Dispense.

Before we move on, there is one word added. Would the honourable member agree to deal with the resolution as printed?

Mr. Cummings: Yes.

Mr. Speaker: Okay. It has been agreed to.

WHEREAS appropriate infrastructure is needed to expand economic opportunities in rural Manitoba; and

WHEREAS environmental protection is extremely important to all of society; and

WHEREAS sustainable development opportunities are not happening in rural Manitoba because of insufficient commitment to infrastructure for environmental protection; and

WHEREAS the provincial government has not accepted its responsibility to lead in the support of infrastructure development in rural communities.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the Provincial government to actively consider the development of infrastructure for the protection of the environment and the development of economic opportunities in rural Manitoba, including the expansion of slaughter capacity.

Mr. Cummings: Well, thank you, Mr. Speaker. While this resolution could at first glance be seen as a routine resolution, it is anything but for rural Manitoba right now. In fact, I would suggest that this typifies the concerns of rural Manitobans over the last number of years. It typifies the concerns that we have about the future of our communities and the future opportunities that we have within those communities. No one in rural Manitoba understands better than those of us who are elected on behalf of rural Manitobans to represent those areas the difficulties that are being faced right now in terms of maintaining economic opportunity and maintaining our communities. We understand that there is no doubt there will be some small communities that, as has historically happened, will no doubt have trouble surviving.

What is a change in rural Manitoba right now that I would equate to having the same level of impact as the changes that occurred during the Industrial Revolution, because we are seeing a significant depopulation we are seeing a huge change in the nature of the industry that we are dependent upon, in that case mainly agriculture. I want to put on the record, and I know that a number of my colleagues will assist me in this regard, the fact that the development of opportunity is based to a significant degree on whether or not we have infrastructure that can attract, maintain and hold industry, jobs and ultimately the populations within our communities.

First of all, there is the obvious, that we need sound transportation. We saw the elimination of the railway to a large degree, which was coupled with

the elimination of freight assistance. That explains a huge part of the change that is occurring in the grain industry in rural Manitoba, whereby we are now moving our grain on rubber which has to move on roadways that are capable of withstanding 40 tonnes of load plus the weight of the truck. It also talks to the fact that even our side roads, which our municipalities have to maintain, are under huge pressure when these types of loads are being moved on them. These loads are being moved farther, Mr. Speaker, and I would use as an example that people who live in and around Ste. Rose ended up marketing their product into elevators south of Brandon, probably at Souris.

So, Mr. Speaker, we have seen over the last couple of decades as a result of the changes that were made to highways, or pardon me, to railways, that the highways have come under increasingly heavy load and demand, and this government, in my opinion, has not lived up to its obligation in supporting that part of the infrastructure in rural Manitoba. But I want to emphasize and I want to put up front the fact that there are a great many industries that could and probably should locate themselves in more modest-sized communities where they are closer to the raw product that they need.

I look at the community that I come from where the town of Neepawa had the good fortune to attract the Springhill hog-slaughtering capacity and now has an opportunity to attract further beef-slaughtering capacity and needs the infrastructure to go with that. As is so often the case, and that is what really drove me to present this resolution, as is so often the case communities may well have the workforce, they may well have the resources, they might have the labour, they might, in fact, have the water, which is also an important part of industrial requirements, but they cannot make sound offers to attract industry into their community unless they know they have the support of the secondary and probably the federal level of government as well to put in place the infrastructure that is necessary in order to support any kind of an industry that has a waste stream that has to be dealt with.

You tie that to the fact that environmental protection has been for the last two decades a high priority within this province. Certainly during the nineties the opportunities categorized under sustainable development recognized the fact that we needed to have good environmental laws that could be observed and we had to have good technical

capacity in order to protect the environment. The two went together naturally, Mr. Speaker.

But now we see a government that wants to talk the talk, talks about water quality, talks constantly about how they will regulate the movement of water and nutrients in rural Manitoba but does not do a good job, frankly, of talking about how effluent management can be related to industry, can be related to our town sites, and those are equally important. In fact, I would say they are of paramount importance and they are measurable, Mr. Speaker. They are measurable.

I think I would be remiss if I did not put on the record at this point where the Department of Water Stewardship has talked about the quantifying in general terms the amount of effluent and the amount of pollution that comes from various segments across this province. We find that the rural residential subdivisions that are outside of the city of Winnipeg, and I am not trying to pick on the city of Winnipeg, but we all know that in the surrounding areas there is a lot of rural residential sub-development, that that is being categorized as part of the rural agricultural volume.

Well, Mr. Speaker that is the one area where farmers start to say, well, wait a minute. I have responsibility for several hundred or perhaps several thousand acres of land and how I manage the nutrient load on there, how if I have a livestock operation I am responsible for managing that nutrient load and the runoff from it, but I also have to be accountable for the management of the rural residential effluent? The fact is that is where regulatory control is available to the government, but they have so far, in my opinion, not done a good job of dealing with that, and that is truly sustainable development for those communities.

So I raise this issue, Mr. Speaker, not as a parochial and solely as a local issue, but one that is important across this province. We had to deal with an issue again, about a decade ago, in Portage la Prairie, a community that has a number of wet industries. The two largest ones, of course, are the two potato plants. We have Brandon where they had to expand their effluent capacity to deal with the new hog slaughter capacity that went in there.

Those were quantifiable, Mr. Speaker, and they were licensed for their discharge to protect the environment, but that is the limiting factor. When you get into other communities of less financial capacity, all of a sudden they have a dependence that

goes beyond the dependence of their own tax base. Their dependence goes on to needing support from the senior level of government, so that some of that cost, in order to protect the environment, can, in fact, come from the general tax levy in order to make sure that it is affordable within the community.

* (11:10)

I know that probably the Minister of Agriculture will want to get up and defend her record, but I think the simple fact that we need an acknowledgment from everyone within government that this has to be a high priority or rural Manitoba communities will start shrivelling on the vine, and the only place where industry will go to locate is where there is already a large population. We will continue to see the many Industrial Revolution-like effects that we are witnessing in rural Manitoba. They will go increasingly faster, and they will increasingly depopulate parts of Manitoba for which many of us believe should not have to suffer that fate.

So I encourage this Legislature to accept and support this resolution. It is not necessarily intended to denigrate the productivity or the commitment of this government. It should be a commitment on behalf of all of us in this Legislature to make this happen on behalf of rural Manitoba.

Hon. Rosann Wowchuk (Minister of Agriculture, Food and Rural Initiatives): Mr. Speaker, I want to thank the Member for Ste. Rose for bringing forward this resolution on sustainable development for rural Manitoba and recognizing the fact that indeed as we move to value-added and more opportunities for economic development in rural Manitoba, infrastructure is key to what we do. It could be infrastructure with roads, but mainly the infrastructure for water and sewer are key to all that we do.

You can look at the various projects that are on the books and for the need for more. The member is correct when he says that if we do not make investments in water and sewer in rural communities, we are going to see the facilities looking in those areas where there is already existing infrastructure that can handle the effluents that come out of the plants.

As a government, we have made a commitment, with the reorganization of the Department of Agriculture, to change it to Agriculture, Food and Rural Initiatives to have more opportunities for value-added in rural Manitoba. Mr. Speaker, I really

believe we have made some investments since the year 2000. The Canada-Manitoba Infrastructure Program has invested a total of \$300 million in Manitoba infrastructures, and, of course, this is a three-way split.

There were a few areas where this infrastructure has gone in. We have a million dollars in water treatment plant upgrades in Minnedosa to meet the water capacity and quality needs for the proposed Husky plant; \$2.4 million in treatment upgrades in Niverville; \$2.4 million in water treatment in Altona; \$600,000 for industrial park water services in the R.M. of Bifrost. Of course there were investments made into Portage la Prairie so that the two potato plants could be built there.

Mr. Speaker, I want to go back in history a little bit. I think that this goes back. When the investments should have really started was when the Crow benefit was eliminated. I remember the members opposite supporting the elimination of the Crow because that was going to give the opportunity for economic development and growth in rural Manitoba.

The one mistake they made when they were in government was that they supported elimination of the Crow. The money went to farmers for two years, and then the federal government saved all of this money. Had that money been taken and invested in rural Canada, where the Crow benefit was taken away from, had that money been taken and put into infrastructure, then you would see a different landscape in rural Manitoba in particular, but in rural western Canada because you would have had the infrastructure that would have allowed for the economic development.

But the members opposite were very quick to support the elimination of the Crow, to support the federal government in their quest to take away support from prairie farmers but did not go the next step to ensure that the economic development, the value-added that they said was going to happen with the elimination of the Crow could actually happen. That is a mistake that was made at the time.

I say to the members opposite, just try to reflect, if all of that money that had been saved from the Crow and allowed the federal government to balance their budgets on the backs of farmers had been invested into infrastructure, what a different landscape we would have in rural Manitoba. We would not face some of the challenges that we do

when people try to build facilities like Ranchers Choice.

I am very pleased, Mr. Speaker, that we were recognizing that there is need for economic development and have put in place an additional \$10 million for infrastructures for a state-of-the-art industrial park waste water treatment in Dauphin so that this facility could go ahead. Then there is the discussion about the plant at Neepawa. Our government is working with the local governments, with the federal government, so that indeed these kinds of infrastructures can take place.

We hear the member for the Liberal Party talking about the OlyWest proposal and that we should take the OlyWest proposal outside of the city of Winnipeg into some other community. The truth of the matter is, Mr. Speaker, there is not another community that has the infrastructure to do the waste water treatment that would allow for this facility to move out. As I say, had those people looked at where, when they were balancing budgets with the Crow benefit, if that money had gone into many other communities.

So I support what the member is saying that, indeed, we do have to protect the environment, and we do have to have sustainable development. In order for that to happen, there has to be more investment made in infrastructure, infrastructure for water treatment, infrastructure for roads and highways that have to be made.

There is another very important infrastructure, Mr. Speaker, and that is the infrastructure of the Internet, of telecommunication, satellite phones, phone services and, again, I look to the members opposite who privatized the Manitoba Telephone System and took away that ability of a Crown corporation to expand a different kind of infrastructure into rural Manitoba.

You look at Saskatchewan. Saskatchewan has owned their telephone system. Saskatchewan has been able to expand high-speed Internet across the province and equalize services. Here, in this province, we have to really struggle, not only in rural Manitoba, but in northern Manitoba, to get the kinds of services, the high-speed Internet, the cell services that urban people take for granted. Those are the things that we have lost, Mr. Speaker. So it is important that we continue to expand our infrastructure, we continue to expand the opportunities for value-added in this province.

I think that when we look at slaughter capacity—again, I will refer to the beef industry. Right now, our animals are going to Alberta to support the economic activity in that province rather than supporting economic growth in our province. If you look at the pork industry, we are shipping out many animals to the United States. They are having the value-added here. If we had the proper infrastructure, the proper protection for our environment, we then have that value-added in this province. Mr. Speaker, I refer mainly to agriculture products, and there are many agriculture products in this province that are very, very high quality. We have the opportunity to add value to them.

Mr. Conrad Santos, Deputy Speaker, in the Chair

But there are many new ventures out there, new opportunities, and as we look at infrastructure, I think, we also have to look at infrastructure like the investment in the Smartpark, the investment in the St. Boniface Hospital Research Centre, and the investment in the Food Development Centre in Portage la Prairie. Those are very important investments, Mr. Deputy Speaker, in infrastructure because we want to move forward with value-added. We need to have the investment in research, we need to have the investment in our people and we need to have the investment in infrastructure so that we can ensure that the development that happens is sustainable.

* (11:20)

Nobody wants to put our soil and our water at risk. We want to ensure that we leave our soil and water in better condition than when we inherited from the previous generation. It is important that we put in place treatment. I am very proud of our government's record, but would I say to the member opposite who brought this resolution forward: is there more to do? Definitely, there is more to do. We have to create the environment, so we can have the economic activity and build on the agriculture resources that we have in this province, so we create economic growth that will benefit all Manitobans.

So, Mr. Deputy Speaker, yes, investment in infrastructure is important. I wish we had been doing it sooner. I wish the previous government had recognized how the Crow money should have been invested into infrastructure, I wish they had thought about what the investment in Manitoba Telephone System would do for infrastructure and that it is important to invest in all aspects of infrastructure. Thank you, Mr. Deputy Speaker.

Mr. Peter Dyck (Pembina): I, too, just want to put a few comments on record regarding the resolution that has been brought forward by the Member for Ste. Rose (Mr. Cummings). I want to thank him for putting forth this very timely resolution.

I find it interesting but the Minister of Agriculture was talking about infrastructure, the importance of it, the fact that we need to continue to invest in it. However, constantly referring back to the past, the Crow benefit, or whether it was MTS, the fact that somehow, way back when, that is where the problems of today are created. That is unfortunate that the minister and the NDP live in the past. That has been the problem that we have seen here for the last six, seven years: living in the past.

Mr. Deputy Speaker, the point is it is living now and trying to resolve and to work on the whole area of getting economic development and value-added within rural Manitoba. I want to indicate very clearly that when I look at the area that I represent, the Pembina constituency, that certainly, within the last six years, there has been a huge deficit of infrastructure dollars put in. Again, this is the fastest growing community in rural Manitoba, yet the resources that are put out there by this government are so limited that they are needing to the most of it on their own.

Yet, Mr. Deputy Speaker, I would indicate to you that has been the resourcefulness of the communities that I represent. That is, finally, they know that the government of the day has a responsibility to put resources out there, but because of their neglect, the fact that they do not put the resources out there, the local community takes on these responsibilities themselves. That is something that is not right and should not happen.

So, I want to be very specific. Highway No. 32 runs through the city of Winkler. It is a provincial highway. It is one of the main arteries going to the U.S. An awful lot of transportation of products that are produced within Manitoba, value-added, as well, that are moved across to the U.S., go through the port of entry at Walhalla. I know that the main one is, of course, at Emerson, and I will get to that one in just a moment. However, it is a provincial responsibility—this is a provincial highway—and it has one of the highest concentrations of numbers of vehicles driving on that highway every day within the province in rural Manitoba. Yet, though, the minister of highways, this government indicates, well, it is not even on the list, it is not even on the five-year plan.

So, are they neglecting the fact that they are overlooking the needs of infrastructure within rural Manitoba? Absolutely, they are. That is what this resolution is talking about, it is the huge deficit that is being created with the infrastructure needs.

So, I would urge this government to, yes—well, the Minister of Agriculture (Ms. Wowchuk) stands up and applauds the fact that we need to be resourceful, that we need to invest money in infrastructure. Yet I would like to see them, in fact, do that. But that is that part of the infrastructure which is on highways; Highway No. 32, Highway No. 75, another one of the main arteries into the U.S. If you look at the condition of that highway today, it is a shame. The Province of Manitoba cannot come up with enough signs which indicate that there is unlevel ground, or that there are bumps in the road, or whatever. They do not have enough signs to indicate the problems that are out there. In fact, they should get out there and fix some of the problems that have been created.

The other part that this resolution talks about is the whole area of slaughter capacity. I know that that has been something this government has been talking about for years and have done nothing, have done nothing. Ultimately, I guess, the only thing that we will ultimately be able to contribute to what they have done is they have just happened to add another tax to the producers. So this will be their legacy, that, no, we did not build a slaughterhouse. We did nothing on this. However, we were able to create another cost for the producers out there. In fact, we wanted to try and slide in another backdoor tax.

It reminds me of the commercial that is played quite often on television, and I think it just typifies this government to the "T." It is called hands in the pocket. That is exactly what this government is all about. They have their hands in everybody's pockets, trying to just take a little more money, just a little more money. They talk about, well, two dollars. Two dollars is not a lot of money. I mean, what is the big deal?

The point is you start adding two on two on two, and this starts to add up, the point being it is the fact that this government has its hands in the pockets of Manitobans and is trying to get some more money from them.

But talk about slaughter capacity, another one that is very interesting. It was two years ago, there was an announcement. I remember distinctly it was two years ago in spring, this government came out,

and I believe they put something like a million dollars that was going to be going out to those who already had slaughter facilities within the province. They were going to be allowing these people to expand their production. So I have a facility within Winkler. It is called Winkler Meats. So I got a call and he says, I have tapped and tried every avenue within the province of Manitoba. I have gone to Industry; I have gone to Agriculture, everywhere. Now, they say that there is money out there for expansion, but I cannot get a hold of any. To this day, he has gotten no money.

So this, again, was a wonderful, wonderful press release, a beautiful press release. It sounded good. At the outset, I think he was somewhat excited. He thought well, maybe, maybe something will be coming out of this. But ultimately nothing did happen. He could not access any of the money.

Then there was another one. It was going to be assisting with the environmental part of it, again a part of this whole sustainability within the province. So they were looking at composting. So there was some monies that were put out in the area for composting. But they could not access the dollars. It was another press release.

Mr. Deputy Speaker, the bottom line of it is is that businesses, people find it hard to survive and live off of press releases. You can talk about all the dollars that have gone out there and you can decry the fact that the Crow was taken away, or another interesting one, the fact the minister indicated that MTS—I find this hilarious—the fact that it is the MTS, and then they, of course, refer to Saskatchewan. Well, No. 1, Saskatchewan cannot even sell that Crown corporation. They could not if they tried, and the truth be known, at that time the Premier, Roy Romanow, was going to sell, was wanting to sell their Crown corporation, but he just knew, he knew that for him politically this was not the right thing to do. But he knew that economically it was the right thing to do. As far as my phone rates are concerned, they are lower today than they were when we had MTS. So competition is good.

But I know, Mr. Deputy Speaker, that here is a government who does not like competition. They do not like it. It is bad, bad. That again is shown with the way they support the infrastructure, the dollars within the province of Manitoba. They do not want competition. Rather, we will own everything. Consolidation, own it as a province. It reminds me of the stories I read about Communism. That is exactly

where this government is going, this socialist government. They want to be the sole owners of everything. Well, look what happens when they are sole owners or when they have their hands not only in the pockets, their hands in the Crown corporations. We can see what happened with Crocus; my goodness, the fact that they are now being sued. Almost every department that this government touches, the Provincial Auditor has indicated there are problems. They do not know how to manage it, how to run it, and that is what governments are to be there for. They are there to provide a sound base for those who want to economically contribute to the province.

So, Mr. Deputy Speaker, I applaud the Member for Ste. Rose (Mr. Cummings) for this resolution that he has put forward. I believe it is something that we need to take very seriously, that we need to look at, that we need to encourage.

* (11:30)

Mr. Deputy Speaker, the only way that this province can become a have province—and I know that this is contrary to the thinking of the members opposite. In fact, they sort of like to be at dead last, the bottom of the pile, a race to the bottom.

I would submit to you, Mr. Deputy Speaker, that I would rather be a have province than a have-not province. To become a have province it is imperative that we look at a resolution of this nature that we continue to encourage value-added within the province.

With those few words, Mr. Deputy Speaker, thank you very much.

Mr. Tom Nevakshonoff (Interlake): It is a pleasure to rise to speak to this resolution today. I guess I would have to begin by saying that it takes a lot of nerve for the Member for Ste. Rose (Mr. Cummings) to put forward a resolution like this because if ever there was a government that was negligent in developing infrastructure in rural Manitoba and letting things unravel then it was the previous Filmon government of members opposite. The Member for Pembina (Mr. Dyck) before me was speaking briefly about MTS, and how he was suggesting that we on this side like to dwell on the past, that we should maybe just forget that little incident and move on.

Well, Mr. Deputy Speaker, the fact is that those who forget history are doomed to repeat it. The people of Manitoba, I think, if they forgot the history

of the sale of MTS and re-elected a Conservative government would be doomed to repeat it in the sense that Manitoba Hydro would be the next Crown corporation on the block and not sold, but I would say stolen as the Manitoba Telephone System was stolen from the people of Manitoba.

I know that some names were mentioned here earlier. The Member for Elmwood (Mr. Maloway) made reference to a member of my family actually, my uncle Cubby, and I guess I would have to say that a person can pick his friends, but he cannot pick his relatives, and this would be a classic case of that. I remember the days when MTS was sold, and I remember him and his family, his sons, were running around town trying to convince people to buy shares and then the next week that they could buy them back for \$1,000 profit, to make a quick \$1,000. That is how the Conservatives structured the sale of MTS. Initially, they said, well, it is only 1,500 shares or so, so that all Manitobans have a right to purchase it. But, in effect, what they were doing was making a two-step process where the big-moneyed people of the province, and a lot of them out of the province I might add, would gain control of this company. That is exactly what happened, Mr. Deputy Speaker. Now we are on the verge of even losing the headquarters of MTS. That will be the last and final phase of the sell-out of this corporation.

I think back to how things were done in the former Soviet Union. It is a classic example. Just prior to this stealing of MTS, the Russians did something similar under Boris Yeltsin where he issued stock certificates to each Russian citizen so they could invest in the oil companies. They issued certificates. I think it was 10,000 or 15,000 rubles, to each Russian citizen. The next day the Mafia was on the street, Mr. Deputy Speaker, buying up these stock certificates for 20,000, 25,000, 30,000 rubles. Now, inflation rates were very high at the time. They were close to 1,000 percent, so hanging on to these certificates was not very profitable. So, very quickly the Russian citizens sold their stock certificates, and it was a two-step process just like the sale of MTS where, in very short order, organized crime, the Mafia, the criminal elements of Russia had taken over the Russian oil industry just the way the Conservatives in this province took over MTS, stole it from the people. So I think we have to remember that. We have to dwell on history because if we forget it, we are doomed to repeat it.

It is interesting to hear the member talk about highways. Well, I represent a constituency, Mr.

Deputy Speaker, that was sadly, sadly neglected by members opposite when they were in office. I do not think there was a single highway built in my constituency in the 11 years that they were in office, with the exception of one highway built past their Conservative candidate's farm I might add. But, that was good for them, I guess. *[interjection]*

No, it was somebody else. I will mention her name in a minute here.

Another area they neglected completely was the drainage system. As a matter of fact, when we came into office in 1999, the situation had deteriorated to such a degree that a judge in our province actually threw The Water Rights Act out the window and said the province was so negligent that they should not even have the responsibility for licensing drains in our province.

That was one of the first acts of our government when we came into office, to reconstitute The Water Rights Act so that we had the authority to move forward on our agenda to enhance this system of infrastructure which is absolutely critical to the functioning of agriculture in our province. Yet those members opposite let it go by the wayside and they acknowledge it themselves. I remember the Member for Pembina (Mr. Dyck) saying, yes, we cut the budget. When we left office many years ago the capital works budget was close to \$10 million. When we came back into office it was less than \$3 million. *[interjection]* Oh, I am sorry. It was the Member for Emerson (Mr. Penner) who put that on the record, so we know it is the truth, Mr. Deputy Speaker.

We have been moving on that front steadily, and this year I think the doubling of the drainage capital budget is a strong indicator that we will continue to move forward, but we have also done a number of other things. We are looking at water from a watershed perspective. We have added to the number of conservation districts in our province. It was nine when we came to office. It is now 16 or 17, I think, conservation districts in existence today. So for them to suggest that we have no interest in drainage is completely false.

On the topic of slaughter capacity, this is where it really gets bizarre, Mr. Deputy Speaker, because these people over here on the opposition bench right from the very beginning of the BSE crisis when ranchers in our province were put into a very, very critical situation, did these members put politics aside and try and work with the government to collectively try and resolve this crisis? Not at all.

Right off the bat it was politicized. Everything that we did or tried to do was wrong.

Even when we took their advice, and I remember their leader advising that we issue low-interest loans to our producers. In fact, he sent a letter out to my constituency, co-signed by their Agriculture critic, suggesting that we flow low-interest loans, and when we did, what did they do? Oh, that is terrible. What are you doing? That is crazy. You should just give them money. Just give them a cash advance, no mechanisms to collect it back, no responsibility whatsoever, and that is not the way to do business. So we flowed out I think close to \$70 million in low-interest loans, and that in conjunction with half a dozen other programs, including a freight assistance program, bridged our producers over that first critical year which was not only a BSE year but a drought year as well.

We have continued to be at the forefront. We have been working on this Ranchers Choice proposal, and despite the fact that members opposite have done practically everything to scuttle this plan, we continue on course. Their allies in the Manitoba Cattle Producers Association would not even allow resolutions to come forward for debate at their meetings. Now that we have put in place a checkoff mechanism to create a capital pool fund, that is wrong as well. What do they suggest? They suggest, well, you should just build it. You should just spend the money; the state should build all these plants. Again, classic Soviet style, big state enterprises, government builds industry, and as soon as we did that, if we were foolish enough to do that, they would leap up and criticize us for getting involved in business. They would tell us government has no place in business, but that is exactly what they are preaching.

It is nice to be on the opposition bench. You can say anything that you want. You are not accountable. You do not actually have to deliver, and this is a classic case of that, Mr. Deputy Speaker, where they have the liberty to speak out of both sides of their mouths. That is exactly what they have been doing, and they should put partisan politics aside and recognize that this is a good program, this is a good mechanism for building slaughter capacity in our province.

* (11:40)

So this resolution, Mr. Deputy Speaker, is full of holes. They had no commitment to drainage. They

did no highways work in my constituency when they were in office. *[interjection]* Environmental protection, well, we could go there as well. Their criticism of the proposed water quality management zones that the Minister of Water Stewardship (Mr. Ashton) is putting forward is a classic case where they are speaking out of both sides of their mouths.

Mr. Deputy Speaker, other members want to speak and my time is almost up. I thank you for the opportunity of putting my thoughts on the record.

Mrs. Leanne Rowat (Minnedosa): Mr. Deputy Speaker, I, too, would like to speak to the resolution on Sustainable Development for Rural Manitoba put forward by the Member for Ste. Rose (Mr. Cummings).

The Member for Ste. Rose and I have a similar issue with this government at this present time that is very, very key to this resolution and I believe that it needs to be spoken to. The minister for Crown lands, the Minister of Agriculture, Food and Rural Initiatives (Ms. Wowchuk), has a very serious situation in her department at this present time, and that is her unwillingness to meet with a group of my constituents who are actually currently under her watch.

They have indicated over and over again their concern with this minister ignoring their need to get an answer from this minister on why she has turned her back on these individuals in the community who are trying to keep their jobs. Not only are the individuals concerned, Mr. Deputy Speaker, but the community leaders have indicated a grave concern that they have not been responded to in a request for a meeting.

As early as yesterday, I had calls from the Town of Minnedosa's office indicating they had not received a response, so I encourage the minister—she is obviously listening to these comments, and I really would encourage her to take heed and to respond to the requests of this community, if for nothing else to at least explain her reasons for not wanting to listen to their concerns about keeping the jobs in their community.

Eliminating these jobs will obviously have a severe economic and social impact on the community, and I think that she should understand that the vibrancy and sustainability of rural communities is something that everybody in this House should respond to and respect. Taking these people out of the community, they are not only taking away an

opportunity for this community to continue to grow, but they are also putting, actually, a stake in the ground indicating that they do not support or understand the importance of these individuals and the well-being of communities.

Mr. Deputy Speaker, removing these people is going to affect other areas in the community as well. School enrolment will drop. Teaching staff will be reduced. Rolling River will see a decline of several students, a school division that has already in the last five years seen a decline of 300 students. So to retain the facilities in our communities will be even more of a challenge. Businesses will close and they will struggle. They are struggling now based on the agriculture crises, but jobs will be lost and businesses will continue to struggle.

In regard to the Minister of Agriculture (Ms. Wowchuk) speaking earlier, she just mentioned it in an offhand manner, the ethanol expansion project being key to the community. Absolutely, Mr. Deputy Speaker, and Husky has worked very hard with the Minnedosa ethanol production group and the Town of Minnedosa on ensuring that Minnedosa was successful in getting Husky to expand in this community.

I guess I go back to when I first was elected. There was such a push to get a piece of legislation pushed through because they felt that it was critical for the ethanol initiative within this province. I can speak for communities like Swan River, like Russell, others who have put hundreds of thousands of dollars into a business plan and then looking for this government to support their plan for ethanol expansion.

Mr. Deputy Speaker, again, as was said by the Member for Pembina (Mr. Dyck), there were lots of press releases, but there were no plans and no support given for communities that wanted to expand. For the community of Minnedosa that is excellent. We have the expansion. We have a great team in place, but for other communities that have put hundreds of thousands of dollars into an initiative that was not thought out and was not planned is disgraceful, and we see a lot of that happening with the biodiesel initiative.

The community of Souris has put together an amazing proposal and plan, and they have had a lot of trouble just getting this government to speak to comments that have been made at different functions by governments regarding letters of intent and support for that.

Also with the wind power, Mr. Deputy Speaker, you know the interest has been phenomenal, because communities are very much looking for opportunities to diversify, but when this government fails to promote or produce background or support for these initiatives, it leaves a bad taste in a lot of communities' mouths about how this government will put out a press release with no substance.

Actually, it is not fair to communities when you do things like this because they work very hard. They put a lot of money and time and effort into these projects and also, Mr. Deputy Speaker, it has to be mentioned that a lot of private companies who have an interest in these initiatives put a lot of time and money into these projects or proposed projects and are left dangling because this government cannot seem to get its act together on fulfilling its mandate and providing these options. I am pleased to say, though, that these communities have persevered. The Souris biodiesel project is continuing to move forward and have excellent resource supports on that project, so it will be successful, but really at the expense of having spent a lot of extra time because this government could not get its act together.

Mr. Deputy Speaker, another issue that we need to have put on the record is this government's questionable levy or tax on the cattle industry. You know, we have had a number of individuals speak to us at the meetings that were held recently throughout the province, and the \$2 per head check-off levy or the Cattle Enhancement Council program, whatever you would want to call it, is definitely working against democracy. Communities have indicated that limiting information available toward a levy confirms that there is not an open and transparent process happening here. By doing this through an Order-in-Council it shows that this government is not confident in what it is putting forward and does not feel that they would have the support of the industry by putting something forward like this without the support and input of producers and organizations out there that are stakeholders in this initiative.

So, again, it is a question of process used and many councils and producers are saying that the levy itself will negatively impact an already struggling industry. And I challenge the minister to provide information that would contradict that, because I believe that I am hearing that, and I know that she is hearing that, so I challenge the government to be proactive and address that issue. A policy that has been created to strengthen the cattle processing

industry may indeed prove to be another burden for the producers that will have to be carried out by the producers to support. So, Mr. Deputy Speaker, I really think that this minister, again, has gone off and done something without really thinking it through.

Mr. Deputy Speaker, farmers and rural land owners are good stewards of the land and they take environmental protection seriously. If they do not, they will lose their industry. So their economic livelihood depends on good judgment. They deserve to be respected by this government, and it appears to be again falling on deaf ears. Water quality management zones will remove hundreds of acres of farmland from production, destroying land values and leaving farmers with utterly insufficient compensation for the expropriation of land. So, I challenge the government to give some thought to that because I believe, based on what I am hearing from my constituents and others throughout the province, this government again has not done its homework and is not responding to the needs of Manitobans.

* (11:50)

Mr. Deputy Speaker, I am going to spend the last few minutes talking about an extremely important initiative, and that is the Wheat City Horse Park. It is an important sustainable venture that had been presented to this government for harness racing organizations within our province. It appears that the Member for Brandon West (Mr. Smith) has indicated he feels comfortable with saying it is not his problem. I guess the Wheat City Horse Park proposal was designed to address many of the challenges that are being faced by this industry and have actually provided opportunities for this industry to grow and support the agriculture economies of the province.

The industry would also like the Province to know that other provinces have come to the table and provided the support through incentives and through just leadership. For example, in Alberta they identified the horse-racing industry as a critical factor in the rural economy and represents a viable vehicle for connecting the urban economic entertainment sectors to the rural parts of the province. So, Mr. Deputy Speaker, I believe that this government is doing everything it can to destroy very important industries throughout the province. I suspect that this government is going to have to address this at the polls at some near future.

Mr. Speaker in the Chair

Hon. Steve Ashton (Minister of Water Stewardship): Thank you, Mr. Speaker. First I want to say that I actually do appreciate the member opposite, the Member for Ste. Rose (Mr. Cummings), for putting this issue on the agenda. I know the member well enough to know that he probably saw this as an opportunity for members opposite to stand up and give sort of the various different versions of the same speech I have heard from Conservatives, time and time again. It is really a variation on the divine right to rule that members opposite seem to feel they have here in the province of Manitoba, in fact, a divine right to speak for rural Manitoba.

You know, Mr. Speaker, we heard it for many years. [*interjection*] The Member for Arthur-Virden (Mr. Maguire) is indicating, yes, that is the sense. This divine right to rule concept has been something that members just have not gotten over, and I say with all seriousness, not only have they not got over 1999 when they lost the election, they have not got over 1969 when Ed Schreyer was elected and in a dramatic way shifted the politics of Manitoba to the point where we have a political party, one political party, that has year in, year out, in government and in opposition, has support—and members opposite may want to keep track of this—in urban Manitoba, in rural Manitoba, and in northern Manitoba. Since 1969 there has not been an NDP caucus that has not had representation from all three regions of this province. That is something we take seriously. But we do not talk about a divine NDP right to govern because we understand, Mr. Speaker, that you are only as good as the support you get from the public and that support can be greater or lesser, and you have to earn it, year in, year out, and that is what we have done for many years, and particularly in rural Manitoba.

Now I want to talk about, by the way, the reality versus the mythology of the Conservatives when it comes to rural Manitoba because, you know, if you listen to their speeches today, Mr. Speaker, you would have thought that when they were in government in the 1990s that there would have been major expenditures on, let us start with sewer, water, drainage. They talk about it. How about highways? There would have been a major investment in highways in the 1990s. Rural economic development: There would have been this renaissance of rural Manitoba in the 1990s. I mean, I could continue. [*interjection*] No, Mr. Speaker, I think the Member for Emerson (Mr. Penner) is missing that. I

think he is thinking I am referring to the Dark Ages. Certainly, a lot of people see that in the 1990s.

But the reality of the Conservatives in government does not match the reality of the Conservatives in opposition. Let us start with highways, Mr. Speaker. I mean, the condition of our highways today is certainly a challenge, but we are meeting the challenge. We have increased funding year over year over year to the point where there is more than \$50 million additional in the Transportation budget. Yes, we have invested in northern highways for the first time. Certainly that was not done in the time the Conservatives were in the House, but let us look at highways like the 59, four-laning. The Member for Arthur-Virden (Mr. Maguire), dare I say that it took an NDP government to four-lane Highway 1, and it is going to four-lane it to the Saskatchewan border.

Mr. Speaker, I could run through highway after highway in Conservative areas. Highway 16 where they talk about it now, they talk about the Yellowhead, but it was ignored in the 1990s, and we engaged in some significant upgrades. Why did they ignore it? Well, I will tell you what they did. I will never forget 1997. If you look at the benchmark, just nearly 10 years ago, and that year they spent about \$93 million on highways capital. They got money from the federal government. They pocketed it and they took it out of the highways budget. They did not spend that additional money.

We have been successful in getting federal-provincial partnerships, Mr. Speaker, and that is why we are seeing a re-investment in highways. We are not going to change things overnight but after seven years, we have seen significant progress.

I want to talk about infrastructure. You know, they cut drainage; I mean, the party that likes to pretend they have some understanding of agriculture. The Member for Emerson (Mr. Penner) acknowledged it. In '93, they had a major cut in looking at all areas including drainage. Now I want this on the record, Mr. Speaker. It has taken an NDP government to re-invest in drainage both in terms of maintenance and in terms of capital.

I want to talk about water quality in our communities across rural Manitoba because I want to put on the record that we have spent over a hundred million dollars to upgrade water and wastewater projects in the province.

When the Conservatives were in government in the nineties, they ignored the growing challenges of infrastructure in terms of sewer and water, and I think that is really important. We have been successful since 2000 in investing a total of \$300 million through infrastructure programs on a cost-share basis with our municipalities. We have had two-thirds of that funding go to rural and northern projects, and you can see it throughout rural Manitoba today. I would invite members opposite to look at the number of openings we have had of improved wastewater facilities, including drinking water plants. That is the reality across rural Manitoba. The results speak louder than words.

Members opposite talk about The Water Protection Act. Indeed, we did pass The Water Protection Act with water quality management zones. They voted for it. It was passed unanimously, and I make no apologies for consulting on the zones, Mr. Speaker. Now, their position is scrap it, the do-nothing approach. I think they are missing the fact that many rural Manitobans, as well as Manitobans across the province in other areas, are saying they want protection of water quality. They should talk to their own constituents and not get into this knee-jerk reaction.

You know, we have had 35 meetings on The Water Protection Act. By the way, 10 years ago they were selling off MTS. How many meetings did they have when they sold off MTS, a major concern to rural Manitobans? The AMM opposed it, Mr. Speaker. They had not one; they had zero. We had the meetings.

This party that talks about rural Manitoba, they did not even ask one rural Manitoban what they thought of that, and I will tell you, 10 years later, we predicted what? A stripping of jobs from rural Manitoba; it has happened. Higher phone rates; it has happened. Even the MTS building is up for sale. We wonder how much longer it will maintain as a Manitoba-based company.

When I look at the "new" leadership, and I put new in quotation marks. Can that be put in Hansard, Mr. Speaker, "new"? You know, it is the prime architect of policy, a former chief of staff, who is

now sitting in the front benches, who was involved in the sell-off of MTS. Does anybody doubt they ignored rural Manitoba 10 years ago, and if they were back in government, watch out when it comes to Manitoba Hydro because what comfort would people in rural Manitoba have in their phoney suggestions, like they have no plans to sell off Manitoba Hydro. They said the same thing 10 years ago.

But in terms of economic development, in terms of support for farmers, I will never forget, Mr. Speaker, and they tried to slip this one through. When they had a choice to give farmers an opportunity to get a tax break through apportionment, you know what they did? They raised the apportionment on farmers. These friends of the farmers, they sat down at the Cabinet table, and I do not think the Member for Emerson (Mr. Penner) was in the Cabinet at that time, to be fair to him, but some of the other remainders of that group, they said, well, farmers can pay more. Farmers can pay more. That was the Filmon government's approach.

Dare I say, can I also remind people of probably one of the most insulting comments I have ever heard historically from anyone, does anybody remember the '97 flood, Mr. Speaker, when the former Premier said, well, what are you going to do? These people built in a flood plain. I have a lot of respect for the former Premier, but someone should have told him at the time—maybe the new Leader of the Opposition when he was advising him—how much of Manitoba is built on a flood plain. In northern Manitoba, we are in a forest fire area.

So let us put on the record when the Conservatives were in government in the nineties, they ignored rural Manitoba. They are ignoring them today and they better not—

* (12:00)

Mr. Speaker: Order. When this matter is again before the House, the honourable Minister of Water Stewardship (Mr. Ashton) will have one minute remaining.

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 1, 2006

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