



First Session - Thirty-Seventh Legislature

of the

**Legislative Assembly of Manitoba**

**DEBATES  
and  
PROCEEDINGS**

**Official Report  
(Hansard)**

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



Vol. L No. 30 - 1:30 p.m., Thursday, May 18, 2000

ISSN 0542-5492

**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Seventh Legislature**

<b>Member</b>	<b>Constituency</b>	<b>Political Affiliation</b>
AGLUGUB, Cris	The Maples	N.D.P.
ALLAN, Nancy	St. Vital	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
ASPER, Linda	Riel	N.D.P.
BARRETT, Becky, Hon.	Inkster	N.D.P.
CALDWELL, Drew, Hon.	Brandon East	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CUMMINGS, Glen	Ste. Rose	P.C.
DACQUAY, Louise	Seine River	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.
ENNS, Harry	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
FILMON, Gary	Tuxedo	P.C.
FRIESEN, Jean, Hon.	Wolseley	N.D.P.
GERRARD, Jon, Hon.	River Heights	Lib.
GILLESHAMMER, Harold	Minnedosa	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
LOEWEN, John	Fort Whyte	P.C.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
MAGUIRE, Larry	Arthur-Virden	P.C.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McGIFFORD, Diane, Hon.	Lord Roberts	N.D.P.
MIHYCHUK, MaryAnn, Hon.	Minto	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
PENNER, Jack	Emerson	P.C.
PENNER, Jim	Steinbach	P.C.
PITURA, Frank	Morris	P.C.
PRAZNIK, Darren	Lac du Bonnet	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack	Southdale	P.C.
ROBINSON, Eric, Hon.	Rupertsland	N.D.P.
ROCAN, Denis	Carman	P.C.
RONDEAU, Jim	Assiniboia	N.D.P.
SALE, Tim, Hon.	Fort Rouge	N.D.P.
SANTOS, Conrad	Wellington	N.D.P.
SCHELLENBERG, Harry	Rossmere	N.D.P.
SCHULER, Ron	Springfield	P.C.
SELINGER, Greg, Hon.	St. Boniface	N.D.P.
SMITH, Joy	Fort Garry	P.C.
SMITH, Scott	Brandon West	N.D.P.
STEFANSON, Eric	Kirkfield Park	P.C.
STRUTHERS, Stan	Dauphin-Roblin	N.D.P.
TWEED, Mervin	Turtle Mountain	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

## LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 18, 2000

The House met at 1:30 p.m.

### PRAYERS

### ROUTINE PROCEEDINGS

### READING AND RECEIVING PETITIONS

#### Winnipeg Police Athletic Clubs

**Mr. Speaker:** I have reviewed the petition and find that the petitioners have complied with the authorities and the practices of this House. Is it the will of the House to have the petition read? *[Agreed]*

**Mr. Speaker:** Will the Clerk please read.

**Madam Clerk (Patricia Chaychuk):** The petition of the undersigned citizens of the province of Manitoba, humbly sheweth:

THAT Winnipeg Police Athletic Clubs, located in 13 schools in Winnipeg, provide young people between from the ages of 10 to 17 an opportunity to participate in community sports under the supervision of university students and police officers; and

THAT the Winnipeg Police Athletic Clubs help reduce neighbourhood crime, enhance the relationship between young people and the police and create positive alternatives to undesirable pastimes for youth; and

THAT total attendance at the Winnipeg Police Athletic Clubs in January and February 2000 was more than 8000; and

THAT the importance of athletic activity on a child's physical and cognitive development is well established and should not be overlooked; and

THAT during the 1999 provincial election, the New Democratic Party, led by the

Member for Concordia, promised "to open schools after hours and expand recreation activities for children and youth"; and

THAT the Winnipeg Police Athletic Clubs provide an excellent example of communities partnering with government, schools and law enforcement to provide a safe place for youth to go; and

THAT many parents throughout Winnipeg are very concerned that the Government of Manitoba may choose to close the Winnipeg Police Athletic Clubs.

WHEREFORE YOUR PETITIONERS HUMBLY PRAY THAT the Legislative Assembly of Manitoba request that the Minister of Justice encourage the Government of Manitoba to continue partnering with schools and law enforcement to ensure Winnipeg Police Athletic Clubs provide recreational and athletic activities for young people in a safe, supervised environment in 13 schools throughout Winnipeg for years to come.

### TABLING OF REPORTS

**Hon. Ron Lemieux (Minister charged with the administration of The Gaming Control Act):** I wish to table the Manitoba Gaming Control Commission 1998-1999 Annual Report.

**Hon. Greg Selinger (Minister of Finance):** I would like to table the Manitoba Hydro-Electric Board Quarterly Report for the nine months ended December 31, '99. It has previously been distributed.

**Hon. Drew Caldwell (Minister of Education and Training):** Mr. Speaker, I am pleased to table the 1999 Annual Report of the Teachers' Retirement Allowances Fund of Manitoba.

**Hon. Oscar Lathlin (Minister of Conservation):** Mr. Speaker, I wish to table the report to the Legislature on Manitoba Fisheries for the period April 1, '94 to March 31, 1999.

\*(13:35)

### Introduction of Guests

**Mr. Speaker:** Prior to Oral Questions I would like to draw the attention of all honourable members to the gallery where we have with us today, from the Red River Community College, 50 journalist students under the direction of Mr. Duncan McMonagle. This school is located in the constituency of the Honourable Member for Wellington (Mr. Santos).

Also, we have with us, seated in the gallery, from Otter Nelson River School, 79 Grade 4 students under the direction of Mrs. Mary-Jane McKay. This school is located in the Honourable Minister of Conservation's (Mr. Lathlin) constituency.

On behalf of all honourable members, I welcome you here today.

### ORAL QUESTION PERIOD

#### Income Tax Provincial Comparisons

**Mr. Gary Filmon (Leader of the Official Opposition):** My question is for the Minister of Finance. Last week in Brandon where he was applying some spin-and-damage control for bringing in a budget that makes middle-income Manitobans the highest personal income taxpayers in Canada, the Minister of Finance met with the editorial board of the *Brandon Sun*. When he was asked by them why Cormed Holdings, who manufacture the medichair and whose CEO grew up in the Brandon area, are moving from Brandon to Calgary with 16 jobs, he said, "I do not know what his motivation was for moving."

Mr. Speaker, the CEO Scott Purdy of Medichair was quoted as saying: "A gap in personal income tax and corporate taxes

between Alberta and Manitoba is another key factor in the move."

My question to the Minister is: Will he acknowledge that Cormed is leaving Brandon for Alberta because of high taxes, an issue that the Minister believes does not exist?

**Hon. Greg Selinger (Minister of Finance):** It is not my practice to attribute motivation to other people. If they gave public reasons for why they are moving, I will simply return to the information that I gave the first time this question was asked, and that is, on page D12, under what we call The Manitoba Advantage of both last year's and this year's budget where we show the Internal Rates of Return Small Manufacturing Firm in Cities under 500 000 puts Brandon at the top of the list in comparison to Moncton, Regina, centres such as Fargo and Halifax.

Indeed, the ability to be a successful business in a city like Brandon ranks them at the top of cities of comparable size across the country.

**Mr. Filmon:** It is also not the practice of the Minister to listen to people, particularly small business people who are being affected by his high taxes.

Further in his discussion with the *Brandon Sun* editorial board it was pointed out to him, "Budget figures show that Manitoba has among the most affordable taxes in the country for low income earners but the highest tax rates this year for a family of four earning \$60,000." The Minister responded by saying, "That's what we inherited." Mr. Speaker, I have here the 1999 budget. That statement is not only misleading, it is downright dishonest because in this budget it shows that in 1999, we were the fourth highest in Canada—

**Mr. Speaker:** Order, please.

#### Point of Order

**Hon. Steve Ashton (Deputy Government House Leader):** Mr. Speaker, *Beauchesne's* is very clear, and I know the Member opposite has had some experience about what is

parliamentary and not parliamentary, but to use the term "dishonest" in the context of a specific member I believe is unparliamentary. He was very direct in making that. I would urge the Leader of the Opposition to withdraw that comment and use parliamentary language.

**Mr. Speaker:** The Honourable Opposition House Leader, on the same point of order.

**Mr. Marcel Laurendeau (Opposition House Leader):** Mr. Speaker, *Beauchesne's* 490, since 1958, it has been ruled parliamentary to use the following expressions: "dishonest" in the debate of February 6, 1959, was ruled in order.

\* (13:40)

**Mr. Speaker:** I thank both members for their advice. I will take the matter under advisement to peruse Hansard and consult the procedural authorities, and I will report back to the House.

\* \* \*

**Mr. Filmon:** If I may continue my question, Mr. Speaker, the Minister of Finance made the statement "That's what we inherited," referring to the fact that a middle-income earner earning \$60,000 with a family of four is paying the highest personal income taxes in Canada. He said they inherited that. The Budget for 1999 clearly shows, on page 17, that last year that same tax earner was the fourth highest in Canada. They have gone from the fourth highest to the highest in one fell swoop as a result of this budget.

My question to the Minister is: Will he acknowledge that that statement that he made to the *Brandon Sun* was untrue and apologize to the people of Brandon for misleading them?

**Mr. Selinger:** Mr. Speaker, thank you for the question from the Member opposite.

In the 1999 budget, the provincial levies on a family of four at \$60,000 were \$8,284. In our budget, the provincial levies on a family of four at \$60,000 are \$8,080, a substantial reduction from the position that their government had last year.

**Mr. Filmon:** Mr. Speaker, the Minister of Finance loses his credibility every time he gets up to speak, because he knows that that reduction was as a result of the Budget that was passed in 1999 that reduced those taxes on January 1, 2000.

I have here a document. It is a brochure that is filled with spin and baloney that was delivered to my home by the Minister of Finance, as it was delivered to every other home in this province. It asks for Manitobans, who are interested in the Budget, to write to this minister at Room 11, 405 Broadway. Now, the last time I looked, the address of this building was 450 Broadway, and I want to know: Is this just yet another example of this Minister of Finance not being able to get any numbers right, or has he been going to the wrong office every day since he was appointed Minister of Finance, or is this the real reason why the Manitoba Home Builders' Association and many other groups, who have been looking to try and have a meeting with him, cannot find him, Mr. Speaker?

**Mr. Selinger:** Thank you, Mr. Speaker, for the question from the Member opposite. It seems to continue the pattern of highly focussed, high-quality questions, focussing on the issues facing Manitobans.

What I will say is that the office I go to every day indicated to me that families in Manitoba needed tax relief, particularly middle-income families, which was why we brought forward in this budget a new taxation scheme which will give middle-income families a significant reduction in taxes, as indicated in the pamphlet. In the year 2000, a family of \$60,000, a two-income-earner family, they will be ranked fifth for their provincial levies and as a result—

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

#### Point of Order

**Mr. Marcel Laurendeau (Opposition House Leader):** On a point of order, Mr. Speaker.

It is *Beauchesne's* 417, "Answers to questions should be as brief as possible, deal with the matter raised, and should not provoke debate." The answer is very simple. This is 450 Broadway. Room 11 is the mail room. Correct the address.

**Mr. Speaker:** Order. The Honourable Deputy Government House Leader, on the same point of order.

**Hon. Steve Ashton (Deputy Government House Leader):** I think, if the Opposition House Leader would recall, there was some leeway given to the Leader of the Opposition. I believe he asked three questions. I would suggest that perhaps if I had gotten up more quickly they were in violation of *Beauchesne's* 410(11). I think what the former first minister did was ask three questions, and the Minister of Finance was trying to answer what he was determining as some relatively serious issue related to taxes rather than some question about the address. I would suggest that, in fact, the Opposition House Leader does not have a point of order.

\* (13:45)

**Mr. Speaker:** Order. On the point of order, I would just like to take this opportunity to remind all ministers that according to *Beauchesne's* Citation 417: "Answers to questions should be as brief as possible, deal with the matter raised" and to not provoke debate. I would ask the Honourable Minister of Finance to please conclude his answer.

\* \* \*

**Mr. Selinger:** As I was saying, when you look at the reductions that we provide over the years 2000-2001, a family of four at \$60,000 income, a two-income-earner family, goes to fifth place in the year 2000 and to fourth place in the year 2001, for a substantial reduction in their taxation.

### Income Tax CIBC Report

**Mr. Eric Stefanson (Kirkfield Park):** This NDP Government, when attempting to defend

its budget that makes middle-income Manitobans the highest taxed in Canada, have referred to a so-called independent analysis by CIBC. It is clear that the CIBC report was not an independent analysis, and CIBC spokesperson Avery Shenfeld stated that the Government's claims could not be attributed to any analysis CIBC performs.

Mr. Speaker, when will this Minister of Finance stop attacking media outlets and others who are simply reporting the truth that this budget has middle-income Manitobans paying the highest personal income taxes in all of Canada?

**Hon. Greg Selinger (Minister of Finance):** I have in my possession a letter dated May 18 of which my deputy minister has made a copy available to me which I am prepared to table in the House today. In that letter—it is addressed to Mr. Brodbeck—it says: Your article, dated May 18, 2000, headlined NDP Tax Claims Take Beating, while quoting my voice mail message to you accurately, left readers with a false impression of our view on Manitoba's relative tax position.

The CIBC World Markets report, dated May 10, did rely on the Manitoba Budget in concluding that the province has the fourth lowest overall provincial tax burden in Canada for a middle-income \$40,000 family.

As is our practice for all our budget analyses across Canada, we rely on budget information as the basis of our briefings and do not independently audit provincial figures. That said, Manitoba's assessment of its tax burden for middle-income families appears reasonable, in our opinion, and we have no reason to question its validity.

**Mr. Stefanson:** Mr. Speaker, I want to ask the Minister of Finance how he takes that quote from the CIBC report and compares it to our statement made by his leader, by the Premier (Mr. Doer), in this House on May 15, where he says: "The CIBC report, tabled last week publicly, indicated that Manitoba had the fourth lowest provincial taxes in Canada when you take into consideration all taxes."

That is not what is said in the CIBC report, Mr. Speaker, on page 2 of the CIBC report where it talks about overall tax burden on a middle-income family ranking the fourth lowest. So I ask him how he reconciles the incorrect information being put on the record by his leader with the statement in the CIBC report which is not an analysis; it is only a statement from their budget.

**Mr. Selinger:** As I was saying, in the letter dated May 18, the last line I read is we have no reason to doubt or question its validity. The next sentence goes on to say: Indeed neighbouring Saskatchewan's budget shows a similar comparison for a \$50,000-income family that puts Manitoba as the third lowest in Canada.

#### Point of Order

**Mr. Marcel Laurendeau (Opposition House Leader):** On a point of order, Mr. Speaker, *Beauchesne's* 417: "Answers to questions should be as brief as possible, deal with the matter raised and should not provoke debate." The Honourable Minister has already tabled that information. I do not think it is necessary for him to read it.

**Hon. Steve Ashton (Deputy Government House Leader):** Well, the Opposition member asked a question about the CIBC and then in his follow-up question was raising questions about whether, in fact, we were the fourth lowest. The Minister of Finance pointed out the fact that CIBC has indicated that we are the third lowest, and I think that is not only in order, I think it is important to have that information on the record for the people of Manitoba.

**Mr. Speaker:** Order, please. I would ask the co-operation of all members, when points of order are raised or when the Speaker stands, to please show the courtesy so that I can deal with the points of order that are raised, because points of order are very serious matters.

On the point of order, the Honourable Minister of Finance was answering the question. He has just got about 19 seconds into

his answer, and I am sure that the Honourable Minister was about to answer the question.

\* \* \*

**Mr. Selinger:** As I was getting to the point, I was saying that neighbouring Saskatchewan's budget shows a similar comparison for a family of \$50,000, that they rank as the third lowest in Canada. I think that is very brief.

\* (13:50)

**Mr. Stefanson:** I thank the Member for a copy of this letter because I am sure today he will want to confirm, as is noted in this letter where CIBC says: That said, Manitoba's assessment of its tax burden for middle-income families appears reasonable and therefore the assessment that this Minister of Finance has put in his budget that shows a middle-income family of four at \$60,000 shows Manitoba as paying the highest personal income taxes in all of Canada. As confirmed by CIBC World Markets here, will the Minister of Finance just stand up and say: Yes, that is a fact, we do have the highest personal income tax in all of Canada for a middle-income family of four at \$60,000?

**Mr. Selinger:** Well, Mr. Speaker, at the beginning of the Question Period, there seemed to be great criticism of the numbers that were coming from the officials in the Department of Finance, and then at the end of the Question Period they seemed to be the ones that the Honourable Member is relying upon. He seems to want to have it both ways.

The fact of the matter is that these analyses are prepared by officials, professional economists, professional civil servants, the very same people that worked for the previous Minister of Finance. They are highly reliable figures. They are done in a professional manner. I think the suggestion that they are anything but professionally done is very unfair criticism of our public service. Furthermore, I think, when we look at them, we will see that Manitoba is in the middle of the pack when you look at provincial levies.

### **Income Tax Provincial Comparisons**

**Mr. Harold Gilleshammer (Minnedosa):** Another third party, the Canadian Taxpayers Federation today notes that tax comparisons with Saskatchewan thoroughly indicate that within three years all residents of Manitoba will be paying higher income taxes than residents in Saskatchewan.

Mr. Speaker, why has the Minister of Finance set the middle-income rate 20 percent higher than in Saskatchewan? In Saskatchewan that rate is at 13 percent. His rate would be at 15.6 percent.

**Hon. Greg Selinger (Minister of Finance):** Well, Mr. Speaker, one of the things that has happened in Saskatchewan in their shift in system is that they have broadened their sales tax base to collect more revenue off Saskatchewan residents. That is something that we chose not to do. We did not think broadening the sales tax and collecting more revenue that way was sensible. So we designed a system that would offer relief to Manitobans, and we targeted that relief to middle-income Manitobans.

**Mr. Gilleshammer:** I would point out to the Minister that the sales tax in Saskatchewan is already a percentage point lower than in Manitoba.

Mr. Speaker, the Minister of Finance talks about competitive tax regimes. Why is it a competitive tax regime when Manitoba's income taxes cannot be compared with Saskatchewan, even though the cost of living in Saskatchewan is lower?

**Mr. Selinger:** Well, Mr. Speaker, when you take a look at a competitive tax regime, that is exactly why we made a move in this budget. As a result of that, you will see from the table that a two-income-earner family at \$60,000 will get a \$601 decrease in their taxation for the year 2000, and for the year 2002 they will receive another \$680 decrease in their personal taxes. That is significant relief, far outstripping anything the previous government offered to families of that category.

\* (13:55)

### **Budget Bracket Creep**

**Mr. Harold Gilleshammer (Minnedosa):** I would ask the Minister of Finance why he has failed to address the issue of bracket creep. Every other province has made a decision to do away with bracket creep. This minister has not made comment on that.

**Hon. Greg Selinger (Minister of Finance):** We have increased the brackets for the next two years. As a matter of fact, in the second year, in the middle-income category, we go from \$60,000 to \$65,000, which is greater than what a normal indexation would allow for that category. So we have made the move for the next two years and we will strive, as I have indicated earlier, to make those families competitive. In the year 2001, a two-income-earner family of \$60,000 will rank, in terms of taxation, among the fourth lowest in the country.

### **Education System Special Needs Funding**

**Mrs. Joy Smith (Fort Garry):** Yesterday, the Minister of Education reluctantly admitted that there was a 26% cut to School Programs. This envelops program development and implementation, assessment, evaluation and student services. These are some of the most critical components of any child's education.

Will the Minister please tell the House what resources are available to teachers, who have been directed by the Minister to develop detailed learning plans for Grade 3 students, now that the School Programs funding has been cut by almost \$10 million?

**Hon. Drew Caldwell (Minister of Education and Training):** Mr. Speaker, I am glad that the Member had an opportunity to revisit the Budget statement and clarify her remarks from yesterday somewhat. It is always helpful to have accurate information in the House.

The Department of Education and Training will be working in very close

collaboration with our partners in the classrooms of Manitoba and with the parents of Manitoba to develop the best quality programs of remediation for students who have difficulties in language skills, numeracy skills and so forth.

**Mrs. Smith:** Mr. Speaker, it is always useful to have questions answered, and so I will go ahead and try to go on to the next one and hopefully get a clear answer.

Will the Minister confirm the level of funding cuts, specifically for children who are visually and hearing impaired?

**Mr. Caldwell:** Mr. Speaker, in terms of children who are visually and hearing impaired, this government was very, very pleased in the public school financing announcement that was made in January to increase spending to the tune of 6.4 million new dollars for special needs levels 1, 2 and 3 students in the province of Manitoba, new dollars, the largest increase in a decade for students with special needs.

We will continue along that path in future years to work closely with our partners in the public school system to identify needs and allocate resources appropriately.

**Mrs. Smith:** Mr. Speaker, perhaps the Minister of Education could have a clear, concise answer to the next question so we can get some information.

**Mr. Speaker:** Order, please. The Honourable Deputy Government House Leader, on a point of order.

#### Point of Order

**Hon. Steve Ashton (Deputy Government House Leader):** Mr. Speaker, *Beauchesne's* Citation 410(8) indicates that preambles to questions should be brief and supplementary questions require no preamble.

I realize the Member is relatively new, but it is not within the rules of this House on a supplementary question to add editorial comment. I suggest, Mr. Speaker, you bring

that member to order and ask her to state her question immediately on supplementary questions. Those are our rules.

\*(14:00)

**Mr. Marcel Laurendeau (Opposition House Leader):** On the same point of order, Mr. Speaker. The Honourable Deputy Government House Leader is accurate; there should be no preamble. But the Member for Fort Garry did not have a preamble. She clearly said "maybe the Minister can answer," and that is a question that she was just posing.

**Mr. Speaker:** Order, please. On the point of order, I would like to take this opportunity to remind all members that *Beauchesne's* Citation 409(2) advises that a supplementary question should not require a preamble.

\* \* \*

**Mr. Speaker:** Would the Honourable Member for Fort Garry please put her question.

**Mrs. Smith:** Mr. Speaker, what supports will teachers have to meet the challenges they face with their students on a daily basis in the area of program development and program implementation due to the fact it has been cut by \$10 million?

**Mr. Caldwell:** Mr. Speaker, it is quite clear that the Member opposite does not fully understand the Estimates, as articulated.

Seven million dollars of the ten million dollars that the Member outlines as being cuts in programs to those who are deaf or somehow else disadvantaged are associated with the Assessment Branch. The Grade 3 testing decision that was made has nothing to do whatsoever with those who are deaf or in need of special services.

We in the Government of Manitoba believe in delivering resources efficiently to the school system and believe in delivering resources that will have the greatest impact on positive student outcomes, not in creating artificial data-gathering bureaucracy.

**University of Manitoba  
Funding Levels**

**Mr. Leonard Derkach (Russell):** The effect of this budget on universities has been devastating. Mike McAdam, the Vice-President of Administration of the University of Manitoba said in reference to the Budget: "This is very, very, very serious and does affect our ability to maintain our academic programs and support services."

I would like to ask the Minister of Education how he expects our universities to provide adequate staff and resources when, because of his directive to freeze tuition fees and because of his funding shortfall, the University of Manitoba will have to cut each department by a minimum of 3 percent.

**Hon. Drew Caldwell (Minister of Education and Training):** Mr. Speaker, I am very pleased that the Member opposite provides me with an opportunity to discuss funding levels for the University of Manitoba. Of course, we work very closely with the staff in administration and the students of the University of Manitoba to create the best possible outcomes for our budgetary decisions. The process this year resulted in the largest single increase in nearly a decade for post-secondary institutions and universities in the province of Manitoba.

Mr. Speaker, the frustration that is felt within the post-secondary system, indeed throughout the post-secondary system, but, as the Member has discussed, the University of Manitoba in particular, I would maybe like to remind the Member opposite and the members opposite across the way that 1993-1994 saw a net minus 2.1 percent to the University of Manitoba; 1994-95 saw a net minus 2.9 percent to the University of Manitoba; 1995-96 saw a net minus 0.3 percent to the University of Manitoba; 1996-97 saw a net minus 2.6—

**Mr. Speaker:** Order, please.

**Mr. Derkach:** Mr. Speaker, we are talking about the 2000 Budget. We are talking about

reaction of universities and students to this budget.

Mr. Speaker, I want to ask the Minister of Education what advice he has for students, who are at this time choosing courses for next year. Which courses are going to not be offered next year and which staff are not going to be replaced next year as a result of the University of Manitoba having to cut each department by 3 percent?

**Mr. Caldwell:** Well, Mr. Speaker, I well know why the Member does not want to dwell on the budgets that were presented by the members opposite. That is a certainty. As for advice, one of my colleagues suggested vote New Democrat. No, cannot do that. Okay, sorry. That is obviously well-taken advice.

But, Mr. Speaker, you know, our policy as the Government of Manitoba, in terms of post-secondary institutions, is one of providing hope for young people in our province. It is one that believes in providing more resources to the post-secondary system throughout the province of Manitoba and in fact is in stark contrast to some of the numbers I mentioned earlier in terms of the negative side of the ledger, which indeed is the legacy that this government is left to deal with.

**Mr. Derkach:** Well, Mr. Speaker, what does the Minister have to say to Mr. Robert Chernomas, President of the Manitoba Organization of Faculty Associations, who said: Cheap tuition is one thing. Students still need books, teachers and courses, something I might add that is lacking in this budget.

**Mr. Caldwell:** Mr. Speaker, I would suggest that anyone who advocates for more resources and better delivery and not a return to the past record of cuts, cuts, cuts is in fact an ally of public education and post-secondary education in the province of Manitoba, and we will be there with them.

**Manitoba Lotteries Corporation  
Accountability**

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, as the Provincial Auditor pointed out,

there was some confusion in the accountability at the Manitoba Lotteries Corporation with, for example, the employment contract of the former president of the Manitoba Lotteries Corporation being between the president and the Province of Manitoba, suggesting, in the Provincial Auditor's words, that the President is primarily accountable to the Province rather than the Board of Directors.

Will the Premier confirm that the real accountability is from the president to the Board to the Government and that, indeed, the Board passed on the minutes of all board meetings promptly to the new government, as they have alleged?

**Hon. Gary Doer (Premier):** Mr. Speaker, we have received confirmation through way of the media, from a former board member, that all information, including the initial budget for the casinos to be expanded, was well known by the former government. Unfortunately, those numbers were not known by this Legislature. It, perhaps, would have allowed us to take the advice from Tourism Winnipeg, the Downtown Winnipeg Association, City Hall and others in having an opportunity, rather than expanding two suburban casinos, to re-allocate that money to downtown Winnipeg. Regrettably, those numbers were available to the opposite side when they were in government. They were not available to us.

Having said that, the other question that was implicit in the preamble of the Leader of the Liberal Party was the issue of the reporting relationship. I believe Mr. Funk was hired in 1990 by the former government and by Order-in-Council. I also understand that there was an employment contract signed by Mr. Leitch and the former CEO, and the recommendation of the Auditor is one we are looking at in terms of one of the recommendations the Board and ourselves are looking at for future announcements.

**Mr. Gerrard:** My supplementary to the Premier: Did the old board of the Manitoba Lotteries Corporation in fact have the authority to approve the extra \$60 million in public expenditures on the casino without ministerial or Cabinet approval, and, if so, has

the new government given similar approval, authority to the new board?

**Mr. Doer:** We have—and the Minister has announced this week with the chair of the Board in terms of the \$170 million in debt—asked the new board to provide for a full accounting of the debt and a full plan to repay the debt in the Lotteries Corporation. That is something also that we placed—*[interjection]* That is something also that may not be asked as much by members opposite in the direct provincial budget that was tabled last week because, when we came to office, there was the issue of capital and the accounting of capital in areas like health care and other sectors requires, in our view, not only a plan to record the interest rates for the capital but also a plan to deal with the capital repayment.

One of the areas that the independent companies that we were speaking about a moment ago identified as a positive change in this last budget is the fact that this budget was much more transparent to the people of Manitoba than past budgets.

\* (14:10)

**Mr. Gerrard:** My supplementary to the Premier: Will the Premier confirm clearly that he has given clear instructions to the Board not to make expenditures of the order as were made before without Cabinet or ministerial approval?

**Mr. Doer:** Mr. Speaker, for recollection of members opposite and for all members of this House, as I recall it, the decision to relocate the former Crystal Casino from the Hotel Fort Garry and expand the two suburban casinos with the capital investment which was indicated to be costing some \$50 million, the \$50 million for the expansion of the casinos was argued in this Chamber to be a better deal than spending, I believe it was, \$70 million on a relocated casino location to downtown Winnipeg. Obviously, the numbers were higher at the time that we were told that the downtown relocation was not the proper move, and it is regrettable that we lost that opportunity.

### **International Joint Commission Report Recommendations**

**Mr. Jack Penner (Emerson):** During the recent public hearings on flooding held by the International Joint Commission in Winnipeg, Morris, Emerson, Grand Forks and Fargo, it became very clear that many of the recommendations that were dealt with indicated that there needed to be flood protection measures taken upstream of the city of Winnipeg, and many of the recommendations centred around building water storage facilities that would be complementary in a drought year as well as causing flood mitigation.

Is the Premier prepared to consider the construction of a series of water storage facilities upstream on such streams as the Pembina River, the Roseau River, the Souris River and many other tributaries that contribute to the flooding in Manitoba, and would they be amenable to participating in the construction of those kinds of systems?

**Hon. Gary Doer (Premier):** Arising from the International Joint Commission report and work that is now going on between the State of Minnesota, the State of North Dakota, the Province of Manitoba and South Dakota, all across the water basin, the Red River Valley basin, rising from the '97 flood. all jurisdictions are looking at a more effective way of upper basin storage of water as part of the way of preventing the funnelling of water right from South Dakota through to Manitoba.

Now we do not have any specific proposals to be more definitive to the Member's question, but there is no question in our minds, when we are dealing with Devils Lake for example, upper basin storage of water is a more sensible way to go than the outlet proposal that is being unilaterally proposed. In fact, it was proposed by North Dakota in 1999, in May, and confirmed again in June and again in July as an option for that state. But upper basin storage of water is a measure that we have to look at all across the basin. We certainly have discussed that. I have discussed it with my colleague, with two former governors from North Dakota at dinner

a couple of weeks ago, former Governor Sinner and former Governor Olson who are working as volunteers on this effort as well.

**Mr. Jack Penner:** I thank the Premier for that response.

I am wondering whether the Premier would be prepared, seeing that the International Joint Commission stated clearly that it was not within their mandate to talk about or discuss even the opportunities of drought-proofing at the same time that they were talking about flood mitigation when we talk about building the reservoirs, whether the Premier might consider writing a letter to the Prime Minister immediately asking the Prime Minister that he have discussions with his American counterparts, to broaden the mandate of the International Joint Commission so that the flood mitigation and drought-proofing could be considered and made as a recommendation by the International Joint Commission to the various levels of government when they report.

**Mr. Doer:** I thank the Member for that question and suggestion. The lead federal minister on the International Joint Commission is the Foreign Affairs Minister, who is very aware and concerned about the situation of the flood and drought. Obviously, there are other proposals that we have discussed with him. I am certainly prepared to apprise the federal minister of the recommendation of the Member opposite, and as the lead minister of the IJC from Canada who meets regularly with the Secretary of State Madeline Albright, I am sure that proposal will be able to be looked at by the federal minister.

### **Flood Mitigation Proposals All-Party Committee**

**Mr. Jack Penner (Emerson):** To the Premier. I think it is extremely important, and I would ask the Premier whether he would consider, in any future discussions that he and his government have with either Minnesotans, North Dakotans and indeed in Ottawa on future flood mitigation proposals, including those members, in those discussions, that are

part and parcel of the representation of the areas that are impacted by flooding, whether it is in southwestern Manitoba, whether it is in the Red River Valley or any other part, that those members of the Legislature be included in those discussions? Would he consider that?

**Hon. Gary Doer (Premier):** Yes, Mr. Speaker, we have started the process of an all-party committee to deal with the Shilo and the Winnipeg base operations and the reserve troops. I have been trying to arrange meetings with the Americans dealing with Devils Lake and the North Dakota State Water Act, and I want that to be also an all-party effort. We can certainly expand that along with our colleague, the Minister of Conservation (Mr. Lathlin), to get advice on the broadening of the terms.

We also have to look as well at the other proposals from the International Joint Commission. We are presently getting an engineering analysis done in the Department of Conservation on the floodway proposals and the dam south of Ste. Agathe, a proposal which we must look at. But we are looking at broadening those issues. If we are going to spend a lot of money and try to use the formula that was used by former Premier Roblin and former Prime Minister Diefenbaker, the 60-40 formula, is there a way of looking at greater opportunities for recreation as well as other measures? Your proposal on drought and floodproofing makes sense, and any advice you have, the Minister of Conservation and I would like to have that and would like to hear from all members.

### Bill 72

#### Public Consultations

**Mrs. Joy Smith (Fort Garry):** Mr. Speaker, there has been much talk about Bill 72 and the ramifications of this bill, and I would like to ask the Minister if he intends to have public consultations with members of the community, teachers' organizations and parent organizations prior to the repealing of Bill 72.

**Hon. Drew Caldwell (Minister of Education and Training):** There is an active consultation process under-way right now between the Manitoba Association of School Trustees and

the Manitoba Teachers' Society. That has been going on since January. There has not been any legislation drafted at this point. At the point that legislation is drafted there will be full opportunity for dialogue in committee.

\* (14:20)

**Mrs. Smith:** Would the Minister confirm that MAST, the Manitoba Association of School Trustees, do feel that not enough public consultation has taken place? Would the Minister please inform this House as to whether or not we can have more public consultations not only with teacher groups, MAST, but also with parent groups and others who are interested?

**Mr. Caldwell:** When Bill 72 was introduced into this House in 1996, there was a commitment by this government, upon being elected, that it would be repealed. We believe in fulfilling our election commitments. Indeed, Bill 72 will be repealed. In terms of how MAST perceives this, I cannot speculate on MAST's perspective on it. It is not my role. There is an active consultation process underway with the two principal partners in this particular accord, the Association of School Trustees and the Teachers' Society, and we are proceeding with that very aggressively.

**Mr. Speaker:** Order, please. Time for Oral Questions has expired.

### MEMBERS' STATEMENTS

#### McHappy Day

**Mr. David Faurshou (Portage la Prairie):** As all honourable members know, Tuesday, May 16, was McHappy Day here in Manitoba. I was very happy to lend my services to the Portage la Prairie McDonald's in order to help raise over \$5,000 for Central Plains Cancer Care Services and Ronald McDonald Children's Charities.

As I am sure all members of this Legislature who participated on Tuesday will concur, McHappy Day is a fun day to meet our constituents while raising money for children's charities. Ronald McDonald House and

Ronald McDonald Children's Charities provide invaluable services to children and their families in our province and throughout Canada. Through their efforts, the lives of children who unfortunately require medical treatments are made a little brighter. This year's goal was to raise \$5 million across Canada, \$5,000 of which was raised in the Portage restaurant.

I would like to thank and congratulate Mr. Ken Shyjak, owner of the Portage la Prairie McDonald's, for participating in this, the 12th McHappy Day, and helping raise funds for children of the Portage la Prairie area.

I would also like to commend all members of this Legislature who took part in McHappy Day events throughout this province. I know my colleagues on this side of the House and other members enjoyed meeting and serving their constituents while raising money for the children of Manitoba. I am sure members opposite who participated had a McHappy Day too. Thank you very much, Mr. Speaker.

### **Economic Strategy**

**Mr. Harry Schellenberg (Rossmere):** Mr. Speaker, I rise today in order to recognize our government's efforts in the development and implementation of a solid economic strategy for Manitoba.

A strong provincial economy relies on a mutual relationship between the business community and labour. As part of our commitment to begin building a new partnership between business and labour, our government held the Manitoba Century Summit earlier this year. This summit, in which all participants recognized the importance of working together, brought together labour, community, business and government, participants to forge a consensus on how we can build our economy.

Our government, in its budget, not only built on the competitive advantages that we already enjoy but also takes action where government can make a positive contribution. To address skills shortages, our government will double community college spaces. It will

work towards providing more flexible education and training options and attracting skilled labour to Manitoba. Additionally, our government is working toward the removal of barriers experienced by aboriginal Manitobans as they enter the workforce.

Our government has reduced the small business income tax from 8 percent to 7 percent this year and will continue to reduce the tax burden on small business so that small and innovative business may continue to grow and prosper.

Also, we are committed to keeping Manitoba Hydro, which provides huge economic benefits and jobs in communities throughout Manitoba. Manitoba has a strong competitive advantage. Our economic strategy will assist in making our economic advantages even stronger. Our government is committed, as illustrated through this year's budget, to ensuring this advantage is promoted so our economy can continue to grow and provide additional revenues to improve our overall quality of life. Thank you.

### **Winnipeg Police Association Charity Ball**

**Mrs. Joy Smith (Fort Garry):** Mr. Speaker, I would like to congratulate the Winnipeg Police Association for their very successful 76th annual charity ball held Saturday, May 13, at the Lombard. The annual charity ball is organized by the Winnipeg Police Association to raise money for worthwhile causes in the community.

This year's theme was the Children's Hospital Foundation. Two thirds of the proceeds from last Saturday's event will be donated to the Children's Hospital Foundation; the remainder will be distributed to Club 53, polio patients and various other selected charities.

The Children's Hospital Foundation is dedicated to pediatric research and child health care. The Foundation offers hope to children and their families by funding research efforts that could one day lead to medical breakthroughs, as well as providing funds for equipment and special programs at Children's

Hospital. Foundation funds have supported everything from asthma and diabetes to leukemia and other childhood cancers.

I would like to congratulate the Winnipeg Police Association for organizing this annual charity ball. We are very proud of our police force here in Winnipeg and across Manitoba. Their leadership in the community is evident in their public commitment to the safety and well-being of our citizens.

### John Taylor Collegiate

**Mr. Jim Rondeau (Assiniboia):** I rise today to bring notice of the entire House to a wonderful event that happened in Assiniboia. John Taylor Collegiate presented *The Sound of Music*. In it we have some people of particular note to mention. One, Mr. Ross Shaver who was performing as visual arts department head. He did a wonderful job with hundreds of students preparing the music. We have a number of other people. We have Jim Stewart who has produced 25 musicals in a row over 25 years, and that has helped thousands and thousands of students. We have Meridith White McMahon, who contributed her time and expertise to do the sound. We have the choreography from Paula Olko. Again, it was a very, very beautiful presentation. The costumes were done by Linda Liberta.

\* (14:30)

Anyhow, what I would like to say is that this is a perfect example of people devoting time and commitment to our youth and to the future of Manitoba. This goes together with our Lighthouse schools, will keep the youth busy in Manitoba, will give good positive role models and create wonderful opportunities for the youth of Manitoba.

I would like to congratulate all the students, the staff and volunteers of John Taylor for an excellent production. Thank you very much.

### St. Vital Curling Club

**Ms. Nancy Allan (St. Vital):** I would like to pay recognition to a valuable community

organization in my constituency. I recently attended the St. Vital Curling Club's annual wind-up and had the privilege of meeting a group of fun-loving and hardworking individuals.

St. Vital Curling Club was founded in 1933 and has over 1100 curlers, 180 junior curlers and provides men's, women's, junior and mixed curling. It is one of the most competitive women's draws in Manitoba. The St. Vital Club has nurtured the sport of curling in Manitoba and has produced notable curlers.

Dave Smith was the Manitoba Men's Curling Champion in 1994. Jennifer Jones was the Manitoba Junior Women's Champion. In the '90s, the Club produced four women junior provincial champions.

I would like to take this opportunity to thank all the volunteers at the St. Vital Curling Club for their commitment and dedication to this valuable service they provide to the citizens in our community.

**Mr. Speaker:** Are you up on a point of order?  
[interjection]

Does the Honourable Member for Arthur-Virden (Mr. Maguire) have leave to make a member's statement?

**Some Honourable Members:** No.

**Mr. Speaker:** No, leave has been denied.

## ORDERS OF THE DAY

### BUDGET DEBATE (Seventh Day of Debate)

**Mr. Speaker:** Adjourned debate, seventh day of debate, on the proposed motion of the Honourable Minister of Finance (Mr. Selinger) and the proposed motion of the Honourable Member for Kirkfield Park (Mr. Stefanson) in amendment thereto, standing in the name of the Honourable Member for Russell, who has 12 minutes remaining.

**Mr. Leonard Derkach (Russell):** When time ran out yesterday, we were talking about

agriculture and the devastating impact that this budget has had on farm families in Manitoba. More particularly and specifically, we were talking about the lack of support to the Manitoba Agricultural Credit Corporation and the fact that they have been cut back by about 30 percent in their budget when at the same time the Minister of Agriculture (Ms. Wowchuk) has said time and time again that she is in support of farm families in Manitoba. I do not know how this squares with the reality that they are cutting back the MACC program by something like 30 percent.

But, Mr. Speaker, in speaking with the University of Manitoba, I have to indicate that, once again, agriculture has been hit. The University of Manitoba has advised that the single biggest concern that they have with regard to research money is the cut in research funds to agriculture by this budget. The research funds that go to the University of Manitoba and the Department of Agriculture are monies that can be used as leverage to attract monies from the private sector so that research can be done in cereals and special crops and all of those agricultural products that benefit each and every Manitoban.

Mr. Speaker, this government has decided that, indeed, they will cut back on the research funding that is given to the University of Manitoba. What will happen to the research that is being done in this province, and how much of it is going to move on to other universities in other jurisdictions who are supporting their research departments at the universities?

Mr. Speaker, this brings me to the issue of education. Education is an area which really talks about the future of our province and the future of our country. Over the course of time, all governments have talked about the importance of education to its citizenry.

*Mr. Conrad Santos, Deputy Speaker, in the Chair*

Mr. Deputy Speaker, I have to say that in this budget, although the Minister of Education (Mr. Caldwell) said that his funding increase and that his presence as the Minister

of Education was like the Second Coming, it certainly fell short when people realized that the funding announcements were not near what the Minister had promised in terms of his announcements to education.

Today, school boards, taxpayers, are asking how it is that the Government is allowed to make false announcements about the level of funding that they are going to afford the school divisions of this province, and then when the numbers come out, in fact school divisions are faced with reductions far more than what they had ever anticipated. I would like to simply indicate that an assistant deputy minister of the Department of Education said that the announcement was deliberately, and I stress the word "deliberately," removing adult learning centres in order to give the impression that the funding announcement was more than it actually was.

So, Mr. Deputy Speaker, I really question the sincerity of this government in its announcements and in its Budget Address in terms of how it supports education when, in fact, even staff from the Department of Education are out there saying that there was a deliberate move to remove certain things so that the funding announcement would appear as though it is larger than it really is. How is it that this minister expects the school divisions, the schools in our province, to continue to provide the kinds of programming that they have been accustomed to without the support of this minister and of this budget?

When you look at the Budget and you look at the program support area and the fact that in this area alone there is \$10 million being taken out of this program area—now, yes, some of that is in program implementation; some of it is in the support to students and to children in Manitoba who have hearing and learning and visual disabilities; some of that is to the assessment area, but this minister said that he was going to develop a province-wide assessment for Grade 3 students, and he was guaranteeing to Manitobans that every student in this province would be able to read at the end of Grade 3. Now, Mr. Deputy Speaker, how is he going to measure that when he has

taken this kind of funding out of that area of program supports?

I would like to hear from the Minister how he intends to deliver that promise because in the questions that we ask in the House, the Minister simply goes on about blaming the former administration and does not give any concise answers how he is going to address these very real issues.

Mr. Deputy Speaker, as far as the universities and colleges are concerned, the Minister, again, and the Premier (Mr. Doer) promised that they would double the enrolment in our community colleges in their mandate. Now, how are you going to double enrolment in our colleges when you do not support the infrastructure? The infrastructure that is there right now cannot manage a doubling of the enrolments. Whether it is the physical plants that are there, whether it is the support staff, the instructors who are in the institutions, there is no way on earth that you are going to double the enrolment in these institutions if, in fact, you do not invest in the infrastructure, if you do not invest in programs and if you do not invest in the development of these programs, unless the Minister of Health (Mr. Chomiak) is now going to say that his diploma program in nursing is going to contribute to the doubling of the enrolment in our community colleges, and I do not think that was the intent of the Minister of Education (Mr. Caldwell) nor the Premier of the day.

Mr. Deputy Speaker, very quickly I want to touch on health because this is an area of great importance to all Manitobans. First of all, I want to compliment the Minister of Health (Mr. Chomiak) because he did help out a constituent of mine when in desperation we called his office, and I have to thank the Minister for at least acting on an individual case. He acted very quickly, and for that I am thankful. I do agree with him that when a concern of a personal nature does come to him, he does take it seriously, and for that I give him credit.

But, in a policy sense, I cannot compliment the Government in the approach

that they are taking in health. One of the areas that is of greatest concern in my community and in my constituency is that when an individual has a heart attack today, we cannot handle him in our small community hospital. There is no way that we can address those concerns because we do not have the equipment. We do have the expertise of good doctors in our communities, but we do not have the equipment.

\* (14:40)

Now, there seems to be a change in the direction in that when the doctors from our communities phone the Health Sciences Centre or the St. Boniface Hospital, even if there is a bed available, they will tell you that that bed is kept for a patient from Winnipeg, and we have to look elsewhere for a bed for the patient. That means that we have to load that person, not on an air ambulance, which is paid for fully by the province; we have to load that person into a road ambulance and drive that person, at his cost, to a nearby hospital, whether it is Brandon or whether it is Yorkton in our case.

Now, I can tell you of a case where we drove, where the ambulance people drove an individual to the Brandon Hospital and then he had to be flown into Winnipeg because they could not handle that case in Brandon. The patient was still billed for the trip from our local hospital to Brandon, even though the air ambulance costs would have been paid had he been taken directly to Winnipeg where he should have been.

Mr. Deputy Speaker, I want to know why the policy change, why it is difficult for us in rural Manitoba, where facilities are not adequate to handle serious cases like that, to access the facilities here in Winnipeg? We are shuttled off to other facilities, even though there is a bed available—that was confirmed—but that bed was kept for someone who might get sick in Winnipeg. So this patient was left either to die or he had to quickly be taken to another facility—at his cost.

Now, in this budget, northern Manitoba was relieved of the \$50 that they had to pay to

fly into Winnipeg for medical procedures and medical attention, but the rest of rural Manitoba has to pay the total cost. In addition to that, if family have to visit people in Winnipeg, we pay the total cost of the stay in Winnipeg as well. So there is a dual system of health being developed in this province where rural Manitobans are not only paying their total cost, but they are denied access to those very important procedures that they need.

I am not blaming the Minister of Health (Mr. Chomiak) for this personally because that is not the intent here, but there is a move somewhere in that system that needs to be corrected so that people across this province have equal access to health.

*Mr. Speaker in the Chair*

Mr. Speaker, this budget is simply one that is bad for Manitobans because it hurts Manitobans. It hurts the young people of our province. It hurts the people who are in need of special services in this province. This budget hurts farm families. It causes pain to farm families because it does not support them in time of need. It also hurts farm families in that money has been taken out of the research money that is supposed to be going to the University of Manitoba to help develop the products for the benefit of all our citizens. It hurts us in that way as well. It hurts the working people of our province.

This budget hurts the normal family, the average family, the middle-income family, who is now going to be taxed higher than any other family anywhere else in Canada. This is a budget that is hurtful and causes pain. Instead of building on what was done in this province for the last 10 years, instead of building on that, we are slipping back very quickly to the old ways of the NDP, to the old ways of the former Minister of Finance in the NDP government in the Pawley administration, who certainly had his hand in the development of this budget.

Mr. Speaker, this budget is not one that we are very proud of. The papers have said it. You know, headlines like "Highest taxes in Canada", headlines like "Risky tax regime."

What about the headline that says "Hey, big spender?" Who is that directed to?

I think this whole budget has been analyzed very well by Manitobans and by the media, but maybe it was payback time for the special interest groups, the labour unions that are in the pockets of these people. If these special interest groups and if the labour unions support this government so much, why do they have to be paid back? Why is it not sufficient to provide good government for these people instead of having to pay them back?

**Mr. Speaker:** Order, please. The Honourable Member's time has expired.

**Mr. Derkach:** Mr. Speaker, I will not be able to support this budget, and it is with regret that I will be voting against it.

**Hon. Dave Chomiak (Minister of Health):** I wonder if I might have leave to ask the House whether or not, in light of what had happened previously when the Honourable Member for Kirkfield Park (Mr. Stefanson) was going to make comments in his debate, if we might have a recess for several minutes?

**Mr. Speaker:** Is it the will of the House to recess for a few minutes until we get the next speaker? [*Agreed*]

*The House recessed at 2:46 p.m.*

*The House resumed at 2:54 p.m.*

**Mr. Speaker:** The House is now back in session.

**Hon. Gary Doer (Premier):** Mr. Speaker, it is indeed an honour to be able to support the first budget presented by the new government in this new millennium, the Manitoba Budget 2000. As the title indicates, the Budget is really a budget not only for the future but the future for Manitoba families. I am most proud about the fact that this budget works for Manitoba families that work hard in our province.

Everybody gets their own reality check in political life. At least if they do not, they should. The reality check, I daresay, is not this Chamber. It is a little more far removed from this Chamber. It is perhaps in the coffee shops of rural Manitoba or in the sweat lodges of northern Manitoba or in the soccer fields of Winnipeg. I rely a lot on the swimming pools and soccer fields to hear from people from all political parties and all political persuasions and people from no political party and no political persuasion about what they really feel about this budget.

Let me say, without any bias whatsoever, they like this budget because it recognizes Manitoba families. I mean, it does. It puts kids and families first.

Mr. Speaker, that is why I am so proud today to rise in support of this budget. I am so proud of the fact that we were able to not only keep our election promises in the year 2000 but exceed our election promises in the year 2001 and target that excess of our election promises to families, to children and working families here in Manitoba. This is the best budget for families anywhere in Canada in the year 2001. I am shocked that members opposite are not going to vote for it.

Let us deal with a couple of parts of this budget that I am very proud of.

**An Honourable Member:** Let us spin it some more.

**Mr. Doer:** Well, the Member opposite talks about spinning. You know, Mr. Speaker, the independent analysis that was provided by some of the financial institutions when they reviewed this budget, and I am not talking about the point on the tax issue at this point, the independent analysis of this budget, the part I am most proud about, says that this budget provides more transparency to the people of Manitoba than past budgets that have been presented in this Legislature. The spinners have been defeated. The truth seekers are in office here on this side. The spinners are spinning their wheels in opposition and will be there for a long time if they do not vote for this budget that puts families first here in

Manitoba. So I am proud of the fact that this is a transparent budget.

I remember last year Norm Cameron, who was then appointed to the Tax Commission, said last year that the Budget was really an \$85-million deficit. The financial institutions have come to the same conclusion. When they looked at last year's actual spending, they looked at the Fiscal Stabilization draw, and they put together the Fiscal Stabilization draw with the debt repayment. When you take \$185-million Fiscal Stabilization Fund, and you have already shown it as one revenue, you show it a second time as a second revenue and you only pay back \$75 million in debt, and you take the \$5-million projected surplus this year, you have, according to the financial institutions, a net operating debt of \$105 million. How dare members opposite talk about balanced budget legislation. They were in violation of balanced budget legislation and only got saved by a loophole on a change in government between 1999 and 2000, thankfully a change in government, thankfully.

\* (15:00)

Mr. Speaker, this year the number of dollars from the Fiscal Stabilization Fund has been reduced from \$185 million to \$90 million. I want to say for the record, we were told by the Treasury Board that members opposite in their midterm fiscal plan had included \$120 million for the 2000 and 2001 budget. We thought in this first budget year that the amount of money that we were able to draw from the Fiscal Stabilization Fund should be radically less than last year in good times and should be less than the amount of money that goes back into debt repayment, so we can actually be operating in an operating budget in the 2000.

Just like the Brian Mulroney Conservative government of the past, these people talk one way and acted another at the end. They talked one way about fiscal responsibility and overspent their Health budget by \$400 million in the last three budget years—\$400 million. How do they have the gall to talk about tax cuts when they overspent the Health budget by \$400 million?

Do you know, Mr. Speaker, in the so-called—you talk about spinning—50-50 plan, now how many of you opposite had anything to do with the 50-50 plan? Put your hands up, anybody who had any ownership of the 50-50 plan? Smile if you had anything to do with the Fiscal Stabilization Fund. Nod your head just a little bit if you had anything to do with the 50-50 plan. I know members opposite did not have anything to do with the 50-50 plan because in the so-called 50-50 plan, the amount of money for health care in the year 2004 was \$2,000,400,000. That is the amount of money that the government opposite was running on almost into when they left office on September 21, 1999. How could they put numbers in that budget, in the so-called 50-50 plan, that were off by \$400 million in health care and then have the gall to come back to us and say, oh, we said there would be all this extra revenue? What you did not tell us is you spent it before we got into office, and you did not tell the people of Manitoba that point.

Mr. Speaker, this budget does provide \$96 million in debt repayment, and it does provide for a draw of only \$90 million from the Fiscal Stabilization Fund, so that means that members opposite can vote for the Budget. Unlike the Budget last year, this budget is actually balanced on the operating account, and if they could vote for last year's budget, they should be giving a standing ovation for this year's budget and voting with it tomorrow morning.

**An Honourable Member:** You are just about convincing me, Gary.

**Mr. Doer:** Okay, I will keep working on you.

Mr. Speaker, the members opposite, when they tabled their budget last year, they were asked why they did not lower taxes more. Why did you not lower taxes more? I remember they said to us and to the public that because of the Fiscal Stabilization Fund in Manitoba, we can only afford next year—in '99 we can only afford the 1.5% income tax cut and we can only afford on January 1, 2000, the one and a half points in income tax cuts, and we can only afford \$50 million in income tax reductions over two budget years because the

full impact of the second tax cut came into this budget year, as members opposite know, as opposed to into their last year, in the Budget of the year '99-2000.

We, too, Mr. Speaker, having promised to live within balanced budget legislation subject to the change on Crown corporations that we have to make and other—[interjection] Well, we will not allow members opposite to sell Manitoba Hydro and put the money into the Fiscal Stabilization Fund again. In fact, you have been dining out. You have been dining out. [interjection] Yes, it is a safe statement. It is going to be a safe statement for the next 20 years because we are going to be in office. That is why it is a safe statement. [interjection]

Well, you sold the Manitoba Telephone System. You sold the phone system for \$13 a share. You know what the shares are four years later? Mr. Speaker, \$30 yesterday, \$28.50 today. The shares are more than double what you sold them for. You gave away our telephone system, and you gave away our right to plan the new technology with our own Crown corporation, to plan technology in fibre optics into rural Manitoba. You gave it away and you gave it away for half what it was worth.

Mr. Speaker, back to the Budget, because this budget delivers on our five promises. You know, it is a novel idea for members opposite, because we just mentioned the Telephone System. What did they do a couple of weeks after the '95 election? They went from \$10 million to \$111 million on a public arena; they went and fired a thousand nurses after they said they would not implement Connie Curran; and they started to hire three brokerage firms that gave us a so-called independent analysis—sell, sell, sell—of the Manitoba Telephone System that they promised to keep.

We took a different tack. It might be very, very startling for members opposite, but do you know what we did? In this budget, we kept our promises. It has not happened for a while. Yes, Mr. Speaker, a promise is a commitment for the NDP because we keep our promises and, therefore, they become a

commitment to the people of Manitoba, as opposed to recycling blue and white materials that do never materialize for the people of this province.

Our first commitment was to restore health care. What we had to do in health care was something we anticipated and a lot of what we did not anticipate. We had not anticipated that the cost overruns in health care would be up to \$150 million. We had not anticipated that projects such as SmartHealth would be worth a minimal amount of money compared to the money that was put in by the people of this province. We did not know that members opposite did not give the regional health authorities a budget until six months after they started spending the budget. Then they wondered why they had a deficit. I wonder where you people got your management skills from. I am sorry. They did not have any.

The biggest area in government, the biggest budgeted area of government, you established these health authorities and you did not give them a budget, and they spent what they felt they had to spend. Then you had a deficit of up to \$150 million and there was no plan in place to deal with it, no plan in place. In Winnipeg alone the two health authorities had 13 vice-presidents, 13 vice-presidents, and all of them make more than the deputy ministers of Health. I mean, when they start handing out the high-priced bureaucrat's award some place on this North American continent, they should give it to the former premier. There has never been a person who created more high-priced bureaucrats in the history of the province than the Member for Tuxedo (Mr. Filmon) and the former premier of this province with what happened in health authorities in this province.

So, Mr. Speaker, we have collapsed the number of health authorities in the city of Winnipeg. We have reduced the number of vice-presidents. You know, we are proud in this budget that there is more money going into nurses and less money going into administrators and vice-presidents in the city of Winnipeg after this budget is passed. How dare members not vote for this budget

considering the priorities. Vote for nurses, not for senior bureaucrats. That is another message from this budget here in the year 2000.

So we had to deal with the fiscal situation with health care. We have put in place a budget system where we gave it to the administrators of the health authorities on April 1. We expect people who were involved in establishing the Budget to talk about volume, to talk about patient care, to talk about staffing needs, to talk about and implement the contracts, most of which were signed by members opposite, some of which were in the Budget, most of which were not, and deal with that in the Budget of the year 2000-2001.

\*(15:10)

We are pleased, Mr. Speaker, that we were able to add \$135 million to the Health budget. Many of these costs have already been provided for in terms of commitments made by members opposite with collective agreements for doctors, nurses, nurse's aides and others. We also are able to deal with our fundamental promise to end hallway medicine and to restore health care.

This budget works on our five-point plan for hallway medicine. I am proud of the fact—not with perfection, still some work to do, still a shortage of nurses that we cannot retroactively deal with; it is going to take us two years to deal with that—but I am proud of the fact that a national report has said that Manitoba has done more than any other province to reduce the numbers of patients in hallways, and members opposite should be voting for this budget.

Hallway medicine was a symbol, in my view, of a system that had lost touch with patients, because any one of us that have had a friend or a relative or a family member in a hospital, and any member of a family that has a person in a hospital hallway for three or four days suffering the indignity of lack of privacy—to be on a hospital bed in a hallway for three or four days, not knowing what your situation is going to be, is a symbol of a system that was starting to put patients second, instead of

putting them first. I am pleased that the hospital administrators and the nursing staff, that are under tremendous pressure, and the nurse's aides and the doctors and the boards of directors and the regional health authority under Brian Postl here in Winnipeg and other regional health authorities are starting to make a difference and starting to put patients first and privacy first by ending hallway medicine in Manitoba, and this budget builds on it.

Mr. Speaker, some areas in health care are going to take some time. The nursing shortage has to be addressed. We made a mistake in this province by getting rid of the RN program in our view. We made a mistake. The BN program expansion is something we support. The LPN program that was decreased and then increased by the former government makes sense, not to go down, but to maintain it and enhance it. To not have an RN program defies the logic and experience that has gone on in health care in the last 30 years in Manitoba.

Do you know that 85 percent of the people on the wards now in acute-care hospitals are RN nurses, trained in an RN program? You cannot put all your nursing eggs in the BN basket. You cannot do that. Yes, some of the organizations want to go there, but we in this Legislature cannot just listen to individual organizations that are representing their own interests. This Legislature has to represent every one of the 1 100 000 patients in Manitoba. That is our job, and we are going to make sure that there are going to be 500 nurses trained in an RN program, so that two years from now the overworked nurses that are working under stress in Manitoba will have new reinforcements, new energy, new people to join them in providing health care in Manitoba. Let us not put any organization first. Let us put all of our patients first, Mr. Speaker. Again, a reason to support this budget in this 2000-2001 year.

I want to move on to other diagnostic challenges—radiation technologists. There is no reason in the world why Manitoba should be going to South Africa for radiation technologists. Why are we not training them here? Why are we asking questions about getting people with visas to come in with work

permits and whether they are qualified or not? Why are we not asking questions about why we are not providing the training for Manitobans to provide a radiation technology program for Manitobans?

That is what this budget begins to do. It cannot reverse four years of neglect by reducing that program; but, if we do not start today, four years from now we will still be where we are today, going to South Africa or going somewhere else. Nothing is wrong with people coming from other countries, but we have to have a training strategy here in Manitoba for Manitobans. That is what we are going to do in this budget, Mr. Speaker, and we are proud of it.

This budget also provides hope for our young people, our second promise. I was at a high school in Brandon two years ago and three or four Grade 11 History students raised the issue with me: Why should we study hard and work hard and get good marks in our school? We will never, ever be able to afford the debt to go to university. We cannot afford the rising tuition fees even in our community colleges.

A lot of young people were starting to make decisions on academic choices on the basis of income ceilings. This budget is a symbol. It cannot reverse and it does not reverse and we should not pretend it reverses a doubling of tuition in the last 10 years. But what it does do is put enough money into the 3.8% funding for the basic institutions, universities and community colleges, along with the expansion of \$5 million for community colleges and with the university tuition fee number of \$8 million to allow us to cut the tuition fees by 10 percent and start to reverse the crushing debt that has been placed on Canadian students in the last 10 years or last 15 years, not only in this province but in other provinces.

This speaks to our core values. It speaks to the core values of members on this side. We believe in intergenerational support. We do not believe that every individual is off on their own to fend for themselves. We believe that those of us who are lucky enough to have good

jobs and pay taxes should support those of us in our society who need health care on one possible age part of the spectrum and we should support those young people so they can get the skills and training so they can take those good jobs of the future in this great province and so they can be part of the system that supports the next generation of young people.

We believe in intergenerational support. That differentiates the NDP and our government from the ever increasing view of the world that has each of us taking care of our own little pockets and our own little wallets and our own little house and our own little personal views. I believe in community. I believe in intergenerational support. This budget builds on community. This budget builds on intergenerational support. I dare say, this budget builds on the traditions of Roblin and Schreyer, where the community invests in its future, because that is not a cost, but an investment.

I would recommend, Mr. Speaker, that every Member of this Chamber read the last chapter of the Roblin book. He talks about what happened in the '60s to expand education and when a member opposite was part of that government and should be proud that he was part of that Roblin government. That former Premier said to us there are two priorities for us to deal with in Manitoba. One, provide economic and training opportunities for Aboriginal people and make sure that Aboriginal people are included in the economy and do whatever you can do to do that. This budget starts to do that. Number two, former Premier Roblin says to all of us, invest in education, invest in training. Consider education not spending but investments, and this budget builds on that tradition.

\* (15:20)

Others have talked about public schools and the great investment we have there. As a parent I know there is a difference. But the third area builds on our commitment to work in co-operation with business and labour and government. We are proud of the fact that we brought together business, labour and

government at an economic summit. We have spoken about the commitments and promises made at the economic summit in this budget again. A third promise made, a third promise kept. There had not been an economic summit in this province since 1986.

I believe that no matter what people's political stripes are and will be that Manitobans should work together for 1200 days. We should have an election campaign for the 30 days or so we have an election campaign, but after that we should work together for 1200 days to put Manitobans first and find a way to keep our kids and our communities together, whole and growing, Mr. Speaker. That is what the business community wants to see, that is what labour wants to see, and that is what we are starting to deliver with business and labour in co-operation here in Manitoba as part of this budget and as part of our vision of working in a co-operative way for the future of this province.

Our fourth commitment, Mr. Speaker, was to deal with the causes of crime—opening schools, playgrounds, recreation facilities, expanding opportunities for training and education programs. Preventing crime is more important for us as a priority than spending money after a crime is committed. That fourth commitment is a commitment we kept in this budget, and we have also kept our commitment to expand the prosecution unit for gangs. It is better to have a trained surveillance group to deal with gangs before they get located in our communities, including in rural and northern Manitoba, as well as the city of Winnipeg. Again, a fourth commitment made and a fourth commitment kept.

Finally, Mr. Speaker, our commitment in the election campaign was to live within balanced budget or to keep the balanced budget legislation and, secondly, to deal with the whole situation of property taxes. We have started to deal with property taxes by a \$30-million investment in public education that, again, puts our public school system on a solid footing for the future and, secondly, the \$75 property tax credit represents for most Manitobans the first time in a number of years,

certainly the first time since the members opposite were elected in 1988, where property taxes in most school divisions actually went down when we received our property tax bills this year. We consider that to be a priority item. I notice the Manness commission on taxation, which recommended increasing the sales tax by one point and having a one 14% rate, also said that we should do something about property taxes, and we have done so with the \$75 property tax credit.

In terms of taxation, the income tax cuts that we are making are in the 2001 tax year. We are flowing through, as we promised in the election, the tax cuts that were in last year's budget in spite of the fact that we were extremely worried for our first four months in office about the financial situation of the province. We only felt that with the one-time-only equalization payments that things had improved enough to be able to balance. but we kept our commitment to let that tax decrease flow through, and there are considerable tax decreases starting January 1, 2001.

That is in this budget year, Mr. Speaker. The kind of speculation was that there would be no income tax cuts in this budget. Well, the budget goes from April 1, 2000, to March 31, 2001. The \$68 million in income tax cuts starts January 1, 2001. It cost us \$17 million in this budget. It obviously costs more in next year's budget, a full \$68 million, and that is a larger income tax cut than was in the so-called 50-50 plan for the year 2001, and it is a larger income tax cut than was in last year's budget of \$50 million. It is \$68 million—\$50 million versus \$68 million. That makes this a more generous and more affordable budget for families here in Manitoba than the previous budget.

I am further very, very pleased, Mr. Speaker, to see the improvement for our other programs that have been neglected over the years. We can spend hours and hours and hours—I know members on this side have spent hours and hours on the programs that we have improved.

Let us just name the child care program, the day care system of Manitoba. You know,

everybody talks about reducing the number of people on social assistance, but really the test is: What do you do about it? In 1986-87, the Winnipeg Chamber of Commerce—I think the president was the former chief executive officer of the Winnipeg Supply company, John Doole, said that one of the best ways to get people off social assistance through opportunity was to have an affordable, accessible child-care, day-care system in Manitoba.

Mr. Speaker, I do not want to provide lip service for people getting off the social assistance in terms of political-wedge ways to try to do it. We want to provide real bridges for families and kids and people to get off social assistance, if they so choose, and part of the investment that has been made in this budget is great for kids because we know all the research shows that good early childhood education is positive for kids. It is good for families; it is good for neighbourhoods; and it is good for people who want to get off social assistance and want to join the workforce and will be able to do so with the quality child-care advancements that are in this budget.

Equally as important, it also treats people who have been on the front lines of child-care centres and day-care centres with a little bit of dignity, with a little bit of respect, and with a whole lot of good first moves announced in this budget in child care and day care. It is time that the day-care staff of this province got more than a pat on the back. They also get some of the respect they deserve that is contained with the resources that are within this budget. How can members opposite not vote for that?

I am proud of the fact that the Indian and Métis friendship centres have started to receive some of their funding back again. I could not believe that we were cutting back the Winnipeg Indian and Métis Friendship Centre, the street program that had street workers working with gang members to prevent them from getting into gangs. Again, I thought that was a very penny-wise, pound-foolish decision. In many Indian and Métis friendship centres in Manitoba, they act as the first source of job information for people

coming into those communities. They act as the first place of recreation and social activity. They act as a place for educational information and training. They also are places for people to meet and places for people to know what is going on in the streets, to get kids and families engaged in the community.

I would rather have this money go back into the friendship centres, and part of the reinstatement of that money that has been made in this budget is part of another promise we made across Manitoba, again another reason to vote for this budget and vote for those friendship centres across Manitoba. What do you have against friendship?

We spend about \$45 million in corporate subsidies in our budget, Mr. Speaker, according to the Canadian Federation of Independent Businesses. I think that the unemployment rate in many of our Aboriginal communities is intolerable. We are reducing the corporate subsidies in this budget. We know that will not happen overnight, but we want to reduce the subsidies to business and provide some of that money to an education and training system and to a lower small business tax system, which was implemented last year by the members opposite and maintained this year and next year by this government, but we also want to invest in economic opportunity for Aboriginal people.

The money to go into the core organizations for economic opportunities is a win-win situation. People who have economic opportunities and ideas and dreams should be able to dream in this province and in this country, and this provides a little bit of hope, a little bit of opportunity, a little bit of optimism. We should vote for that measure and vote for this budget in this budget year.

\* (15:30)

Mr. Speaker, I believe the measures taken in this budget still present challenges to Manitobans. I think we have had real challenges to continue the economic sector and job creation. I am pleased that economic growth is projected to go from 2.2 percent to

2.7 percent in this budget year, and that is positive over 1999.

But the reason why we were at 2.2 percent last year was the agriculture sector. We recognize that on the one hand there is massive diversification going on in agriculture. We recognize that it makes a lot of sense to have the processed pork be transported to the United States. A \$90,000 truckload of pork to the United States, as a value-added good, may make more sense than other products.

But people that are grain producers and oilseed producers have been hurt and have been hurt only because of the situation with the U.S. subsidies and the European subsidies. I believe this Legislature knows that Manitoba and Canadian farmers are the best farmers in the world. All they want and all they need is a level playing field. We should stay united in this Chamber calling on an elimination of the American subsidies and the European subsidies and let the Canadian farmer thrive again with an equal playing field across Canada and across the world. We are committed to that.

We are also committed to looking at flood protection. We are looking at flood protection devices. There was a good suggestion from the Member for Emerson today, and other good suggestions from members opposite. We believe that the torch has been passed from the Roblin government to us. The torch has been passed from Diefenbaker to the Chrétien government in terms of the 60-40 formula. It took the Roblin government from 1958 to 1962 to negotiate a floodway plan, something, by the way, the NDP voted for, moved an amendment on expropriation, but voted for the main motion. I notice that is something else in Roblin's book, noting the Liberal vote, not that there is too fine a point on that.

It is important that we proceed with an orderly plan inside and outside of Winnipeg. The member opposite raised some good points today. We are proceeding with some flood protection devices. The Minister of Conservation (Mr. Lathlin) has a very aggressive program. along with the Member

for Thompson (Mr. Ashton) just announcing the elevation of Highway 59 that the Member for LaVerendrye (Mr. Lemieux) fought for. We think it is a good idea. When you fix a road, elevate it to be a flood protection device. Do not make it a chute for flooding. In fact, one has to wonder why we were not, when we were building new bridges over the old floodway, why we did not build the new bridges at a higher height, because we have known for 10 years that the floodway capacity must be improved. It is too bad we were not far-sighted enough to build bridges for the future rather than building bridges for the past.

I digress, Mr. Speaker. We are pleased that we negotiated with the federal government a modest amount of money for rural road improvements. Our view is that every dollar raised in Manitoba from Manitoba-source revenues, gasoline taxes and tariffs go back to highways.

Mr. Speaker, \$150 million goes to Ottawa in a user-fee called the gasoline tax. Every dollar should be returned to Manitoba. If every dollar was returned to Manitoba we pledge to spend every dollar of that amount on highways if we are able to succeed.

I am pleased we were able to negotiate a little improvement on the freight rate with the government. I think Saskatchewan, Manitoba and the federal members of the western caucus were successful. It will provide more income in terms of crops. The situation in Manitoba, the prices, incomes will be better with that proposal, but we know we need a long-term plan for the situation.

Mr. Speaker, I want to applaud this budget. I want to say, in conclusion, that this is a balanced budget, balancing the books, balancing the priorities of Manitoba, putting health and education first, responsible tax relief.

This is a balanced approach to the future. This is a good budget for families. If you vote against this budget, you are voting against families in the year 2001. If you vote for this budget, you are voting for confidence, you are

voting for Manitoba families. I urge you all to vote for families, not against them, tomorrow.

**Mrs. Joy Smith (Fort Garry):** Mr. Speaker, I want to congratulate our leader, Mr. Filmon, and the former Finance Minister, Mr. Stefanson, and my colleagues on this side of the House for their commitment to creating a strong economy in Manitoba and to making Manitoba a place where families want to stay and raise their families.

The outstanding leadership that members of this caucus have displayed in the former government for more than a decade has caused this province to grow and prosper in a way that has been unprecedented over the decades. When I became involved in our party I became involved in our party because I saw the kind of vision that Manitobans had for the future of Manitoba.

If you remember 11 years ago, and I remember that well, this province was at a place where we were very close to bankruptcy. There was staggering debt, where we had to pay a million dollars a day in interest to pay down the debt. Fortunately, through careful planning and disciplined spending practices, members on this side of the House did phenomenal things to help the economy grow, to pay down the debt and make sure that families had a place that they could call home and had a future to live toward.

Members opposite need to be reminded that when the Filmon government took over in the early '80s, they were left with a staggering debt, as I said, with a million-dollar-a-day interest payment, but they were also faced with a legacy of taxes that caused families grief every time they went to pay their personal income taxes or went to the gas pumps to fill their tanks.

The former NDP government never met a tax they did not like. This NDP Government introduced the payroll tax, the net income tax, the land transfer tax, the corporation capital tax and the retail sales tax, to name a few.

*Mr. Conrad Santos, Deputy Speaker, in the Chair*

With the presentation of Today's NDP Government, a new course has been set for Manitobans. This new budget is not a budget with a plan for the future of Manitoba. Sadly, it is a budget that reflects the tax-and-spend attitude of yesterday's NDP Government. It does nothing to build on the foundation that was set for Manitobans under the Filmon government.

The NDP Government went into power with a growing economy, a debt-repayment plan that was working, and a vision and a plan for Manitobans that would produce jobs, set high academic standards and social standards for our students and keep our youth at home here in Manitoba. In other words, they had all the ingredients to prepare for a real, bright future for Manitobans.

Mr. Deputy Speaker, with the presentation of the new budget we have found that there is no tax relief for the hardworking people of Manitoba. There is no plan to build a tomorrow for our youth. We on a daily basis from members opposite hear about how well they believe they are addressing the financial needs of Manitobans. Well, clearly, they have penalized hardworking families, who will now be paying increased taxes instead of paying the music lessons or soccer team fees for their children. This lack of understanding and insight spreads like a fungus through the NDP policies.

\* (15:40)

The Minister of Education (Mr. Caldwell) gladly announces a 10% reduction in tuition for university students without understanding that that 10% reduction in tuition cannot be carried on the backs of depleted courses, crumbling infrastructure and lack of instructors to do the job. In other words, Mr. Deputy Speaker, clearly, tuition fees can be lowered all you want, but you do not rob Peter to pay Paul. There should have been substantial funding put into the infrastructure of the universities so experienced professors could be employed and courses could be added to ensure our students have the opportunity to have the training they need to meet the high job demands of the new millennium.

Steven Fletcher, President of UMSU, is quoted as saying: "If we took a look at the real increase, it is not as great as it appears on the surface."

Here in the House we talk and we listen very carefully to the hyperbole and the glad accolades that the members opposite keep talking about in their current budget. But when you listen to the people in the real world, the people outside these walls who have to live every day with the budgets that are brought down from this government, you hear different kinds of things. Robert Chernomas, President of the Manitoba Organization of Faculty Associations, is quoted as saying: "Cheap tuition is one thing. Students still need books, teachers and courses."

As a new MLA, my first introduction into this House was augmented with the members opposite playing silly politics by trying to convince Manitobans that there was a deficit left by the former government in excess of \$400 million. This smoke-screen tactic is not sufficient. Eventually the truth came out. With the help of a windfall of \$200 million in transfer payments from the federal government, Today's NDP managed to bring a balanced budget to the table with a modest surplus. Manitobans waited in anticipation for what the new NDP Government would offer to them in way of tax cuts and new opportunities for disposable income, in other words, money in their pockets.

Sadly, this great lead-up to the new budget proved to be little more than hyperbole. This was a budget that spends nearly \$6.4 billion. Larry McIntosh from the Manitoba Chamber of Commerce stated that the tax reductions are pretty insignificant in a budget that spent nearly \$6.4 billion. Jim Carr, from the Manitoba Business Council, said: "This is not a dramatic budget, nor does it substantially improve Manitoba's competitiveness."

These are grave concerns from Manitobans, leaders in our communities, people who care about the business, the growth of business, families who care about having more disposable income so that they can pay their music fees, take their kids to

hockey games and do the things that they need to do.

Today's NDP Government says that they do care about high-risk students and people who are struggling financially. They even offered a \$75 tax credit to homeowners. However, when you go out and speak to people like Wayne Helgason from the Winnipeg Social Planning Council, Wayne says: "Tax measures are great as long as they are targeted. I do not see a lot in this budget for poor people. They do not need more social workers, they need more money." Mr. Helgason went on to say: "We saw only tinkering with the budgets but no social-development plan."

Even our mayor, Glen Murray, the Mayor of Winnipeg, voiced his disappointment when he said: "It is with regret and disappointment that I read the fine print of the provincial budget." "This budget does not help Winnipeg achieve its important goals of urban renewal and national competitiveness."

So no matter how members opposite shout and yell in the House about their vision for Manitobans and how well the budget has been presented to Manitobans, when we hear from these people in the real world, like the Mayor of our city, like the upstanding citizens who have real concerns, we begin to wonder what is happening to Manitoba. You see. Mr. Deputy Speaker, Today's NDP is a government saturated with yesterday's ideas. Resurrecting former Finance ministers to mastermind Today's NDP Budget reflects the lack of vision, planning and new thinking. There is no plan for the future that would provide sustainable economic development for the province of Manitoba.

The NDP budget document clearly mocks hardworking families earning \$60,000. We are told that \$60,000 is the income of families who are well-to-do. I can assure you that \$60,000 is not enough to raise a family and provide them with the things that they need. for an education, for a right to enjoy the benefits of things that kids like to enjoy, like soccer games, to be able to have the privilege of taking music lessons which develop the

mind and the whole person. I think that, when you hear from both sides, when you hear from Mr. Wayne Helgason, who said that this budget did not help poor families, and when you hear from the middle-income earner of \$60,000, they are saying the same thing, that this budget has missed what they need to make their lives better.

These families earning \$60,000 will pay the most personal income taxes in Canada. I say that there is something wrong with that. I think in this House when the ministers are talking—I know the Minister opposite earns in excess of \$60,000, probably more than that—I think that instead of shouting from their seats, they should be listening to Manitobans, listening to the concerns that Manitobans have. Families who have both mother and father working rush home every day to make dinner, to take their kids to soccer games and music lessons, and to try to fulfil the dream that all Canadian families have. These families now have less take-home pay, because they are being penalized for being hardworking, caring taxpayers.

Members opposite, Mr. Deputy Speaker, often talk about the fact that what they have done has been a new revolution. In fact, our Minister of Education (Mr. Caldwell) was cited in Seven Oaks as referring to himself as the Second Coming. Well, if he knew anything about the Second Coming, I do not think that he came anywhere near that.

Mr. Deputy Speaker, I have to say that we have to work together to make sure that the needs of Manitobans are met. When we talk about the quotes and the things that people are saying about the Budget, we can scarcely find a positive thing in the newspapers or on the streets about what has happened in this neutralized budget. There was a headline in the Steinbach paper that said on April 24 "Education policy is going downhill." I followed up on that particular headline, and what I discovered was that there was not enough collaboration, that there was not enough talking about what is best for the students. I want to take in point the Grade 3 guarantee, because this has an awful lot to do with our budget right now.

The NDP Government, Today's NDP, said that they would guarantee that all children would read and write fluently by the end of Grade 3. Then our minister said that Grade 3 tests would go because they were not useful, and they cost a lot of money. Shortly after that, he reinvented the wheel and put another test in at the beginning of the year. Now we do not know for sure, I cannot get any clear answers. Whenever I ask questions, I get retorts like, oh, you are confused, or you do not know that.

\* (15:50)

Well, let me just go through a few things. You know, Mr. Deputy Speaker, I am a teacher, and I taught for 22 years. My husband still teaches. I had a real job where I was in a real classroom, dealt with students on a daily basis. I was not a substitute teacher; I was a full-time teacher in the classroom. I did understand very clearly what it was like to be able to meet the needs of the students. I have concerns right now. I have concerns with this budget. School programs are the heart and soul of every school, and this minister knows nothing about education. Nothing. My goodness, you have to be able to understand what you are talking about. I do not care how many bags of money you pick up and you throw at an education system, you have to be able to know what is important to the students.

School programs: Let me tell you about school programs, and you can judge for yourself if school programs are useful to children. If you look at school programs, it is things like program development. Program development has to do with developing curriculum. It has to do with support materials. It has to do with distance delivery courses. It has to do with technology. It has to do with learning and assessing. That is program development because in schools it is very important to the students that they have all these critical areas in place.

Program implementation is what I was a part of for years when I worked for Manitoba in Education and Training. That is part of what I saw and did on a daily basis with the Advisory Councils for School Leadership. I talked with my colleagues at Manitoba

Education and Training. The program implementation provides support for the schools related to curriculum implementation. It is the school plans. It is the special education and the other special programs that we have that indeed are supported by categorical grants.

Mr. Deputy Speaker, another aspect of school programming is student services. That is why I was trying to find out what was happening with these visually impaired students and the hearing-impaired students. In terms of the educational programs for our students, the school programs are the most crucial part of our education program.

When I look at this budget and we see the cuts that are put into School Programs, we have to question the Minister's understanding of what makes the heart and soul of a school work. We have to understand what causes students to learn. So you can throw money at the education system. There are some good things; there are some not-so-good things. It all has to do with understanding what happens right in the classroom.

What classroom teachers care about is teaching the students. They care about the programs for the students. They care about the assessment of the students. They care about the development of the students. I know that because I taught for 22 years. I know that because, when you see a child develop, it does your heart good. When you see a child do better, it does your heart good. I have to say that when you see a budget that is negligent in the School Programs area, the school system is in serious trouble, special education, all the programs that envelop the running in a school building. It is very, very important that we have the school programs.

In this very serious consideration, I want it on record that I see the members opposite being very callous about the fact that I am talking about the education of the children in Manitoba. We are off television right now. I am trying to say that in school programming, we should not be cutting close to \$10 million. It should not be happening.

Let us talk about assessment and evaluation. Assessment and evaluation is something that our parents across Manitoba fought for. They said we want to know where our children are at, what grade level they are performing at. We want to know if they are ready for the next grade. Teachers wanted to know that too, and they wanted the supports put in so they were able to bring those children up to their grade level.

When you look at this budget, Mr. Deputy Speaker, here we have a budget that has cut Assessment and Evaluation roughly \$6 million, yet we have a brand-new test. Now, when this side of the House designed the Grade 3 test, it cost a lot of money to do that. We had to get teachers in to design it. The teachers are the experts in the field. We had to get teachers in to correct the test. I know Minister Caldwell is aware of that because Minister Caldwell, himself, when he was a member opposite—

**Mr. Deputy Speaker:** Order, please. May I call to the attention of the Member that members of the House should be referred to by their title, not by their name.

**Mrs. Smith:** Thank you. The Minister of Education (Mr. Caldwell), himself, knows well about correcting these tests because I understand that before he became Minister of Education, one of his jobs was correcting Senior 4 tests. Now, I think that he knows full well the importance of correcting and the importance of assessing.

Now, in view of that, Mr. Deputy Speaker, I am very concerned about the fact that this diagnostic test, what it is going to look like. Is it going to be a checklist, or is it going to be able to actually diagnose and assess a student?

When you see the cut to School Programs in this new budget, I find this, as an educator, to be a very scary thing. I think in the year 2000, we have to take a look, first of all, at what is good for the students, and, you know, this government had the rare opportunity of coming into a province that was set up so nicely for them. They came into a balanced-budget situation. They came into transfer

payments that were unprecedented in this province, so they had every opportunity to shore up School Programs.

It was not like before when the members on this side of the House had to pay down a deficit at a million dollars a day and had to try to keep the economy going. So when I look at this, as Education critic, and when I hear members opposite say that maybe I am not sure what I am talking about, well, I wonder if they would say that to all teachers who have been in the classroom for 22 years and have experienced what it is like to develop a child and have that child in your class maybe two or three years. It is more than politics. It is more than shouting from the other side. What it is we have to sit down and take a close look at the heart and soul of our school programs.

\* (16:00)

Mr. Deputy Speaker, school programs for knowledgeable educators are an integral part, a crucial part, the heart and soul of the programming for students across Manitoba. Without proper curriculum development, without new curriculums, without special education supports, without supports for teachers on the program implementation side. We are without a vision and a guide. We are without the ability to be able to see those students be successful academically and socially in the schools.

I am concerned about the teachers. We have many, many teacher friends. My husband is still a teacher. We often have them over on the weekend and talk. Do you know what they are worried about? They are worried about exactly what we are talking about today, school programs. They are worried about where they are going to get the resources to implement the programs, how they are going to shore up the special needs children that they have to deal with on a daily basis.

The members opposite and the Minister of Education (Mr. Caldwell) should be well aware that we have an increase in special needs children. We have an increase in ADD children. We have an increase in discipline-challenged children. This is all part of our

educational system. Without the money to do it in an economy where they were given as a gift a balanced budget and transfer payments, members opposite can be reminded that this province was almost at the bankruptcy level when the Tory government came into power approximately 11 years ago.

Paying down a million dollars a day debt is not something you have to do now, but what you have to do is take a look at the education system, get some people on board that understand the education system. If they could get an understanding of the education system, it takes more than just shouting down the Education critic from the opposite side. What it does is it takes developing school programs so the programs within that school meet the needs of the students. This is not happening now. We need to have people in place that have been real teachers, that have been in the classroom, that understand exactly what is going on in the education system. Things and gaps like this would not be happening.

I present to you the fact that we have to have a vision for our students in this province. We have to support our teachers. We have to be listening to what is needed in the classrooms on a daily basis. This is not politics. This is not members opposite shouting me down, screaming. What it is is sitting down with the experts, who are the classroom teachers, and asking: What do you need in your classrooms? How can I assist you? I can assure you that you do not assist teachers when you cut approximately \$10 million and the heart and soul of school programs, of schools.

In education, we have to have the competence to be able to understand the heart and soul of the education system. School programs definitely are that heart and soul. The students are the people who suffer. The students are who we should be caring about. Mr. Deputy Speaker, in an economic climate like we have in Manitoba where they have had a gifting of transfer payments, they have had a gifting of a balanced budget, where that gifting has come to them, now they need the understanding and the expertise to be able to put school programs in.

Do you know, it is sad, but no amount of screaming and yelling across the way as we are talking about shoring up the educational system and putting the school programs in place and avoidance of answering questions when they are asked in the House is going to solve the problem. We need to answer these questions.

**Hon. Drew Caldwell (Minister of Education and Training):** As the Member for Brandon East, I am very pleased with the balanced, responsible and positive budget tabled by the Government of Manitoba on May 10. In particular, the announcement of the Neighbourhoods Alive! initiative is the most positive news for the neighbourhoods of Brandon East in over a decade. For many years the people of Brandon have been excluded from urban renewal initiatives centred only on the city of Winnipeg. I am very proud that the Government of Manitoba has seen fit to include Brandon in its urban renewal plans. This is a first, Mr. Deputy Speaker, and speaks to the importance the Doer government places on achieving equity for our community.

The Neighbourhoods Alive! initiative addresses core area housing, neighbourhood improvement programs, poverty alleviation, job education and training opportunities, recreation opportunities for families, safety and a variety of other core area challenges that face not only the city of Winnipeg but the city of Brandon as well. It is high time that Brandon was included in urban renewal initiatives, and, as I said, I am very, very pleased that the Doer government has chosen to include Brandon in such initiatives. The people of Brandon East stand to benefit significantly from achieving the degree of equity that we did in this budget for issues of urban renewal. I want to put that on the record because it was something that was sadly lacking over the previous decade.

With regard to the Budget as a whole, and I will make some comments in that nature before I move on to Education and Training and respond to some of the education and training issues that have been raised over the course of this budget speech, not only from the

Member opposite who just spoke but from other members in their remarks earlier this week and last week.

I want to quote from the Nesbitt Burns senior economist, Douglas Porter, speaking about the Budget tabled on May 10. Mr. Porter states: The Budget deserves high marks for improving the transparency of Manitoba's finances.

I think that speaks volumes about the shell game that occurred in terms of the sale of the Manitoba Telephone System, the sell-off of MTS, and the shell game of moving monies from that windfall sell-off, moving it into the budget and calling it revenue to balance the Budget. That was duplicity, sleight of hand of the highest nature. I believe also the remarks of Mr. Porter from Nesbitt Burns speaks to the issue of unfunded liabilities in the pension issue. For decades the unfunded liabilities in the civil service pension and the teachers' pension have not been reflected in the books of the Province of Manitoba in terms of budget statements. We have, Mr. Deputy Speaker, in this budget, gone a long way to providing transparency for the people of Manitoba in terms of budget figures and gone a long way in terms of providing sound accountability, transparent accountability and sound business principles.

I know that there is this myth out there that perpetuates the novel idea that members opposite are the sole party capable of sound business practices in their budgetary decisions and their fiscal management. There has been a cavalcade of evidence to the contrary, from the casino issue, the overspending on casinos, the current gaming scandal that is in place in the province of Manitoba, the sell-off of MTS, and moving the money around and calling that money "revenue" in a budget, the SmartHealth issue, or DumbHealth, as we like to call it over here, massive squandering of resources.

In my own department, the Member opposite made some remarks about the cuts to education budgets. Indeed, we did take an initiative this year to streamline the delivery of resources into the classrooms of Manitoba. In my own department, in my own office, we

were so top-heavy with senior bureaucrats that I could hardly walk into the office without tripping over an executive director, ADM or deputy. These are all high-paid, high-salaried senior civil servants, and the civil servants in the Department of Education work very, very diligently providing excellence in education in the province of Manitoba, but we were so papered with senior management positions in there, in the department, in my office when I assumed the office, it absolutely flabbergasted me.

\* (16:10)

As much as I like to try and believe otherwise, I, too, had been somehow blinded to the fact that there were severe management problems and management issues associated with the previous government. It is a fact that is becoming more and more apparent to the people of Manitoba daily as we—*[interjection]* The Member says: They were not good managers, were they? Indeed, the Member is right. They were not good managers.

Mr. Deputy Speaker, the cuts that the Member alludes to in her remarks primarily are associated with the assessment regime that was put in place by the previous government. We believe, quite rightly, that it is far better to put those dollars into the classrooms of the province of Manitoba rather than into centralized marking, of which I was one of the centralized markers of the previous system. The money that came into my pocket, in my opinion, would be far better used in the classrooms of the province of Manitoba, in the hands of trustees, in the hands of teachers, and contributing toward classroom resources for the children of the province of Manitoba.

So, Mr. Deputy Speaker, I got a little bit away from my wish not to address education issues until I had talked more globally about the Budget as a whole, so, yes, I did digress a little bit. I will get back to some other comments. Analysts with Nesbitt Burns and Scotia Bank group say that middle-income families in Manitoba will enjoy a competitive tax regime with this current budget. Councillor Dan Vandal from the City of Winnipeg states that this government has done more for the

City of Winnipeg in this budget than the former government did in the last 10 years. The Child Care Association of Manitoba says that funding has been stagnant for 10 years for child care in the province of Manitoba and that facilities have been starved, and we need at least 200 more workers to operate at maximum capacity for the child-care needs in our province.

Mr. Deputy Speaker, this government made a considerable investment in child care in this budget. I think that is strong recognition of the importance that this government, the Government of Manitoba, places on children in this province. We are committed to providing resources to benefit children in the province of Manitoba. We are committed to providing resources that will benefit the public and post-secondary education system in the province of Manitoba, and we are committed to a balanced approach which will deliver to the people of Manitoba tax cuts this year, real tax cuts for the first time in many, many years, as well as a regime that provides growing resources to those areas that Manitobans perceive to be the most important areas for government involvement, which are health care and education.

So, Mr. Deputy Speaker, we will review some of the facts of the Budget as it relates to Education and Training in the province of Manitoba this year. We will address the facts as opposed to the myths that some of the members opposite wish to perpetuate. Overall spending in Education and Training in 2000-2001 will reach \$1.4 billion, the largest it has been in the history of this province. The overall expenditure increase over last year, not including the multimillion-dollar investment in property tax credits, is 4.5 percent. Highlights of the Budget include a \$30-million increase to public school funding, the single largest injection of funds in over a decade, into the public school system. Highlights also include a 10% reduction to college and university tuition fees, an \$8-million benefit to the students of the province of Manitoba. This government believes in an affordable education for the youth of Manitoba. We believe in accessibility into the post-secondary institutions of the province of Manitoba, and

we will act in that interest throughout the course of our mandate.

Mr. Deputy Speaker, we also have achieved a \$10.8-million overall increase in the base operating grants support to colleges and universities in our province, an increase of 3.8 percent, again the largest increase in nearly a decade to the college and university system in our province. An additional \$5.1 million has been allocated in this budget year to begin to achieve the college expansion initiative, which is geared towards the doubling of college spaces in our province over the course of the next five years.

The Government of Manitoba has made a long-term commitment to increasing funding to public schools at the rate of growth of the economy. This is extraordinarily good news to business planners, the secretary-treasurers of the school divisions of our province, who for a decade have been confronted with attempting to create business plans in conjunction with the party of sound fiscal management across the hall here, who have been trying desperately to try and create sound business plans based upon \$10-million cuts one year, \$10-million injections the next year, \$20-million cuts the next year, followed by \$18-million cuts the year after that.

There has been no long-term planning, no long-term fiscal management in place for the public education system in the province of Manitoba in the last decade. This government is committed to working with our partners in the public school system to achieve sound, stable funding for our public school system in accord with economic growth. We are committed to providing a stable environment for making business plans with our partners in the public school system. That is the best news that trustees and business officials have seen in the public school system in the last decade. We finally have a system of management that will provide for stability in the public school system and provide for solid partnerships in the public school system.

On February 1, 2000, I also announced a total of \$811 million to be used in the public school system in the 2000-2001 school year.

The actual increase for K to Senior 4 programs is a 2.6% increase, which equals the rate of economic growth, which was an election commitment that we made in August of this year. I am very, very proud that this government, unlike the members opposite when they were in government, is determined to fulfil its election commitments. Indeed, every action that this government has taken since being sworn in has been towards fulfilling election commitments that were made during the election campaign, and that will guide us throughout the course of this mandate and into the next one.

Mr. Deputy Speaker, another feature of the Budget in terms of the public school system was the degree to which funds were allocated in the system. Previously the Minister of Education in the previous administration saw fit to direct funding in a very broad way to categorically determine where provincial funding was going to be spent at the local level.

I am always quite amused when members opposite talk about school division autonomy as it relates to the Youth News Network and the direct incursion that the YNN news commercial venture was making into the curriculum time, in fact the infrastructure of our public school system and the remarks that they make in terms of school board autonomy in that sense. Incidentally, curriculum is directly a matter of responsibility for the Department of Education and Training.

Mr. Deputy Speaker, in contrast to the practice that existed over the last 10 years whereby the Minister of Education directed where monies were going to be spent at the local level, a clear incursion on autonomy of local divisions if there ever was one, this government has this year made a commitment and in fact delivered on the increased funding that we have provided for the public school system to put that funding to base support, which means that local school divisions have the greatest autonomy in determining how those dollars are spent.

We believe on this side of the House that the best determinant of how resources should

be spent at the local level are, in fact, the local school trustees. They have the best ideas, the clearest perspective on the needs of their local division. I was very, very pleased that 75 percent of the increased funding to the public school system this year was for base support and not directed categorically, as so often was the case in previous administrations.

Mr. Deputy Speaker, the Public Schools Capital Program is another feature that I am very proud of in terms of this budget and its expenditures on the school system in the province of Manitoba. This year \$51.2 million has been allocated for capital in the public school system for 2001. This is the largest schools capital spending program on record, and we in the Government of Manitoba are very, very proud to be able to make that announcement earlier this year.

There is a long, long way to go to begin to make up for the capital deficit that exists in our public school system, a capital deficit that has been estimated to be a quarter of a billion dollars due to the ill-conceived fiscal decisions of the previous administrations in terms of their continual cuts to the public school system. We realize that there is an awfully long way to go to be able to redress that capital deficit, the shameful legacy that was left from the last 10 years of funding announcements in the public school system. But, with the addition of \$51.2 million this year, as I said, the largest increase on record, we are beginning to redress that capital deficit in partnership with trustees throughout the province of Manitoba.

\* (16:20)

This capital program announcement represents an increase of 7.6 percent over last year's level, and the funding will result in more than 170 capital projects, including major construction and renovation projects, critical structural repair projects, and \$7 million for the Aging Buildings Program this year alone.

Mr. Deputy Speaker, the Schools Capital Program is expected to create about 750 jobs this year. I should address, although it is not so

much an issue of direct concern to education funding, it is a concern of the Government of Manitoba. It is a concern of all of us on this side of the House. It should be noted that this budget provides an increase of \$75 in the property tax credit to every Manitoban this year. This increased credit is available to resident homeowners as well as renters. The total property tax credit now represents \$325 a year.

**An Honourable Member:** Good news for Manitobans.

**Mr. Caldwell:** It is very good news for Manitobans.

Special needs funding. I know that the Member, the honourable critic, the last couple of days, has been raising the point of some of the cuts that we made to expenditures in assessment. She has been somewhat confusing them with budget issues around the School for the Deaf. I think perhaps she is getting a better handle on it now as the debate proceeds. In terms of special needs funding, the 2000-2001 budget increased special needs funding to the tune of \$6.4 million. The per-pupil rates for special needs were increased at all three levels this year, the first time that has occurred. Level 1 funding was increased by \$1.8 million or 4.1 percent and is now at a level of \$42.6 million. Level 2 and Level 3 funding increased by \$4.6 million, or a whopping 13.9 percent, and is now at \$37.4 million.

Our commitment to special needs programs in the province of Manitoba is unassailable. As well, in the public school side, the Division scolaire franco-manitobaine has been recognized by this government in terms of concluding an agreement in principle between our federal partners to provide an additional \$15 million in provincial funding support to the Division scolaire franco-manitobaine, and that is an achievement, I believe, that is of considerable importance to minority language rights in this province.

Post-secondary education. In terms of post-secondary education, this government is committed to partnering with universities and

colleges in the province of Manitoba to provide a system of post-secondary education in the province of Manitoba that will be second to none in Canada. We are also committed to providing real hope to Manitoba's young people in terms of an affordable education, an accessible education for every Manitoban, not just the few who have the resources or the wealth to be able to afford it. Towards this end, we have provided for a 10% tuition reduction for the 2000-2001 school year. This tuition reduction means a direct saving of \$8 million to post-secondary students in the province of Manitoba. University students will save about \$300 per student and college students will save about \$150 per student this coming academic year.

The Budget also provides for \$8 million in funding to reimburse post-secondary education for the tuition reduction. We will take full responsibility for paying for that commitment. Manitoba's university tuition fees will be the third lowest in Canada, while college fees will now be the lowest in Canada. The Government of Manitoba is committed to doubling the college enrolment over the course of our mandate. Government is committed to providing new hope for young people, greater access to colleges for underserved populations and to addressing the emerging skill requirements of the Manitoba economy. This budget includes an additional \$1.9 million to the college's base budgets and \$5.1 million to the college expansion initiative.

**An Honourable Member:** Hey, Drew, I am listening.

**Mr. Caldwell:** The member for Springfield (Mr. Schuler) is encouraging me, Mr. Deputy Speaker, and I thank him for that.

In addition, the Winnipeg Technical College will receive at least an additional \$250,000 for college programming in this budget. Colleges in Manitoba will continue to support the expanding nursing education program in the province. An additional 325 seats have been approved this year for a variety of other programs. In terms of university operating grants, base operating grants at the universities and colleges

combined will increase by approximately \$10.8 million this year, a 3.8% increase. This does not include the \$5.1 million college expansion fund. These are the largest increases to our post-secondary system that we have achieved in the province of Manitoba for a decade.

There will be an overall \$8.9-million increase in operating grants to the universities in Manitoba. Each institution, of course, will not receive an automatic 3.8% increase. Funding will be different for each institution as per funding formulas. The University of Winnipeg will receive a 5.7% increase to correct historic underfunding relative to other institutions, and other institutions will receive funding levels that they have not seen for a number of years. These reflect increases across the system.

One of the most exciting initiatives that was announced in this budget, and I am very pleased to go over it again during this budget debate, is the establishment of a new bursary program for the province of Manitoba. There has not been a bursary program for students in Manitoba for the better part of a decade. In fact students in undergraduate programs, this will be the first time in their academic life that they will be seeing a bursary program in the province. The Government of Manitoba this year allocated new funding in the amount of \$5.9 million to establish the new bursary program. This bursary program will assist between 2600 and 5000 students in the province of Manitoba in 2000-2001.

Equally important, the new provincial bursary program will generally provide assistance to students who are ineligible for the Canada Millennium Scholarship bursary program. First-year students will be eligible for the Manitoba bursary program, as will graduate students in our post-secondary system. This inclusion of these two groups goes a long way in providing all students who attend post-secondary educational institutions in the province with opportunities to access bursary funding.

The new bursary program, I am very pleased to state for the record, was developed

in partnership with student leaders. We had a number of consultations with presidents of the student associations and student unions at the universities as well as the student associations at the community college to fine-tune the bursary program in the province. That input was vital in developing a program that was based upon need. It will apply to students with loan debt in excess of \$6,000, and we will be working with student leaders in the future to further refine initiatives, working with students.

\* (16:30)

**An Honourable Member:** What a change.

**Mr. Caldwell:** Mr. Deputy Speaker, one of my colleagues says working with students, what a change. I believe that does reflect indeed a change in the approach that this government, the Doer government, has in our relationships with students, with professors, with administrators in our post-secondary system.

The new bursary program, as I mentioned, will be based on need, something that the student leaders of the province of Manitoba urged the Government to very strongly place as a criteria in the development of this bursary program.

In the future, government will work with student leaders to further refine this program and develop other exciting initiatives geared towards providing an affordable and accessible post-secondary education to all Manitobans in the province of Manitoba.

Mr. Deputy Speaker, I do not want to dwell any longer on Education and Training highlights for this budget. Suffice to say—

**Some Honourable Members:** Dwell on it.

**Mr. Caldwell:** Some of my colleagues are urging me to dwell on it, because it truly is a good-news budget for post-secondary education and the public school system in the province of Manitoba, in both instances the best news that those education systems have had in over a decade.

*Mr. Harry Schellenberg, Acting Speaker, in the Chair*

So, Mr. Acting Speaker, just again, before I wrap up my remarks—I have a few more minutes here—I just want to say again, as Member for Brandon East, again, I am very pleased with this balanced, responsible, positive budget. The people of Brandon East, the citizens of Brandon East, those who live in the inner city of Brandon East, in the poorer neighbourhoods of Brandon East will greatly benefit from the announcement of the Neighbourhood Alive! initiative.

As I mentioned earlier, it represents the first time that an urban renewal initiative that has traditionally been centred within the Perimeter can be utilized outside of the city of Winnipeg. The people of the city of Brandon stand to be the beneficiaries of that wisdom, the wisdom that enabled this program, this urban renewal initiative to be able to take place in the streets and in the communities and the neighbourhoods of Brandon. I think it is very, very positive that the Government of Manitoba has recognized that what is good for urban renewal in the city of Winnipeg is also what is good for urban renewal in the city of Brandon.

I want to here thank my colleagues in government for recognizing that Brandon is truly an equal partner in urban issues in the province of Manitoba. Thank you very much, Mr. Acting Speaker.

**Mr. Larry Maguire (Arthur-Virden):** Mr. Acting Speaker, it is a pleasure for me to stand, to rise in this House today to put on the record a few words on behalf of the constituents of Arthur-Virden, to deal with this flawed budget that has been put before us, particularly in a time of need of the farmers and the communities of southwest Manitoba.

I thank the honourable Industry, Trade and Mines Minister yesterday, for the opportunity of going out with her and some of her colleagues to Virden, to my home constituency. It was nice to see them there taking part in the situation of the Mining Week in regards to the Manitoba Oil Show that took

place out there last evening and is on yesterday and today actually.

Before I get into a number of the critical parts of this budget in regards to the expenses side, the taxation that the people of Manitoba are going to be faced with in the future, I would just like to talk for a moment about the revenue side. It seems to be the part of this budget that many people have not focussed on.

This government has tried to bring a balance in, and they have said why did we not do it? The colleagues that preceded me in this House from this party certainly, I would believe, dealt with some of the hardest issues that had to be dealt with in this province's history. The former Member for Turtle Mountain, who was deceased in December, Mr. Bob Rose, I mentioned to his family many times that he probably was a neighbouring member to my constituency during one of the toughest times in this province's history. The period from 1984 till '88 left us with a \$5.4-billion debt in this province as we were talking about earlier today, and it is very hard to turn that steamroller effect around and come back to the point where we have deficit-free budgets, never mind being able to reduce the debt.

I am quite proud of my colleagues that have preceded me because of their efforts in trying to bring in that balanced approach to what we needed in Manitoba, where we had to get the spending under control and deal with the kinds of revenue situations that would provide us with the opportunities to have better education and better health care in the future and, once in a while, when a need arises, as it certainly has in southwest Manitoba, to use some of those funds to deal with disasters of various natures that have come about around this province from time to time.

The point I would like to make, Mr. Acting Speaker, is that this government, due to the sound policies that have been put before them, has come up with a budget that has an estimate of revenue of over \$500 million more than this province has ever had before. One of my colleagues that preceded me in speaking to

this budget indicated that, man, would they ever have liked to have had a year anywhere along the last 10 years when you could have had \$500 million extra, if you will, of revenue that had not been there in previous budgets. That is the kind of growth that sound deficits and balanced budgets will bring. They will attract people.

I wish that the Budget of today had come forward with a similar kind of view for the future. I have a document here of one of the press releases that was put out by the Government on the day of the Budget. It says, and I heard the Finance Minister say it himself when he was in the House giving the Budget, that he felt that their budget was creating new hope for young people.

Mr. Acting Speaker, what hope have these young people got when they are now the highest taxed citizens in Canada? They pay the highest provincial taxes that this country will avail upon the citizens in the various provinces throughout this country. I do not believe that is a sound future for the development of our young people and the development of the businesses and industries that we have in this province.

So where does this \$500 million come from? We have heard the number before, but \$300 million of this money comes from increased taxation right there in the Government's own revenue outline for the future year. Federal transfer payments also make up for the other \$200 million. Now, we just heard the Member for Minto (Ms. Mihychuk), the Industry, Trade and Mines Minister, speak Monday about how important Mining Week is to the province of Manitoba and how the mining industry is. She made a very sound proclamation that we all back in this House for sure about the importance of mining to this province.

Mr. Acting Speaker, the revenue inside of the Budget that has been presented to us shows that there is \$65 million increased revenue from mining taxes in this province. The retail sales tax increased by \$40 million. Corporate taxes are up somewhat from where they were as well. So the members make the point that

they have not brought in at least any new corporate taxes.

I would say that they are only able to increase that a small portion because of the work that the PC government did in creating more business with the balanced budgets. Those initiatives have certainly paid off over the last 10 years.

Now, I know that the members opposite in the Government today are feeling strongly that that increased opportunity and optimism in this province are going to continue and that that is probably where they are getting the increased revenue, increased opportunities to continue to put up those numbers and increased taxes from increased companies and that sort of thing coming into Manitoba.

But already we have seen that that is not the case, and we are only a week and a little bit past, only eight days, past the presentation of the Budget in Manitoba, with citizens already talking about—I will not go into repeating what my fellow colleagues have done with many of the press statements that we have seen from various organizations and community members throughout, not only the city of Winnipeg, but the whole province of Manitoba, in regard to the dire circumstances that they feel that this kind of a budget will leave us in as far as attracting new business and opportunities for our youth in this province.

We have to make sure that the kinds of initiatives that were in place before, in future budgets at least from the members across the floor, are there to make sure that taxation is reduced so that we can have the sound health care and educational opportunities for our youth to stay in Manitoba and in fact bring back some of the ideas that we put forward in our own election platform last fall in regard to giving our youth the opportunity, once they are trained in this province, a bit of a break in order to get them to settle in this province and keep them here and be proud to call Manitoba their home.

\* (16:40)

That is all I would like to say in regard to the revenue side of this budget. I guess I would like to make a couple of points on taxation before I move on. Obviously, in this budget, as has been pointed out many times, and I just want to say it one more time, on page D14 in the Manitoba budget document that has come out, Budget 2000, that it does leave Manitoba as the province paying the highest provincial income tax of any of the provinces in Canada. Albeit, through sound management and the opportunities that are here, we are able to keep our living costs somewhat down from some of the other provinces and that Manitobans will, we hope, fare much better in the future.

But, when you have an opportunity to give people the incentive to locate and stay here in this fine province, and their mortgage costs are somewhat down, their property taxes are competitive with other provinces, a number of the utilities that they need are competitive, then why would we be allowing ourselves to be the highest-taxed province in the land? It is a shame that these taxpayers are not going to receive the benefits of the hard work that has been done over the last 10 years and that we will see the opportunity to increase business and opportunity for our youth to stay in this province.

One of the areas I am responsible for is being the deputy critic to Agriculture. Our Agriculture critic, the Member for Emerson (Mr. Jack Penner), has certainly made reference to that in his opening remarks today after the Budget came down, but there are a few issues that I feel strongly about myself and want to make sure that we put them on the record.

I want to alert the members across the floor, particularly the Minister of Agriculture (Ms. Wowchuk), who is with us in the House today, that there are severe cuts in this budget to agricultural research. I want to also point out that, with absolutely no increase in the Budget in Agriculture, that I find it very distressing, as Manitoba has been faced by the federal government in a position where the Crow benefit was taken away completely at a time when we have to diversify more than we

ever have, and Manitoba farmers are diversifying. I give credit where credit is due. Manitoba farmers have done everything they can to diversify over the last three or four years since August 1 of '95 when that Crow benefit was struck from the record of Prairie farmers' ability to handle increased freight costs that have been forced upon us by that move by the federal government.

But one of the areas in which we had an opportunity to do some very valuable growth building in the agricultural diversification area was in the ARDI program, the Agricultural Research and Development Initiative, which was jointly funded by the federal government and the provincial government and of which I had the opportunity and was proud to have been appointed a member of, along with some of my cohorts in the province and the federal appointees as well. It was a nine-person board looking at being able to deal with private initiatives that came forward to us from all over the province of Manitoba.

Those initiatives, by not funding this budget up to the \$2.6-million level that was there and cutting it back to the \$1 million mark, is not just the \$1.6 million that the provincial government did not put forward in the Budget today, but also those were matching dollars in 50-50 programs by the federal government. We have not had the opportunity, Manitoba rural areas, rural farmers and rural citizens in rural Manitoba, to expand those diversification initiatives and create those small enterprises, sometimes adding to ones that are presently there and going forward with the kinds of structures and businesses that we need to do things like cubing of alfalfa in the future or packaging of beans, peas, lentils, special crops and others in new forms that people with initiative out there are doing today. Some of it was in the area of machinery as well.

So we may lose some of that opportunity, and it is a shame because those projects, before they could even be looked at by the program, had to receive 50% funding, or at least it had to balance out at the end of the day to 50% funding of the private initiatives versus government initiative. So we lose an extra

amount in there because the private industry will not be matching that \$1.6 million either, or their share of it.

I just want to put on the record that that has been a very distressful situation for me as a farmer and an industry leader in the past to look at the kinds of opportunities that will be missed by just little things that were not big budget items in the Budget, that have been slashed, not completely cut out albeit but slashed out of those programs.

Now, we know that there are long-term developments going on in the areas of long-term safety net needs for our industry and agriculture, and from a government's position that is where we should be putting some of our energies. Governments should not be out there handing 100% dollars to those initiatives to get people started in some of those industries and help them out in that regard. But we have also see an area where Manitoba Agricultural Credit Corporation has been cut back drastically in regard to the amount of dollars that have been available for it as well. Over the last few years, that was an extremely important venue for young farmers and established members of the rural communities to come forward.

My colleague for Lakeside, I was quite proud to see him during the situation last year that the farmers in southwest Manitoba were in, and the cause of low commodity prices forcing down the incomes of grain industry particularly and the pork industry at that time, that there were dollars that came forward from the government of the day, our government, my former members, to try to support those industries as they developed in the agricultural community out there and made an effort to continue to keep them going in the province of Manitoba.

But enough for that, Mr. Acting Speaker. The other initiative that I want to make sure that is on the record is that this provincial government has made the point of showing in the Budget that they do not understand the severity of the situation in southwest Manitoba. The \$71 million that was spent in southwest Manitoba, from the previous

government, was not put forward in the Budget as a detraction from the amount of money that was in the Fiscal Stabilization account of the day, as they agreed last summer in this House to come forward with and make available to those farmers. The money was paid, albeit, but the Government has now chosen to say that that should be just an expense item in the Budget and not, as agreed upon, taken out of the Fiscal Stabilization account.

So where, in fact, they have taken out some \$90 million now to look at a portion of that going towards paying down the debt, they have in fact really only taken out a fraction of that, perhaps some \$19 million to \$20 million, because there was \$71 million already coming out of that Fiscal Stabilization account, by agreement of this House, previous to this budget coming down. I find that the kinds of things that have been done in this budget that mislead, from a government's perspective, the citizens of Manitoba in regard to them coming out and saying that there is a \$10-million surplus in this budget.

Mr. Acting Speaker, they have not only misled in that area, they have misled us in regard to the way that they have consulted with citizens throughout the province in regard to whether it was casinos or whether it was in Highways or whether it was in Education where they have cut some \$9 million out of courses—*[interjection]* As my honourable colleague just pointed out, there has been \$9 million cut in that educational area. They also pointed out that there was a \$10-million cut in Highways.

\* (16:50)

I do want to point out that this highways cut from the operations of the Highways budget will impact on rural Manitoba where the diversification is taking place the most that I believe, as the Premier (Mr. Doer) stood in this House and said that he had negotiated that, that they failed in the negotiations there, just like they failed in the negotiations or were poor negotiators, one or the other, in regard to dealing with the federal government for

disaster aid for the farmers of my region in southwest Manitoba.

They failed from the point of view that they probably thought their friends in Ottawa were going to give them the \$7 million a year that they say they are getting back under the transportation changes that are coming forward from the federal government in regard to the grain and freight restructuring in the prairie region. We will get approximately \$7 million a year, but perhaps they thought they were going to get 10, so that is why they cut 10 out of the budget for rural roads at a time when they are needed more because of the diversification and the increased hauling of special crops and products and livestock that is needed in our region.

I only hope, on behalf of the rural citizens of this province, that this government does not detract from spending those \$7 million, which they got from grain rate changes in the region that is most hard hit by the movement of grain in the future, and that we not only build them for the large companies that may want a paved highway or an ARTAC road to their elevators to continue to export bulk product out of this province, but that \$7 million should be targeted at diversification and the products and the kinds of industries that we have in this province that will help move the grains that we have to where they can be further processed in this province.

Right now, the largest opportunity, one of the largest opportunities we have in that area is in the livestock sector, whether it is the expansion of beef, or whether it is the expansion of pork, or whether it is in the feather industry where we have unlimited opportunity in the feather industry and the dairy industry, and I believe that we have an unlimited opportunity in some of the supply management sectors that we have in this province. We need to make sure that our economy continues to grow through sound management of the infrastructure that we have to move that product and get it to the position where we can export the processed product out of this province, as opposed to the raw material.

Mr. Acting Speaker, due to time, I will not have the time to get into a number of the individual line items in regard to percentages of taxable income of tax that will be paid by individuals in this province. We could take another 15 or 20 minutes on that, but I know that there is another one of the members of the government have to speak and our own leader would like some time this afternoon, as well.

So I want to wrap up, I guess, by making some comments in regard to the situation in southwest Manitoba. I heard the Premier (Mr. Doer), in his last few remarks to this House, say that he was voting for this budget because, in his words, it was voting for families. Well, what happened to those families in southwest Manitoba? Did they just simply fall through the cracks? There has been absolutely not one dollar targeted to that region by this government and this Premier. I think that that is the point I want to make, that with still no aid for southwest Manitoba we have to very clearly look at a government that had \$500 million extra money in this budget and put nothing into that rural area. That is why I have the fear that they will not spend those appropriations that have been granted to them in the area where it is needed the most in that kind of development.

Thank you very much, and I look forward to being able to go a full 40 minutes in the next budget that this government brings down, which I hope has some sensible common-sense arrangements for better tax reductions in the province of Manitoba so that we can have a more balanced approach in the future. Thank you.

**Hon. Ron Lemieux (Minister of Consumer and Corporate Affairs):** Mr. Acting Speaker, as the Member for La Verendrye, it really does give me a great deal of pleasure to stand up to support this budget. I have to say there are a couple of points I want to make with regard to the Budget. I realize that time is of the essence, and I will certainly try to make my comments brief.

What I would like to do is I would like to talk about a few things, some being the points I am going to raise now: rural Manitoba,

education for our children, health care, taxes, balanced budget, debt reduction plan, families and children, North and Aboriginal people, conservation and economic good news all around.

I will attempt to touch on a few of these topics, but before I do, I would like to address a couple of points, one being, and this is something I thought I would try to restrain myself from doing but I have to address this. This deals with the comment that was made by the Member for Steinbach (Mr. Jim Penner), with regard to infrastructure projects, projects that deal with highway construction and so on. The point I want to make is that the Member for Steinbach mentioned—I will try to not necessarily quote word for word but certainly I will try to give you the gist of what is said and what is recorded in Hansard—saying that this particular government, making reference to myself about the Member for LaVerendrye, may pass comments that he is the voice for the southeast or south in Cabinet and it appears he has failed, despite his best efforts to convince his colleagues of the important contribution our southern road systems make to the economy. He needs to talk to his colleagues about the importance of maintaining a part of our economy that is actually working instead of just throwing money at parts of the economy where we will get no return.

The points I want to make are two: Throwing money to where? To the North? Is he trying to expect us to believe that any monies that we put into the North, that it is throwing money away, that there is no economy at all in the North?

The second point I want to make is the point referring to southern Manitoba. Now this document—and I have not had the opportunity to talk to the Member for Steinbach about when he made these particular statements, but when he made these statements we had just made an announcement, in the morning, about a construction project on the twinning of Highway 59 and flood protection, and in the afternoon I have to say that these comments were made. He either did not read the press conference or someone who had written his speech for him certainly forgot and neglected

to put this in. Now, I am proud to say, if there was a Hall of Fame for ministers of Highways, the Minister of Highways (Mr. Ashton) we have on this side of the House would get into that Hall of Fame without any waiting period whatsoever, as far as the people of the south are concerned.

Mr. Acting Speaker, \$15.5 million, I believe this is one of the largest projects in all of Manitoba. The largest, I am reminded, for this year, and no acknowledgement whatsoever. Also, what I would like to point out, it is not only the Member for Steinbach but it is also the Member for Emerson (Mr. Jack Penner) said, and I may be quoting wrongly, but stated not one thin dime would go into the south. So what I would like to do is certainly speak to that point, that what we are trying to do is have a balanced approach, not only in the Budget overall, but a balanced approach with regard to highways, education, health.

We want to take a look at all parts of the province, not just one area but all of Manitoba, including the south and the southeast which I represent. I just want to make a couple of final points with regard to highways, and I notice that there have been a lot of comments made about dollars and highways and so on, and I know that the maintenance side of the expenditure was increased by \$7.3 million to \$76.9 million, for a total capital maintenance program of \$177.4 million, up from \$170.1 million, up. Yet we hear a lot of criticism about the Minister of Highways (Mr. Ashton) and not doing enough. It is not enough; it is not enough—we continually hear this, and yet the feedback we have received is that this particular budget is certainly enough. Major, major improvements are made in a lot of areas that I just want to comment on, that I think a lot of people in Manitoba feel very strongly about. We have been getting excellent feedback from certainly not only my own constituents but constituents of many members in this Chamber.

Just a quick comment, Mr. Acting Speaker, I heard members opposite referring to the Irish example, the shillelagh approach, and I just want to comment about the Irish

example that they referred to. There are many right-wing politicians, CEOs, academics, commentators that have stated, to the point that Ireland is an example for Canada to follow. They attribute it to its current economic boom and low unemployment rate and to the decision of the Irish government to cut business taxes, but they conveniently forget to tell the whole story.

\* (17:00)

In addition to cutting corporate taxes by 10 percent, the Irish government has also made education free for everyone, including universities, tuition fees that had been eliminated, and hammered out a tripartite accord with labour and business on a range of labour conditions. We had a conference with regard to labour, business and government earlier in the year, and having all these three parties brought together, working closely together, trying to approach Manitoba's economy and what can be done not only for business but for labour as well as young people. It is very important to point out that we are looking at a vision. We are trying to formulate a vision. We believe we have one, but we are also trying to make sure that everyone has input into this.

We think, and certainly we have received enough feedback to say, that this has been very, very successful, and we only want to proceed on that path. I believe the Member for Minnedosa (Mr. Gilleshammer) commented on—I think it was the Member for Minnedosa—how he and his government of the day wanted to have discussion take place between labour, business and themselves, and, to their credit, they were successful in certain areas. They do deserve some credit because I believe that they certainly had the welfare of Manitobans and young people at heart. They tried to do what they could, and their approach on many levels should be commended.

The people of Manitoba made a choice as of September 21. They felt that their direction in certain areas was not where they felt it should go, health care being one. We have heard health care discussed on both sides of this Chamber. People of Manitoba have

spoken, and they felt that the approach of the previous administration and government was not the one they felt they should be following or certainly felt that that was not the approach—that government should not be heading down that particular path.

I just want to say, Mr. Acting Speaker, with regard to this budget, the Minister of Finance (Mr. Selinger) has laid out a plan and a vision. We have attempted to address our election promises. We have dealt with health care and hallway medicine. We have attempted to address serious concerns, and no one, even on this side of the Chamber—people would certainly agree that this is not an easy challenge ahead for our Minister of Health (Mr. Chomiak), and he certainly should be commended on doing what he has to date.

We realize that there are certainly many avenues and many challenges that lie ahead. We are not saying that all of those challenges have been addressed, and there is still some work ahead for us to do.

I just want to continue, Mr. Acting Speaker, by talking about certainly education being an important point. I just want to say that, as children reach school age, the parents need to know that their children will receive the quality education they need to prepare them for the future. I have dealt slightly with the health care issues and families and children. I want to now try to deal or at least pass on some remarks with regard to children and education in our budget.

The previous government year after year after year cut funds out of the public education system. They had their reasons for doing it. We are just saying that we have taken a different path and a different road.

I just want to comment that I know the Member for Dauphin (Mr. Struthers) mentioned and the Member for Brandon West (Mr. Smith) made comments on the consultation process that the Minister of Finance went around the province. I believe there were eight meetings that were conducted throughout the province. Even in my own constituency there was a meeting held in Ste.

Anne. Many of those individuals who attended those meetings were people of all political stripes, people who were apolitical but just had an interest in Manitoba's well-being, and certainly made comments on where they wanted us as a government to go.

Health care was one area they felt needed to be addressed. They felt education was No. 2, and they felt, with a lot of sincerity, that the well-being of the family as a whole and children and so on certainly are three areas of main importance. Those are the areas that our government certainly tried to address. We certainly tried to do what we could to try to address these serious deficiencies that were in our system and the system that we certainly inherited. As I mentioned previously, the previous government certainly tried to address it. They had their plan, and certainly the population of Manitoba spoke. They agreed that the vision we had, certainly the plan we had to try to address these serious concerns, they felt that they certainly would put their trust in us to try to address those concerns.

Once again, they are not easy. You know, sometimes it is a lot easier. Certainly on the doorstep when I was knocking on the door during the provincial election, it is sometimes very easy for members to slam the government of the day when you are going door to door. Once again, it is a realization that once you become government you soon find out that their areas are not so easy, as was mentioned. They are certainly not. I have to give you that.

The Member opposite says that, yes, I am glad you are the only one who seems to recognize that. That is not true. Many, many ministers on this side realize that. They have a plan. They have a vision on how to address that. We are not saying it is easy. We are just saying and the people of Manitoba are saying as well, you know, you have our trust, we are giving you some time, and we want you to try to address these very difficult situations.

I can attest that the Minister of Education (Mr. Caldwell), the Minister of Health (Mr. Chomiak), the Minister of Finance (Mr. Selinger) have a sincere consideration. When one mentions a minister, you are hesitant to do

that because you are going to leave someone out. Nevertheless, it is extremely difficult.

I mentioned about education of our children. As a former educator and a school teacher, this is an area that is certainly dear to me. I know that the Minister of Education certainly has a concern for education and all the stakeholders, whether they be parents, whether they be children and whether they be teachers or certainly trustees. They all have an important role to play within our education system.

We are certainly committed to stable education funding. I think that particular message that we put across to the taxpayers of Manitoba, I believe that all taxpayers believe that this is an important way to go. This investment certainly will lead to a highly skilled and valuable workforce in Manitoba for the future. I certainly feel that this year our government, certainly by announcing a \$30-million increase to public school funding, is in keeping with the rate of growth of the economy. It is the largest funding increase in a decade and certainly includes more resources for technology and students with special needs.

I know that certainly an increase, for example, of \$16.9 million in scholarships and bursaries is extremely important. Young people need this. I believe it was the Minister responsible for Family Services and Housing who mentioned the other day he is contacted by many people, and many young people, who have the ability, have the intelligence, that want to go ahead. They want to be productive citizens and contributing citizens to society. They cannot afford to go to university or community colleges for that matter. We have continually heard that for the past few years.

Again, an analogy might be where you have a young person who has the ability in sport, for example. They have all the tools, the skill, but they do not have the money to be able to pay the registration fee to participate in soccer or hockey. They have the ability, but they just do not have the financial wherewithal at the time to proceed. It is not their fault. It is not necessarily anyone in this room's fault. I

mean, that is the way it is. So, we have to try to address that, and we believe we have, certainly in part.

\* (17:10)

Mr. Acting Speaker, I want to talk to the issue and certainly speak to the issue with regard to rural Manitoba. Being a rural Manitoban and a member and my constituency being in the southeast of Manitoba in a rural constituency, I want to make a few comments with regard to this budget and our government and our commitment that we have shown to Manitoba farmers. We think we are being very flexible and we are providing sustainable—*[interjection]* We are trying to address the problems related to rural Manitoba and some of the problems that they have. But we realize that members opposite supported us with the approach that we were taking, certainly in part, with the federal government. We believe the federal government did not come to the table. They came to the table, but then they said, sorry, we cannot do a thing for you.

Now, last year, we added \$37.3 million extra for the basic AIDA and approximately \$20 million for AIDA enhancements. We also contributed \$40 million for the Canada-Manitoba Adjustment Program, along with the federal government, to provide \$100 million to grain and oilseed producers. Now, our government has provided almost \$70 million to Manitoba farmers—\$70 million—but our commitment to rural Manitoba does not end there.

Our budget demonstrates our commitment to rural communities, not just the agricultural community, but certainly to rural communities in general. We are providing \$18 million for rural capital projects such as sewer and water and the extension of natural gas. We have budgeted \$177 million to construction and maintenance of roads, bridges and other transportation links. We certainly have programs like the REDI program; \$15 million in support to local governments for economic and community development.

Sometimes governments do not do enough to show and certainly to tell the public and

taxpayers in Manitoba what they are doing to provide services or to enhance services for the populace.

Mr. Acting Speaker, I just want to comment, make a couple of comments to conclude my remarks with regard to agriculture, that our government is also committed to the sustainable growth in Manitoba's livestock industry. This Livestock Stewardship Initiative involves the departments of Agriculture, Conservation, Intergovernmental Affairs undertaking a number of initiatives to realize our goals with regard to sustainable growth.

Now, there are many areas that we certainly can touch on, whether it be the updating of the province's groundwater sensitivity maps, extremely important when you are looking at any kind of growth in agriculture or other areas; an independent study on the state of the province's soils, for example; increased technical review committee supports for the Manitoba planning process.

So this is something that when we take a look at this particular budget, we tried to make it as balanced—certainly a balanced approach and balancing our priorities as well. We took a look at the balanced budget debt reduction plan. It is certainly highlighted in our budget, but I think more importantly than anything, families and children.

*Mr. Speaker in the Chair*

We made specific budget commitments to families and children. The Healthy Child Initiative, \$13 million; child care, a \$9.1-million increase—the Premier (Mr. Doer) spoke in his remarks with regard to child care and child care workers and the support that they need financially—stable funding for K to 12, a 2.6 increase; property tax credit \$75 per household, whether you are renting or whether or not you own a property; Lighthouse schools through the WDA funds; post-secondary education 10 percent reduction in tuition fees beginning with the expansion of college spaces. All of these reflect commitments made before and during the election.

We certainly, Mr. Speaker, wish to comment that all of these, if you start putting together what we are doing in health, what we are doing in education dealing with families, there is a vision there for a better Manitoba. We are trying to take small steps with regard to many, many huge items and huge concerns that certainly exist in many important areas. We certainly wish to comment on the approach we have taken. We believe that this balanced approach that we have taken to the Budget and the balanced approach we are taking with regard to the economy of Manitoba is extremely important in a longer process.

Just a quick comment with regard to the North and Aboriginal peoples. I just want to say that the North and Aboriginal peoples are certainly one area that we as a government intend to address. We feel that First Nations people have been left out of the process not only having input into the process but certainly having been left out in concrete terms. We are talking about an Aboriginal Economic and Resource Development Fund, which will support multi-year and one-time economic, social, recreational and cultural activities in the North and with regard to First Nations people not just in northern Manitoba but throughout the province. There are a lot of areas, whether it be the diabetes and dialysis programs in Aboriginal communities.

These are just small examples in the time that I have that I just wanted to talk on and certainly speak about this particular budget. That is why I feel that all members of this Legislature should support this budget. It is extremely positive for all members and certainly positive for all Manitobans. Once again, we believe that this is new hope for young people, that we are repairing the health care system, that we are balancing the books, and we are also balancing the priorities of Manitobans.

So, Mr. Speaker, on that note I just want to say that I am proud to support a budget like this and proud of the work that our Minister of Finance (Mr. Selinger) has done with regard to this budget. Thank you very much.

**Mr. Gary Filmon (Leader of the Official Opposition):** Mr. Speaker, I want to compliment the Minister of Consumer and Corporate Affairs (Mr. Lemieux) for giving us an interesting presentation, a touch naive but very interesting. I know that he is one of the people here who does not have the hard philosophical edge that many of his colleagues on the other side of the House do, and he shows that in his comments. He is certainly more reasonable and rational than many of them are.

I want to just say that, firstly, I thank the Member for Kirkfield Park (Mr. Stefanson) for leading our party's response to the budget last Thursday. I apologize for the fact that I was not able to be here to respond to the Budget.

You may, of course, know that the Budget was the latest budget introduced in this House in the 21 years that I have been in the Legislature. I had five months ago accepted a speaking engagement in Edmonton, never dreaming that the Budget would not be brought in until the 10th of May.

So I had to keep my commitment. Of course, the Member for Kirkfield Park (Mr. Stefanson) did an excellent job of responding to the Budget, and I thank him for moving the motion of non-confidence and the wise words that he put on the record that day.

It is interesting. The members opposite seem to have a steady stream of excuses. Everything requires a new excuse to be invented. The Minister of Health (Mr. Chomiak) is becoming famous for them, but the Minister of Finance (Mr. Selinger), when he was confronted with the fact that this was the latest budget in 21 years, said: Well, we only took seven and a half months to prepare the Budget; normally a government gets 12 months. What he does not even know is that governments never start the new budget cycle until October, and he had exactly the same amount of time that all previous governments have had. The problem was, of course, that the Premier (Mr. Doer) did not issue him with his training wheels when he gave him the portfolio.

We found out today that he was not sure which room he has been in for the last seven months. He has got the wrong address on the brochure that has been sent throughout the province. I think it is an example of just the confusion that is going on in his department. But I will tell him that that excuse about not having had 12 months is not going to work next year, and he had better have a lot more things ready for next year's budget than he did for this year's budget.

\* (17:20)

It is a particular privilege to respond to the Budget. This will be my 22nd budget that I will be responding to. It normally would have been 21, but some of us on this side remember that in 1988 we had two budgets. There are a lot of echoes of the famous 1988 budget in this particular presentation. I will speak a little bit more about it in just a few minutes, but I will say that it is always a privilege to be able to respond to the Budget. As I think about those 22 budgets, I certainly recall that there has been quite an evolution in the way in which budgeting has been done in this province.

I remember those days as we took over from this budget that was, of course, defeated in the House as a result of one of the NDP's own members voting against his party, because year after year throughout the '80s we were in chronic half-billion-dollar deficits. Despite the fact that that party also increased their taxes year upon year, they still had chronic half-billion-dollar deficits. The big news in this budget was that in 1988's budget they were reducing their deficit to \$334 million. That is what it was in the last NDP budget of that Pawley-Doer term with Eugene Kostyra as the Minister of Finance.

Of course, you know it was becoming so embarrassing to them that they actually erased the "d" word from their vocabulary because this budget calls it "net budgetary requirement." That was an interesting terminology that was put together, probably by the Member for Fort Rouge (Mr. Sale), who was one of their minions who put together all sorts of financial things for them. He was probably the one who invented the term "net

budgetary requirement," so they did not have to have the embarrassment of calling it a deficit in those days. But it was a deficit, and indeed even one of their own members saw that this was the last straw of the smoke and mirrors.

Talk about smoke and mirrors, you just read the front page, and you have the same rhetoric that came through again this year. Talk about going back to the future. Beside this smiling picture of my old friend, Eugene Kostyra, it says: A commitment to restore fairness in taxation. What that means is we will take more from everybody. A commitment to conduct our government's affairs in a fair, balanced and fiscally responsible manner. Well, we just heard about the reference to balance from the Minister of Consumer and Corporate Affairs (Mr. Lemieux). What that meant in this year's budget was \$8 of additional spending for every \$1 of tax relief, unbelievable stuff, but the rhetoric has not ended. The rhetoric now comes 12 years later, all anew as though it is being reinvented by this government. Of course, we went through that period of time, tripling of the net provincial debt in the space of six and a half years. In six-and-a-half years they tripled the net provincial debt.

I found it interesting today that in Question Period, both the Premier (Mr. Doer) and the Minister of Finance (Mr. Selinger) resurrected this talk about having the fourth lowest overall taxes in the country on a per-capita basis. They added together all of the taxes, and they said that we have, indeed, the fourth lowest at some levels and the third lowest at other levels. That is taking into account all of the taxes that are applied to individuals. Now, the reason they did not use to use that comparison back in 1988 is because this is all thanks to the work that has been done by our government over that last 12 years that we are in that position. In 1988, using that same yardstick, we were the second highest overall tax regime in Canada. You take all of the taxes and apply them on a per capita basis to all Manitobans, and we were the second highest overall tax regime in Canada. We went all the way from being second highest to being fourth lowest, which they are now saying: Is

that not a wonderful thing? Is not that a wonderful thing? We think it is.

We think that applying lower and lower taxes systematically to all of our province's citizens is a good thing, but the 1988 budget had that \$334 million deficit, despite having just hammered the province with taxes year after year after year. I do not want to embarrass them further than they need to be, the members opposite, but this was just a list of some of the taxes that went up in budget after budget. Personal income taxes were increased in 1982 by 24 percent. They were increased again in 1983 by 23 percent. They were increased again in '85 by 11 percent. They were increased again in '86 by 17 percent. They were increased in '87 by 30 percent, on and on and on. I could go through the same thing with respect to corporation taxes, on and on and on. They invented, of course, the payroll tax that had not been here before; the corporate capital taxes that they applied to banks and all sorts of corporations; the land transfer tax which had never existed previously, on and on and on, everything they did. They never saw a tax they did not like or did not hike, Mr. Speaker.

Now that the environment has changed—thanks to 12 years of good government, thanks to 12 years of good budgeting—and people will not accept the kind of financing that they did, now they are taking credit for the fact that we have left them in one of the more competitive environments in Canada. However, Mr. Speaker, they are not content to leave it that way. They are not content to leave it that way.

We fought a long uphill battle to get ourselves back into a tax competitive environment. We fought a long uphill battle to do it, as well as protecting services. Time after time after time, there have been articles written across Canada that said that in terms of the protection of services over the last decade our province had done as well as any province in Canada. You know, at the time that we were running for office in 1988, when we defeated the NDP on this budget that I refer to, we said that we would not apply deep cuts, that we would in fact get the province growing again. We would use some stimulative tax

reductions, and we would get the province back on track and get out of a deficit within two terms of office. It took us seven years to get there.

I remember Frances Russell, of course, writing one of her famous articles. When we said we would grow our way out of the deficit, we would not apply deep cuts, that we would have modest reductions and control spending, make government more efficient, and at the same time then with the growth in the economy get ourselves to a balanced budget in two terms, she said that was voodoo economics. Of course, in seven years that is precisely what we did. What that led to, of course, then was five consecutive years, five consecutive years of balanced budgets under our administration, and it led to the most consistently strong economy that this province had seen in a century.

\*(17:30)

Well, I just want to say in beginning my remarks, Mr. Speaker, that one of the difficulties that the members opposite have is they do not realize that you never get a second chance to make the right first impression. They take this, and they bounce right in to back to the future, you know, the '70s and '80s style of ensuring that the spending side was looked after before even thinking about the taxation side. That is what they ran into, because that is all they could remember from the last time that they were in government was spend, spend, spend. They had a choice. They had a choice, and they blew it. They blew it.

I remember speaking to a colleague of theirs, a friend of mine, Bob Rae, who was the Premier of Ontario. Shortly after he took office—in fact, it was December 21 of 1990—we were at a federal-provincial meeting in Ottawa, and he was preparing his first budget. He was preparing his first budget, and he had already signalled that they were not going to do what other provinces like Manitoba, New Brunswick, and Alberta were working on, which was trying to get their deficit under control. He said: No, you do not understand. We are in a different situation. Our ratios of debt per capita are much lower than yours. Our

taxes per capita are lower than yours. We have room to move on all those areas and will still remain attractive.

Well, they went from a deficit that was left for them by David Peterson of \$3.5 billion right up to \$10 billion in the first budget, and it kept growing. It went well over \$12 billion on an annual basis. Years later, he acknowledged that the biggest mistake he made was giving in to the pressures to spend in his very first budget, that once the genie is out of the bottle you cannot put it back in. He indicated that if he had to do it all over again, he would have taken a much more moderate approach in the very first budget because every dollar that you build in to the base is there, and it is almost impossible to get out.

Remember that Bob Rae and his government had to bring in Rae days which were the Ontario equivalent of I think it was called Filmon Fridays—[interjection] Family Fridays, sorry. They had to enter into a social contract agreement that absolutely divided the organized labour in their province. There was tremendous chaos. They were gone in one term of government because they could never put the genie back into the bottle. That is what this group is headed for.

Mr. Speaker, this is a lost opportunity. It is indeed a lost opportunity. I know that members opposite are sensitive about it, but they have certainly been getting their ears filled with people right across the province from all different backgrounds. All sectors of our economy and our society have been giving them their ears full of criticism, and rightly so, right across the province.

Here is a quote from somebody who I think is normally friendly to government, Maureen Hancharyk of the Manitoba Nurses' Union. She said: Will it bring more nurses to the bedside? No, it will not. Especially, she is right, when you put the highest personal income tax rate in the country on middle-income earners—that will include people like nurses, doctors, teachers and computer programmers and so on—you are not going to attract more nurses to go to the bedside in this province. It is very simple. When your major

challenge in health care and with nurses is recruitment and retention, will you get it by telling them that they have to pay the highest personal income tax in the country? Absolutely not. So that is why she would say something like that.

Another person who I think is a friend to members opposite, Robert Chernomas, the President of the Manitoba Organization of Faculty Associations, said with respect to the education part of this budget: "Cheap tuition is one thing. Students still need books, teachers and courses." Of course, what his reference was to was the fact that in this budget they have made significant commitments to reduce tuitions. Now, tuitions in our province were the third lowest in universities, second lowest in community colleges in the country. In fact, the evidence has been that the students in Manitoba in our post-secondary institutions are graduating with among the lowest debt loads in the country. The reason, of course, is that tuition is, relatively speaking, low, but it is also a small part of the overall costs of a student going to college and university.

I know that members on our side of the House, particularly those from outside the city of Winnipeg, are well aware—in fact, I, having been involved in post-secondary education, have looked at the applications that people put forward for student aid. What you see unmistakably is that 60 to 65 percent of the total cost is their cost of living. It is not the tuition. So when he says he is going to give them this dramatic difference with the reduction in tuition, he is not going to do a doggone thing for their cost of room and board, for their cost of clothing, for their cost of transportation or any of those other things. So he is not really going to make a big difference. In fact, by keeping taxes higher than they ought to be on all the people who provide those services, he is probably going to mean that their costs of going to university and college are not altered one iota, in the final analysis.

Of course, when you look at what people say about it, there was an article very recently in the paper that talked about the fact that those who are in our schools and colleges are

getting great value for their education dollar that they are spending in any case. Here it is right here. It says: "Post-secondary grads getting good deal." That was on March 18 of this year in the newspaper. Of course, the Minister responsible was very encouraged by the survey, he said. The survey found that 75 percent of university grads had work in a field relating to their studies within two years of graduation; 77 percent of college grads, two years after graduation. Only 2.5 percent of university grads are looking for work and 4 percent of college grads. He said: Of course the report refutes the myth that university grads end up with poor jobs that are unrelated to their fields of study. The council analyst Ann Smith [*phonetic*] said: It shows that college and university grads and Manitobans are getting pretty good value from the post-secondary education system.

So they are out to fix a problem that does not exist according to any objective analysis. But on the other hand, they are adding to the problem. Why are they adding to the problem? Well, of course, what they are going to be doing is ensuring that when those students complete their college and university education, they will face entering the workforce in their chosen profession or area of work with the highest tax load on a personal income tax basis of any province in Canada. So when you are in an environment in which there is tremendous competition for nurses, for doctors, for computer programmers, for teachers—teachers are going to be, of course, in great demand in the next few years. I know that over the next five-year period probably close to a third of Manitoba teachers are going to be retiring. When we are facing the competition from across Canada, are they going to choose to work where their taxes are the highest in Canada? I do not think so, Mr. Speaker.

\* (17:40)

This is the interesting thing. In the '80s, the members opposite experimented when they were in government. The old Schroeder and Kostyra budgets were an experiment in socialism at work. The experiment was: Could you continue to run deficits in the half-billion-

dollar range for a province our size? Could you continue to do deficit financing year after year and not have a negative impact on your economy? That was the socialist experiment. The \$334-million deficit is what Jim Walding voted against.

Economists right across Canada are saying thank you to the Minister of Finance (Mr. Selinger), because now he has given them another experiment. That experiment is: Can you survive, with the middle income people in your province, who carry most of the load when it comes to taxes in this province, by making them the highest-taxed groups in Canada at their level of income? He has given them that working experiment in our province. The economists, of course, are happy with that because they think that five years from now they will maybe get some evidence as to how this works.

I can tell you that it is not going to work, that if you want to attract the talented, hardworking, productive people that you need as doctors, as nurses, as teachers, as computer programmers and so many other areas of our economy, you are not going to do it if you offer them the highest personal income tax rates in Canada. It just does not work. That is what we are facing.

Well, let us look at some more budget quotes that have come up that have been annoying the members opposite, so much so that they are sending their spin doctors out, that they are going and they arguing with reporters. They are putting out radio ads. They are putting brochures out. This is why, because right after the Budget, here are some other comments that were made, and I quote: "We will be looking at further budget reductions. Each department will have to cut its budget by 3 percent." That is what Mike McAdam, the V-P of Administration at the University of Manitoba said.

Here we are, we are offering students cheaper tuition, but what is the consequence? They are going to get fewer choices of courses. They are going to have fewer staff, bigger classes and all of the other negative effects that go with that. How do they get a

better quality education? The answer is they will not, thanks to this Finance Minister's budget.

Here is another one: "The universities are not getting enough for their operating grants to maintain the status quo, so they can either cut programs or raise tuition." That is what Steven Fletcher, the President of UMSU, said. Here is another one: "Universities are having serious problems right now because of lack of money. The University of Manitoba is so underfunded, it cannot attract or keep the professors it needs." That is a quote from Peter Blunden, the U of M Faculty Association.

**An Honourable Member:** What does he do about it?

**Mr. Filmon:** Well, they do not seem to care, Mr. Speaker. They do not seem to understand the problems that they are creating. They do not seem to care.

Here are some on taxation, and I quote: "Manitoba tripped over the starting line in the tax race." That was Graham Starmer, the President of the Manitoba Chamber of Commerce. Here is one that I like: "They had better put up a sign at either end of the province saying, 'Taxes R Us.'" Modesty prevents me from saying who said that. Here is another one: "If you like high taxes, this is a fantastic budget." That was Dan Kelly, the President of the Canadian Federation of Independent Business. Mr. Kelly also said this: "We at least thought they would follow the lead of Roy Romanow, and we are very disappointed that they did not do that." Here is another one: "The tax reductions are pretty insignificant in a budget that spent nearly \$6.4 billion." That was Larry McIntosh of the Manitoba Chamber of Commerce. Here is another one: "If we do not have the right economic climate to foster business growth, we will not have the jobs for skilled workers. We have cause to be concerned." That is Irene Merie, the Winnipeg Chamber of Commerce president. Here is another one: "We can now offer our students bursaries and train them to leave the province. We must create an incentive to keep our young people at home, a competitive tax structure." That is Jonas

Sammons of the Alliance of Manufacturers and Exporters.

So what you see is a group opposite that just do not get it. They just do not get it.

**Some Honourable Members:** They just do not get it. They just do not get it.

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order, please. It is getting very difficult to hear the Honourable Member speak. Could I ask the co-operation of all honourable members so that we can hear the Honourable Member speak.

**Mr. Filmon:** Here is another commentator on the Budget, and somebody who, generally speaking, is very receptive to the views and the policies of the Government of today, the NDP Government, it is Mayor Glen Murray. He said: "This budget does not help Winnipeg achieve its important goals of urban renewal and national competitiveness." "The city faces a lot of challenges with infrastructure, transit, ambulance service and downtown development. And I have a sense we are facing them alone." He went on to say, and this has got to really, really grind the Government: "They were better off under the former government when it came to"—

**Some Honourable Members:** Oh, oh.

**Mr. Filmon:** Mr. Speaker, the members opposite, in response to criticism from this side, of course, like to point to the glowing economy. In fact, they take credit in the budget speech for everything that was left for them by the efforts of our government in putting in place all of the things that—in fact, when I go through their budget speech there is not one of the job creation initiatives that was not begun under our government.

Vansco Electronics expansion, we had discussions with Ed Van Humbeck, who was at the University of Manitoba in engineering at the same time I was out there. I know him well and that was well in the planning stage. We had had discussions about the financial assistance that ultimately he was given by this

government. Air Canada bringing another 170 positions on their call centre was another issue that was worked on by our government.

The interesting thing is that members opposite were proud to be a part of Gage Marketing opening a new call centre in Selkirk, 226 new jobs, again an initiative that was developed with our government in office and announced when this government is here. Schneider's Corporation, another one that was as a result of the policies of this government in ensuring that there was dual marketing for hogs. That opportunity created not only the first Schneider's investment a few years ago; it created, of course, the Maple Leaf plant in Brandon and now the new Schneider's plant.

\* (17:50)

The Loewen Windows expansion in Steinbach has been a matter that has been in the works for quite some time. The only one that I can say that I had not heard about and maybe our ministers had known about was Motor Coach Industries adding 300 jobs because they got some major new contracts. Those are things that are obviously there because that plant has been a very good plant and very much growing under our administration. Now they are getting even more work. That will carry on.

These are the kinds of things that happen as a result of having the right policies in place consistently for years on end. It is not a flash in the pan. Those who make investments want to know where you are going in the longer term. The result of that, of course, is that we had for the last two years the lowest unemployment rate in Canada over that two-year period. I note that we are starting to slip as a result of people already hedging their bets, people like Medichair in Brandon moving out; reduction in jobs in the banking sector; other things that have been taking place; the potential for federal government jobs being withdrawn from the province, all those things that will result in difficult times for some parts of the province.

They do not seem to think that it is a problem at all, but I say to them that people

will start to make new judgments about whether or not this is a good place to invest. Every major corporation, when they are investing tens and hundreds of millions of dollars of capital, they do not look at it over a period of a year or six months. These are three- to five-year projections. They make the decisions based on the analysis and the work that they do for at least three years before they make these kinds of major expansion announcements or investment announcements.

That is the honeymoon period that this government may well have. They may well have so many things that are in the pipeline like the one that I have already talked about that will carry them through a little bit further and a little bit further and a little bit further. The question is whether or not people who are looking at the long-term decisions, whether or not they look at this government as giving them a long-term hope of having their taxes lowered and the business climate improve.

I believe, Mr. Speaker, that their answer will be a resounding no and that within the next three years, prior to the next election, we are going to see the softening occur as people in that period of time start to make their long-term decisions to go elsewhere. We have already seen a few examples. The Minister of Finance (Mr. Selinger), of course, says he does not know why Medichair is going to Calgary, even though the CEO says that high taxes here are one of the major reasons.

On the growth side, members opposite are saying: What is the problem? We are projecting growth of 2.7 percent for Manitoba for this year. The reality is that Canada is projecting 4.5 percent growth. This is running at half of Canada's. Three of the last four years, Manitoba exceeded Canada's growth—three of the last four years—under this administration. Now we have a government that is going to be happy with growth at half of Canada's rate. That is the kind of thing that I think has to be a concern to the people of this province.

I just want to touch on another thing tonight. That is the disturbing change that the Minister of Finance (Mr. Selinger) made just

with a stroke of a pen with respect to how he is handling the province's debt. We have in place a balanced budget and taxpayer protection act that requires minimum payments to be made every year to reduce our total long-term debt.

He and his Premier (Mr. Doer) made a big fuss out of saying that, well, they are now doing something dramatically better. That is that they are now acknowledging that we also have a significant liability in long-term pension obligations. So what have they done? Have they added any payments to reduce that debt? The answer is no, absolutely not. They have not put one more nickel in. They are still reducing the total debt by \$96 million, and they have not done a thing to address that. No, they have not. All they have done is taken the \$96 million that they are obliged to do under the act, and they have split part of it up against the pension debt. What does that do? It extends the length of time to 40 years now instead of 30 years under the balanced budget legislation to remove the province's long-term debt.

Mr. Speaker, they remind me of the old joke of the wealthy person who is getting close to the end of his life and he has got a wayward son who has never done very much good in his life. So the son comes to him, as he is very ill, and he says, you know, I need some money, and he says, well, Eddie, he says, I will remember you in my will. So they get together after the individual passes away and there is the reading of the will. They go along and they say he has left so much to this and he has left so much to this person and he has left so much to this charity, and he says, and now for my wayward son Eddie, who I promised to remember in my will, hello, Eddie, and he goes right on.

That is all they have done. They have said we have acknowledged the debt, but they have not put one nickel in towards the payment of that obligation. What a shell game, smoke and mirrors, absolute smoke and mirrors. There was supposed to be a \$96-million payment on the debt. They paid \$96 million, and they put part of it towards the pension debt, and they have extended now by 10 years the length of

time it is going to take Manitobans to reduce the deficit.

Well, I say, hello, Greg, you have not done a thing other than acknowledge that that debt was there. Everybody knew it. It was put on the record every year in the Auditor's Report—every year.

Mr. Speaker, that just goes to the lack of credibility that this Government has. This minister is starting on very, very shaky footing. I talked about it earlier today in Question Period, about the fact that he went to visit with the editorial board of the *Brandon Sun* to try and spin his magic, to somehow make them believe that people were getting tax cuts when they really were not. When they confronted him with budget figures that show Manitoba has among the most affordable taxes in the country for low income earners, but the highest rates this year for a family of four earning \$60,000, he said: That is what we inherited.

Absolutely false, because he knows that it is in the 1999 budget, that we were the fourth highest in the country. We have gone in one fell swoop from fourth to highest in the country for the \$60,000 wage earner with a family of four. Absolutely false. He destroys his own credibility. He destroys the credibility of the budget process in this province, and he ought to be ashamed for it. He ought to apologize for it. His leader ought to as well, because credibility is important with the finance community. That is what is going to be looked at from now on.

We have seen the example of different organizations taking a closer look at what is really in the Budget and finding out that all they say in their spin and their bumf is not true, and that is one of the things I think is going to be a long-term challenge for us in this province.

If those who do our bond ratings take a look at the way in which the Budget is crafted, and they say, this is a balance, we put money in on both sides, spending and taxes, and find out that in reality there is \$8 of spending for every \$1 of tax relief, they are not going to be

happy with it. His credibility is at stake. I say to him that this is going to be one of the challenges that we face in this province over the next while.

Mr. Speaker, I would like to move now to examining just what the priorities are—

**Mr. Speaker:** Order, please. When this matter is again before the House, the Honourable Leader of the Official Opposition will have unlimited time to continue his remarks.

The hour being 6 p.m., this House is adjourned and stands adjourned until 10 a.m. tomorrow (Friday).

# LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 18, 2000

## CONTENTS

<b>ROUTINE PROCEEDINGS</b>			
		International Joint Commission Jack Penner;Doer	1268
<b>Reading and Receiving Petitions</b>			
Winnipeg Police Athletic Clubs Driedger	1259	Flood Mitigation Proposals Jack Penner;Doer	1268
<b>Tabling of Reports</b>		Bill 72 Smith;Caldwell	1269
Annual Report, 1998-1999 Manitoba Gaming Control Commission Lemieux	1259	<b>Members' Statements</b>	
Quarterly Report, December 31, 1999 Manitoba Hydro-Electric Board Selinger	1259	McHappy Day Faurshou	1269
Annual Report, 1999 Teachers' Retirement Allowances Fund of Manitoba Caldwell	1259	Economic Strategy Schellenberg	1270
Manitoba Fisheries Report April 1, 1994 to March 31, 1999 Lathlin	1260	Winnipeg Police Association Charity Ball Smith	1270
<b>Oral Questions</b>		John Taylor Collegiate Rondeau	1271
Income Tax Filmon;Selinger	1260	St. Vital Curling Club Allan	1271
Stefanson;Selinger	1262		
Gilleshammer;Selinger	1264		
<b>Budget</b> Gilleshammer;Selinger	1264		
Education System J. Smith;Caldwell	1264		
University of Manitoba Derkach;Caldwell	1266		
Manitoba Lotteries Corporation Gerrard;Doer	1266		

## ORDERS OF THE DAY

<b>Budget Debate</b> (Seventh Day of Debate)	
Derkach	1271
Doer	1274
S. Smith	1282
Caldwell	1287
Maguire	1293
Lemieux	1297
Filmon	1302